

NAIOP NJ Webinar: Restarting Construction & Mitigating Risks

May 27, 2020
11 am



Welcome



Michael McGuinness
NAIOP NJ CEO

NAIOP

COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION

NEW JERSEY CHAPTER

Upcoming NAIOP Programs



June 11 Webinar: Regulatory, Legislative & Legal Update,
9 AM – 11 AM. Registration opening soon.

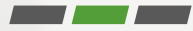
June 23-25 ICON Virtual, Registration open on [NAIOP.org](https://www.naiop.org).

July 9 Webinar: Public Policy Symposium (Rescheduled),
9 AM – 11 AM. Registration opening soon.

Sep 9 33rd Annual CRE Awards Gala, The Palace at Somerset Park.

Sep 21 Golf Classic, Trump National, Bedminster.

STO BUILDING GROUP



NAIOP NJ

**Restarting
Construction &
Mitigating Risks**



STO BUILDING GROUP OPERATING BRANDS



STO BUILDING
GROUP

Ajax

bcci
builders

GOVAN BROWN
Construction Managers

Layton
CONSTRUCTING WITH INTEGRITY

 **LF Driscoll**

 **LF Driscoll**
Healthcare

 **PAVARINI**

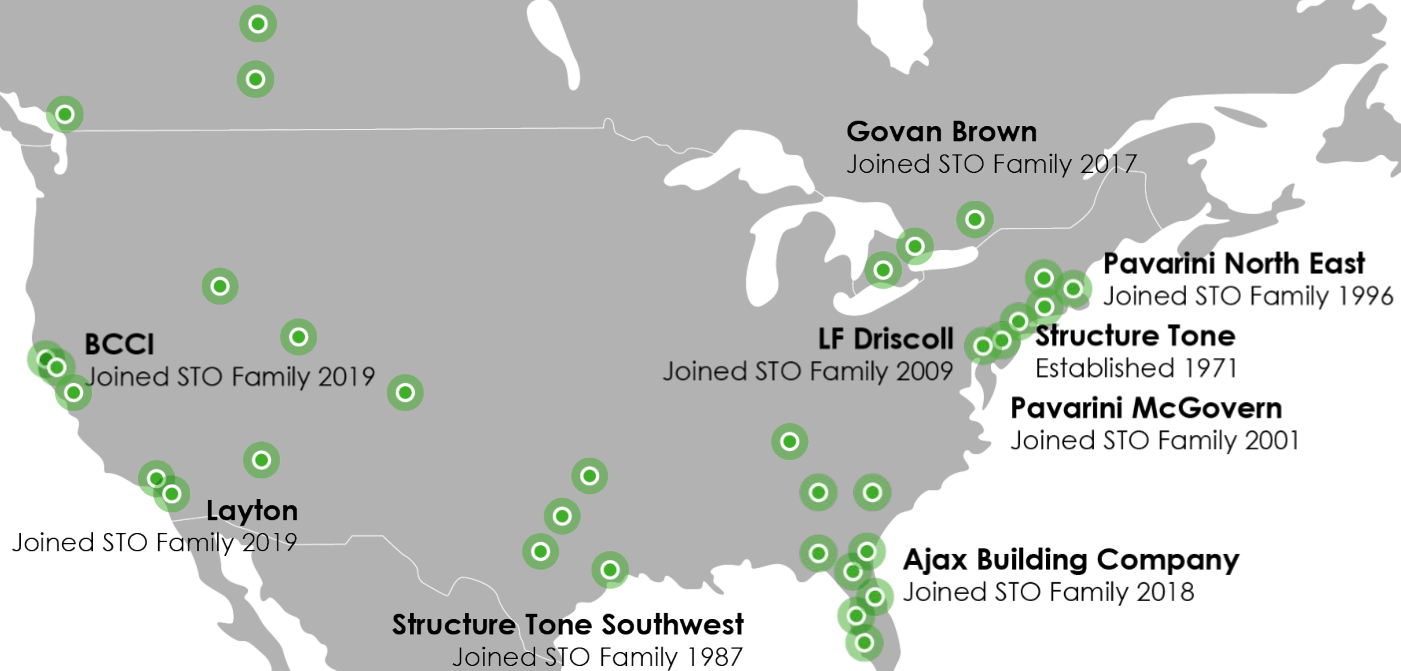
 **PAVARINI McGOVERN**

 **STRUCTURETONE**

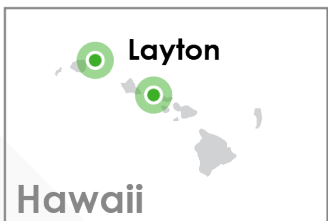
 **STRUCTURETONE**
Southwest

 **STRUCTURETONE**
International

STO HISTORY OF COMPANIES



Structure Tone International
London 1988
Dublin 1995





Jim Donaghy

Executive Chairman, STO

jdonaghy@structuretone.com

AGENDA

- Safe Return to Work Plan
- Supply Chain & Subcontractor Impacts
- Impacted Sites & Client Considerations



Paul Drecksel

COO, Layton Construction

pdrecksel@laytonconstruction.com



Stephen Neeson, LEED® AP

SVP, Operations
Structure Tone

stephen.neeson@structuretone.com



David Hamilton

VP Purchasing, Structure Tone

david.hamilton@structuretone.com



Rob Leon

EVP, Global Services,
STO

robert.leon@structuretone.com

SAFE RETURN TO WORK PLAN



Paul Drecksel
COO, Layton Construction

Stephen Neeson,
LEED® AP
SVP, Operations
Structure Tone



STO STATS

During the pandemic



957 projects in 24 states



jobs from less than 10 to as many as 675 tradeworkers per day on site



put in more than 7.2M subcontractor hours



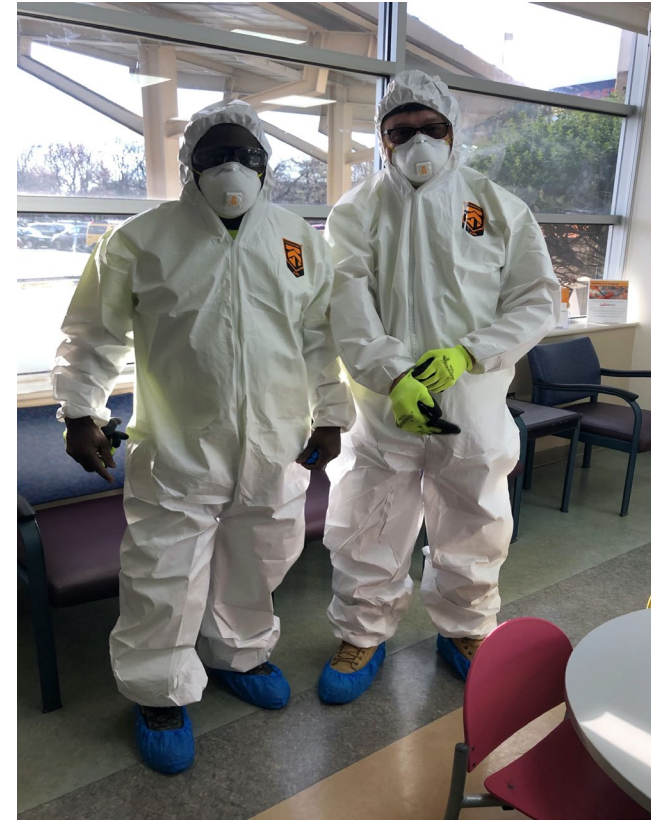


WHY IS ADHERENCE TO SAFETY PROCEDURES SO CRITICAL?

- Risk is still high
- Most of our positives = asymptomatic
- Our goal is to prevent job site outbreaks
- Workforce needs to know they are safe
- Strict adherence to procedures

COVID-19 SAFETY PROCEDURES MUST EVOLVE

- Clear information and communication
- New orders, best practices and lessons learned
- COVID-19 task force meetings
- Who will make decisions/issue new procedures?
- Don't try to predict future procedures



COVID-19 SAFETY PROCEDURES SHOULD ADDRESS

- Update COVID-19 training and orientation for all
- Collaboration & communication & feedback
- Best practices governing safe operations
- Monitor and ensure safety procedures are followed
- Questions around new situations:
 - Pre-entry screening: health questions
 - Temperature scanning
- Three Focus Points
 - Face coverings
 - Safe social distancing
 - Positive case process and jobsite contact tracing



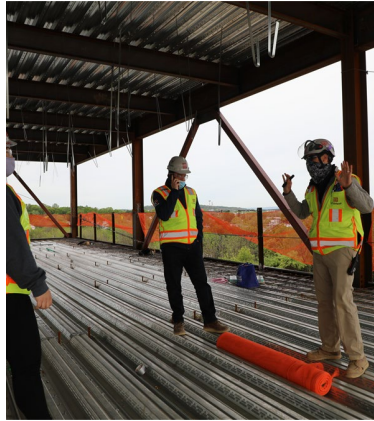
THREE FOCUS COVID-19 SAFETY PROCEDURES

FACE COVERINGS

- Local orders often govern
- Robust mask when close (N95)
- Proven to reduce transmission
- **NOT** a substitute for social distancing
- Excellent for jobsite morale
- Clear signal to public and AHJ

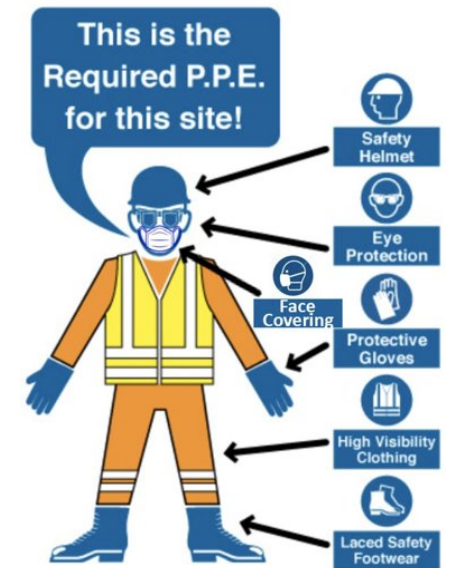
SAFE SOCIAL DISTANCING

- Limiting number of people
- Pinch point analysis & mitigation
- Daily pre-task planning
- Best protection
- Hardest to enforce



WHAT TO DO WHEN YOU ENCOUNTER INFECTIONS

- Case-by-case analysis apply procedure
- Collaborative effort with employer
- Who gathers facts and make decisions?
- Who will be notified?
- What information can you provide?
- Messaging is key
- Be transparent and honest
- Don't incite panic
- Explain steps being taken
- Emphasize they are for everyone's safety



DAILY OPERATIONS IMPACTS/VARIABLES

- **Safety and health is the priority**
- **Landlord and Tenant Concerns**
- **Availability: Building Departments & Design Partners**
- **Labor available for restart/productivity**
- **Contractual Alignment**
- **Schedule impacts**

SUPPLY CHAIN & SUBCONTRACTOR IMPACTS

David Hamilton
*VP Purchasing,
Structure Tone*

CEI Leadership



INTERNAL TASK FORCE

Centers of Excellence

Fragmented
industry wide

Second tier
to CMs

GPO
evolution

OUR FINDINGS

**Fluid
Situation**

Geographic

Unpredictable Pinch Points:

- Master tracking log
- Lighting (highest)
- Ceramics / Stone - Italy, NY, CA and FL
- Office fronts
- Electrical gear
- Formicas
- Hardware... Mexico
- Specialty ceilings
- Plumbing fix
- PPE / Sanitary Supplies

RECOMMENDATIONS

A green square with a background illustration of a stack of US dollar bills.

**Payments &
Deposits**

A teal square with a background illustration of a laptop displaying a line graph with an upward trend.

Expediting

A yellow-green square with a background illustration of a large dollar sign surrounded by circular arrows, suggesting a cycle or substitution.

Substitutions

A blue square with a background illustration of interlocking gears.

**Stockpiling/
Early Purchase**



COST IMPACTS

Shut down/Suspension

- Site Cleaning
- Contractor General Conditions

Remobilization/Start Up/New Environment

- Productivity
 - distancing,
 - staggered start, shifts,
 - vertical transportation
- PPE & Training
 - Jobsite medic (thermal scan),
 - sanitizing and wash stations
- Indoor Air Quality (IAQ)
- Schedule extension – workforce avail / inefficiencies

FINANCIAL IMPACTS

Subcontractor Impacts

- Cash Flow/Deposit/Advances
- PPP CARES Act - webinar
- Sub-Cont. Default Insurance/Bonding
- Supplier Waivers



CM ROLE

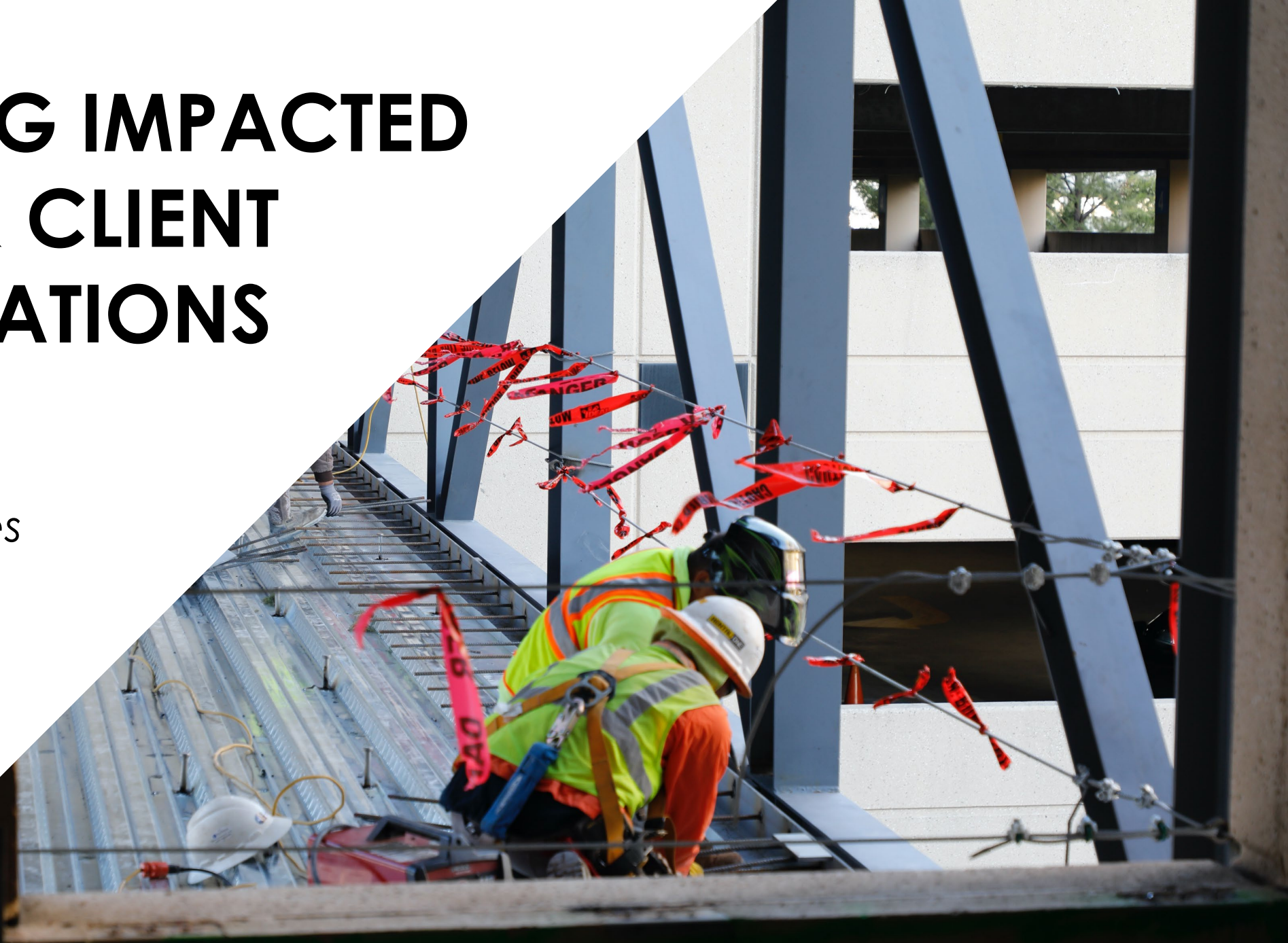
Jobsite – Cost Management

- Productivity calculations
- Schedule impacts and lengthening
- Value Engineering
opportunity/substitutions
- Suggest - \$ Contingency/Schedule
allowance

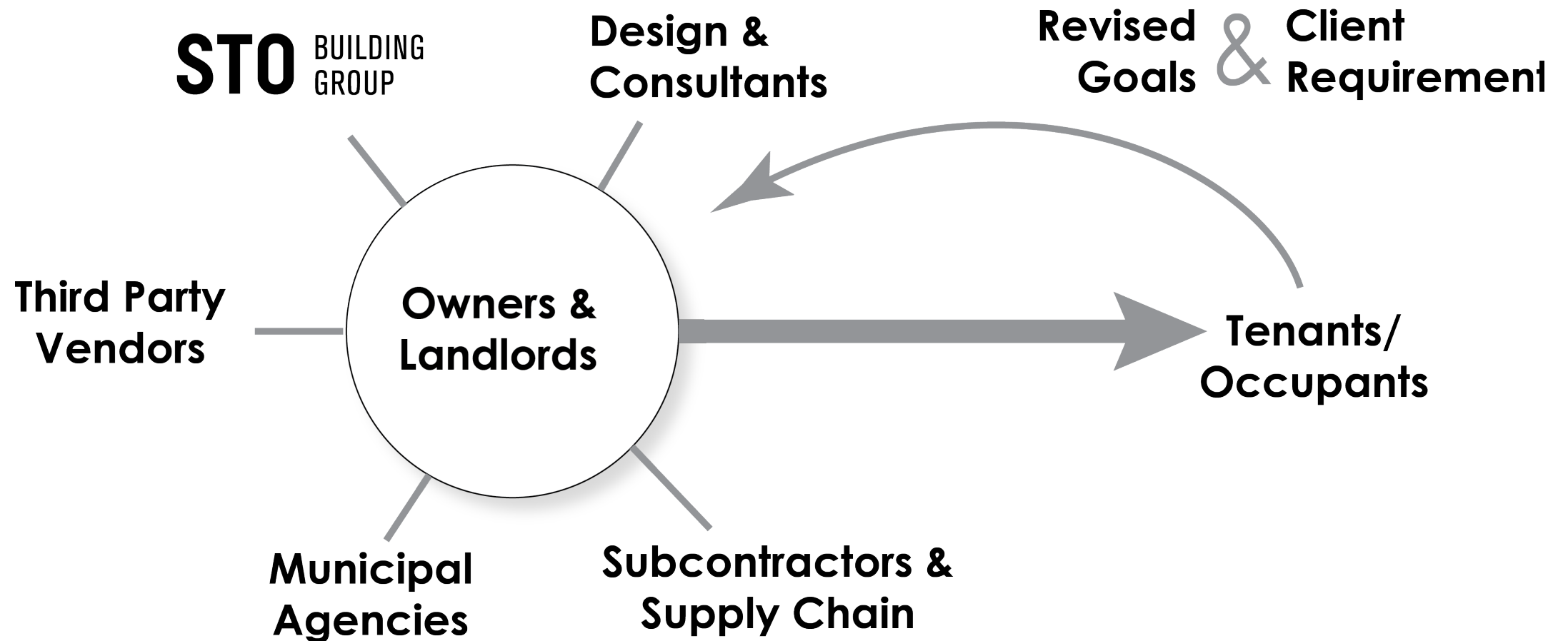


MANAGING IMPACTED SITES/PM & CLIENT CONSIDERATIONS

Rob Leon
EVP, Global Services
Structure Tone



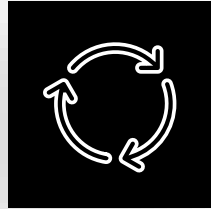
RISK IDENTIFICATION & MITIGATION



STO BUILDING GROUP AT A GLANCE



**ST Founded
in 1971,
Privately
Held**



**85% Business
from
Repeat
Clients**



**#1 US Interiors
Construction
Co.**



**75% of
Projects
Under \$2M**



**Leader in BIM
&
LEED/WELL**



**40 Global Offices:
US, Canada,
UK & Ireland**



**An EMR of 0.73 <
National Avg of
1.00**



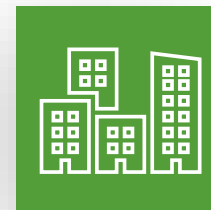
**Top 5
National
Healthcare
Builder**



**#7 ENR
Ranking CM-
at-Risk**



**Over 3,300
Professionals
*no layoffs or
furloughs**



**\$8 Billion+
Construction
Volume per
Year**



**Over 50%
Employee
Ownership**

STO BUILDING GROUP CONTACT INFO

NEW JERSEY

Erik Sletteland – erik.sletteland@structuretone.com
Stephen Neeson – stephen.neeson@structuretone.com

MID-WEST

Paul Drecksell – pdrecksell@laytonconstruction.com

GLOBAL SERVICES

Rob Leon – robert.leon@Structuretone.com

STO PROCUREMENT

David Hamilton – david.hamilton@structuretone.com

NYC/CT

Eugene White – eugene.white@structuretone.com

PHILADELPHIA

Dermid Kelly – dermid.kelly@structuretone.com

BOSTON

Dave Kempton – david.kempton@structuretone.com

TEXAS

Eric Hage – eric.hage@structuretone.com

CANADA

Joe Kirk – jkirk@govanbrown.com

SOUTHEAST

Bill Byrne – bill.byrne@ajaxbuilding.com

MISSION CRITICAL

Martin O'Neill – martin.oneill@structuretone.com

NATIONAL HEALTHCARE/INDUSTRIAL

Michael McDonough – mmcdonough@laytonconstruction.com

Questions & Answers

