

# Navigating Business through a Global Pandemic: Advice for Contractors

The COVID-19 virus has been declared a pandemic by the World Health Organization. Everyone in the world has been affected in some way by the virus, be it the restrictions on travel, requirements for self-isolation, cancellation of events or disruption of normal business operations. The construction industry is not immune to the potential ramifications of this pandemic. Although there is still much uncertainty about the progression and effects of the pandemic, there are steps that your contractor clients can take to minimize the impact of this event.

## COMMUNICATION & INFORMATION GATHERING

Contractors should contact all of their employees, sub-contractors and suppliers in order to determine how each are modifying their normal workflow due to the pandemic. Will employees be coming into the office or attending at a job site as normal? Can employees still perform their duties remotely? Do any employees need to travel in order to perform their duties and can that still be done? Contractors should be asking their sub-contractors many of these same questions in order to gauge their ability to continue to perform their sub-contracts. Are suppliers able to make deliveries as scheduled? These questions should not just be asked once, but continually throughout the next few weeks or months as plans can change drastically based on a number of factors.

## SCHEDULE

Once a contractor has gathered the above information, it should work to update its own schedules for all projects being undertaken as well as those which were supposed to commence over the next several months. Be realistic with these schedules and maintain appropriate buffers for unforeseen events. Communicate these schedules with all relevant parties, including owners and their consultants.

## REVIEW THE CONTRACTS – NOTICE OF DELAY AND FORCE MAJEURE

Construction contracts are not consistent in how they deal with schedule changes. Most contracts will require a contractor to provide timely notice to the owner in the event of delays. For example, both the CCDC 2 and DCC DCL 250 contain requirements (in section 6.5) for notice in writing of delay. Force Majeure clauses, which are contractual provisions which provide for time extensions due to factors beyond the contractor's control, are also inconsistent in their wording and applicability. Many contracts do not contain a force majeure clause (such as the CCDC and DCC contracts mentioned above) and even those that do may not have specific language which would be triggered by an event such as COVID-19. Although owners and consultants may be more lenient in their attitude in the near future, it is always good practice to follow the language of the contract.

## UTILIZE ADVISORS

Most construction lawyers have been writing articles, reviewing contracts and preparing action plans for their clients due to the pandemic. Nothing is simple and certain in these difficult times, and therefore it is crucial that contractors utilize their construction lawyers (or retain one if they have not used one before) for timely advice and guidance. Utilizing the above best practices may take effort and resources, but will undoubtedly provide value in the coming days and for the future. If you or your clients have further questions, please reach out to your surety contacts at Trisura.

## TRISURA GUARANTEE INSURANCE COMPANY

Vancouver | Calgary | Toronto | Montreal | Halifax  
Phone: 416-214-2555 • Fax: 416-214-9597

[www.trisura.com](http://www.trisura.com)

