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AGC
THE CONSTRUCTION
ASSOCIATION

April 1, 2020

What You Need to Watch, as the Outbreak Continues to Unfold

Overview



- The Importance of Safety to Continued Construction Operations
- AGC COVID-19 Safety Toolkit & OSHA Update
- The Economic Outlook for Construction
- Update on Federal Guidance from CISA on Essential Construction
- Infrastructure in the CARES Act & Outlook for Further Infrastructure Action in Phase 4
- The Status of and Prospects for Multiemployer Pension Plans and Health and Wellness Plans
- Questions and Answers

Stephen Sandherr

CEO



Safety First & Always: It's Essential to Construction

- Continuing construction operations demands safe worksites

Continuing Construction Operations Demands Safe Worksites



- Safety is the primary concern of every construction project
- AGC and our chapters have been mostly successful in ensuring that construction operations continue
- Federal, state, and local officials have relied on our communications that social distancing, use of PPE and monitoring who enters your jobsites creates a safer environment than exists in other industries
- For the most part, construction unions support continued work IF safe practices are maintained

Continuing Construction Operations Demands Safe Worksites



- Government officials can reverse the ability to continue to operate with the stroke of a pen
- Every private citizen with a phone is a potential public inspector
- Construction CEO's and senior execs need to ensure that safe practices are known, understood, and followed
- AGC has resources to assist in that effort and they are available on our website
- The public is counting on us to do our part to prevent the spread of COVID-19

Kevin Cannon

Senior Director, Safety & Health Services



AGC COVID-19 Safety Toolkit & OSHA Update

- Walk through the AGC COVID-19 Safety Toolkit
- Provide an update on COVID-19 from an OSHA perspective

AGC COVID-19 Safety Toolkit

Sample Plan for COVID-19 Exposure Prevention, Preparedness, and Response



Goal

To help construction contractors develop a sound approach to each of their projects.

- 62% of respondents in a recent Willis Towers Watson survey reported that the COVID-19 information they were receiving were not construction-specific.¹
- AGC, along with its partners on the Construction Industry Safety Coalition (CISC), pooled resources to create the sample plan.
- On March 30, AGC released the Sample Plan for COVID-19 Exposure Prevention, Preparedness, and Response and it can be found on the AGC COVID-19 webpage under the Safety, Health & Environmental Resources tab.
- There is no OSHA standard that addresses what the contents of such a plan should include. OSHA, however, has issued a guidance document on preparing workplaces for COVID-19, which can be found at <https://www.osha.gov/Publications/OSHA3990.pdf>.

¹ <https://www.willistowerswatson.com/en-US/Insights/trending-topics/covid-19-coronavirus>

AGC COVID-19 Safety Toolkit

Sample Plan for COVID-19 Exposure Prevention, Preparedness, and Response



Purpose of the Plan

The purpose of this plan is to outline the steps that every construction employer and employee can take to reduce the risk of exposure to COVID-19.

The plan describes:

- how to prevent worker exposure to the coronavirus,
- protective measures to be taken on the jobsite,
- personal protective equipment and work practice controls to be used,
- cleaning and disinfecting procedures, and
- what to do if a worker becomes sick.

AGC COVID-19 Safety Toolkit

Sample Plan for COVID-19 Exposure Prevention, Preparedness, and Response



Plan Sections

1. Responsibilities of Managers and Supervisors
2. Responsibilities of Employees
3. Job Site Protective Measures
4. Job Site Cleaning and Disinfecting
5. Job Site Exposure Situations
6. OSHA Recordkeeping

7. Confidentiality/Privacy
8. General Questions

Included in the plan are also:

1. COVID-19 Checklist for Employers and Employees
2. COVID-19 Toolbox Talk

AGC COVID-19 Safety Toolkit

Sample Plan for COVID-19 Exposure Prevention, Preparedness, and Response



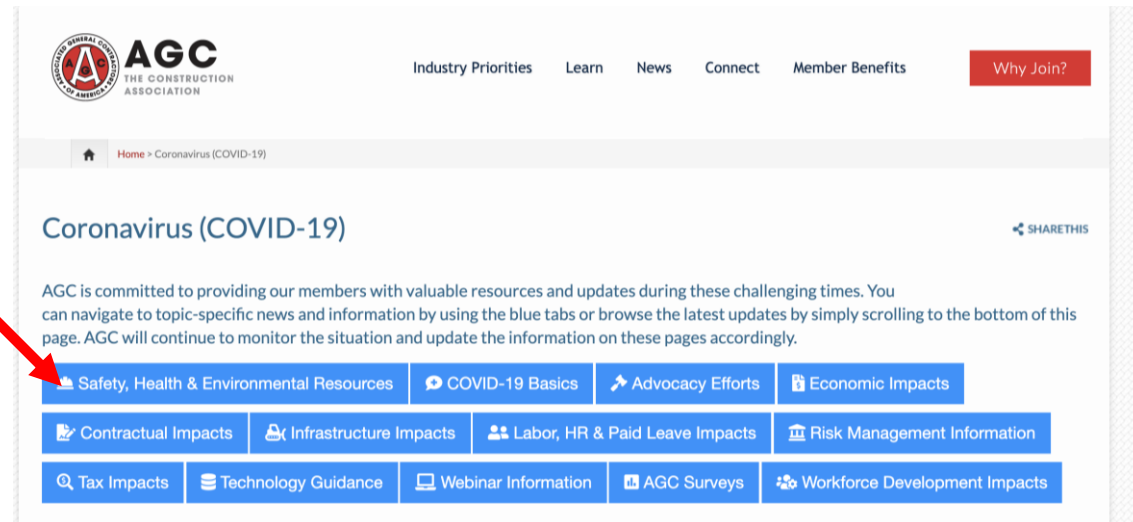
Sample Plan for COVID-19 Exposure Prevention, Preparedness, and Response *Developed by Construction Industry Safety Coalition (CISC)¹ March 25, 2020 Revised by The Associated General Contractors of America (AGC) March 31, 2020*

Every construction project is different. What is feasible and appropriate for any one project depends on its size, location and other unique characteristics. To help construction contractors develop a sound approach to each of their projects, the CISC is pleased to make this sample plan available. Neither the coalition nor its individual members intend this document to be a definitive statement of the protocols and procedures that are applicable to each and every project. Nor are they endeavoring to provide legal or other professional advice. This document should NOT be construed as legal advice or any other expression of the scope or nature of a construction contractor's legal obligation to provide employment and a safe place of employment to its employees, particularly under the unprecedented circumstances that the COVID-19 outbreak has created. In addition, new and better information could well supersede the information included in this document. As the situation evolves, construction contractors should continue to monitor the environment in which they are working and related developments and react accordingly.

[Name of Company] (hereinafter "Company") takes the health and safety of our employees very seriously. With the spread of the coronavirus or "COVID-19," a respiratory disease caused by the SARS-CoV-2 virus, the Company must remain vigilant in mitigating the outbreak. The Company is a proud part of the construction industry, which many have deemed "essential" during this Declared National Emergency. In order to be safe and maintain operations, we have developed this COVID-19 Exposure Prevention, Preparedness, and Response Plan to be implemented, to the extent feasible and appropriate, throughout the Company and at all of our jobsites. The Company has also identified a team of employees to monitor the related guidance that U.S. Center for Disease Control and Prevention ("CDC") and Occupational Safety and Health Administration ("OSHA") continue to make available.

This Plan is based on information available from the CDC and OSHA at the time of its development and is subject to change based on further information provided by the CDC, OSHA, and other public officials. The Company may also amend this Plan based on operational needs.

¹ The CISC is comprised of over 25 construction industry trade associations representing all aspects of the construction industry. The CISC was formed to provide information to the Occupational Safety and Health Administration and contractors on important safety and health issues. This document is a "template" that individual contractors should review carefully and tailor to their own work and jobsites.



AGC of America, AGC Chapter and Member Developed Resources

To assist members with protecting their employees from exposure to COVID-19, AGC, its chapters, coalition partners and members have created a list of resources that may be incorporated into their existing safety and health programs.

- Sample Plan for COVID-19 Exposure Prevention, Preparedness, and Response
- AGC Webinar on Protecting Your People & Your Projects [Recording [📎](#), Slides [📎](#)]
- Tips for Keeping Construction Workers Safe during the COVID-19 Pandemic
- AGC Proactive Measures for Addressing COVID-19
- COVID-19 Best Practices for Construction Jobsites
 - AGC Houston Chapter COVID-19 Recommended Practices for Construction Jobsites
 - AGC Oregon-Columbia Chapter COVID-19 Jobsite Practices
 - The Builders' Association COVID-19 Recommended Best Practices for Construction Jobsites
- Project Slowdown/Shutdown Guidance
 - Master Builders' Association Project Shutdown Guide [📎](#)
 - AGC Oregon-Columbia Chapter Preparing for a Slowdown/Shutdown [📎](#)
 - AGC Wisconsin and AGC Greater Milwaukee Recommended Practices for Securing Project Sites and Buildings
- AGC of Washington: Toolbox Talk on COVID-19 [📎](#)

Kenneth Simonson

Chief Economist



The Economic Outlook for Construction

- AGC coronavirus survey summary
- Current economic impacts on construction
- Construction outlook for 2020
- Likely longer-term economic impacts on construction

AGC Coronavirus Survey Summary



conducted March 23–26; 1640 responses

- State/local official or agency ordered **halt to work**: 18%
- Owner ordered **halt to current work**: 39%
- Have you experienced **project delays or disruptions** (total: 45%) due to:
 - **shortage of materials**, equipment or parts: 23%
 - **shortage of craftworkers** (incl. subs): 18%
 - **shortage of gov. workers** (for approvals, inspections, etc.): 16%
 - info that an infected individual has **potentially infected a jobsite**: 13%
- Have suppliers sent notice that **deliveries will be late or cancelled**: 35%

AGC needs your data to make the case to public officials, the media, and public



Please Complete Our Weekly Survey

- You can visit the AGC of America COVID-19 website (<https://www.agc.org/coronavirus>) and click on the “AGC Surveys” button to take the current survey and review data from previous ones.
- Or simply go here to take the latest survey: <https://www.surveymonkey.com/r/9LKXZTS>

Current economic impacts on construction



- Owners are increasingly halting projects, canceling scheduled starts
- Governors, local officials are tightening previous exemptions
- Disruptions are increasing due to missing deliveries, workers, government approvals/inspections/etc.
- Growing number of suppliers are warning of late/canceled deliveries

A few positives:

- Small # of new projects to respond to crisis (healthcare, mfg., lodging)
- A few cases of accelerated highway, airport work as traffic declines
- Substantial price reductions for fuel, other commodities

Construction outlook for 2020



- Virtually no new private starts except pandemic-related and emergency repair work
- State DOTs likely to continue lettings but with some delays, cutbacks
- Other infrastructure will depend on amount of advance or assured funding
- Contractor layoffs, closures/bankruptcies will increase sharply

Likely longer-term economic impacts on construction



- Slower rebound than for other sectors as owners, consumers await certainty and repair of balance sheets
- Public spending will vary according to revenue source, amount of unbudgeted costs incurred to combat pandemic
- Less demand than pre-crisis for retail, offices, higher ed, cultural facilities
- Possibly less demand for sports, entertainment, lodging & travel-related
- Possibly even greater demand for distribution facilities, data centers
- Little long-term change in outlook for K-12 education, water/sewer, federal

Murphie Barrett

Vice President, Congressional Relations for Infrastructure Advancement



Infrastructure

- CISA Guidance: Essential Critical Infrastructure Workforce (Version 2.0)
- Infrastructure related action in CARES Act
- Future prospects for infrastructure investment

What is CISA?



It's the Nation's Risk Advisor



- Cybersecurity and Infrastructure Security Agency or CISA is part Department of Homeland Security.
- It was created by Congress in 2018.
- CISA's job is work with partners to help ensure Nation's critical infrastructure is protected from cyber and other threats now and in the future.
- 16 critical infrastructure sectors.

CISA Guidance: Essential Critical Infrastructure Workforce (Version 2.0)



Released on March 28, 2020

- **Objective of the Guidance:**
 - To help states and local governments determine who was needed to ensure the security and resilience of our critical infrastructure during COVID-19 pandemic.
- **Important items to note:**
 - The guidance and list are advisory; **not** a federal mandate.
 - It will be updated as necessary based on the situation and feedback.
- **Issue with the original version:** lack of clarity if ALL construction workers are essential; patchwork.
- **Key changes in Version 2.0:**
 - Construction and related activities now appears 25 different parts the guidance and list.
 - Construction added to the following critical infrastructure sectors: Energy; Other Community or Government Based Operations and Essential Functions; and Residential/Shelter Facilities and Services.
 - Included the manufacture and delivery of construction supplies and safety equipment and the permitting and inspection of projects.
- **Assessment:** Helps mitigate the confusion about whether construction workers are essential.
- **Read Version 2.0:** <https://www.cisa.gov/publication/guidance-essential-critical-infrastructure-workforce>.

CARES Act: What is included for Infrastructure?



- Objective: address the most-pressing impacts of the COVID-19 outbreak.
- Generally, does not provide funding for the Nation's infrastructure.
- Focuses on two issues:
 - Providing federal agencies with additional funding or repurposed prior funding for operations and administrative expenses.
 - Helping certain partners, such as airlines and public transit agencies, address their operations costs and mitigate the impacts of any lost revenue.

Issue #1: Funding for Federal Agencies*

*This is not an exhaustive list of the federal agencies that received funding.

U.S. Department of Transportation

- Office of the Secretary: \$1,753,000
- Federal Aviation Administration: \$25,000,000
- Federal Motor Carrier Safety Administration: \$150,000
- Federal Railroad Administration: \$250,000

U.S. Army Corps of Engineers

- Operations and Maintenance: \$50,000,000
- Expenses: \$20,000,000

Environmental Protection Agency

- Science and Technology: \$2,250,000
- Programs and Management: \$3,910,000
- Hazardous Substance Superfund: \$770,000

Issue #2: Help for Certain Partners

The Aviation Industry

- \$32B in grants for airlines and related businesses.
- \$46B in loans and loan guarantees aviation industry.
- \$10B in grants for airports.
- Suspension of certain aviation-related taxes.

Public Transit Agencies

- \$25B through certain federal transit programs.

Amtrak

- Approx. \$1B total in grants for Northeast Corridor and National Network.

Other notable provision: Harbor Maintenance Trust Fund

Phase 4: Infrastructure?



Key Questions:

- What are the further impacts of the COVID-19 pandemic to the U.S. economy and the American people?
- Are the laws that Congress already passed helping?
- Is there consensus among Members of Congress on what to do next?
- Is there spending fatigue?

Phase 4: Infrastructure?



The Good News:

- Infrastructure investment has a proven track record of fostering economic activity and creating jobs.
- President Trump and Members of Congress on both sides of the aisle are openly discussing infrastructure investment to help the Nation recover.
- Various legislative proposals in the queue or being developed already.

Stephen Sandherr

CEO



The Status of and Prospects for Employee Benefit Plans

- Multiemployer Pension Plans
- Health & Welfare Plans

COVID-19 Wreaking Havoc on Benefit Plans

- White House & Congressional Leaders acknowledge Phase 4 possible
- Pension policies being pursued:
 - smoothing of investment and contribution losses
 - Funding to avert plan failures
 - Structural reforms prerequisite for relief?
 - Authorization of new plan design
- Health & Welfare plan relief sought:
 - COBRA premium assistance
 - Reinsure claims for COVID-19 and prescription drug coverage



Ask the Experts: Impact of Coronavirus on Union Contractors



AGC Webinar: Friday, April 3, 2020 FREE to AGC Members

- Join us for a conversation with experts on the labor and employment law considerations for union construction contractors during the coronavirus outbreak.
- Participants will learn how to navigate new paid sick and family leave mandates, expiring collective bargaining agreements, and layoffs and furloughs while staying compliant with the National Labor Relations Act, the WARN Act, labor contracts (including benefit fund), and more.
- The webinar will also address what Congress is considering for future relief and how union contractors might be impacted.
- Register here: <https://na.eventscloud.com/ereg/index.php?eventid=539216&>

Questions?