

# Navigating Business Through a Global Pandemic – More Advice related to Contractor Project Shutdown

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The following is third in a series of articles for contractors during these changing times. As more provinces and states close certain projects we want to provide some information regarding steps a contractor might consider. Every project type is different but there are some general best practices when shutting down and preserving a project.

This is a list of suggestions for consideration by a contractor if work is ordered stopped or suspended by authorities or owners or due to lack of resources on a project as well as a few general comments on how down time can be spent to get ready for start-up:

## NOTICES AND COMMUNICATIONS

1. Refer to your executed contract, subcontracts and purchase orders to understand and provide any required notices for delay including due to force majeure, required applications for extension of time and claim for costs if applicable. Please review with your lawyer to implement appropriate strategy. You probably need to send notice for each instance and impact costs as known, remembering that you can always amend later. Keep a log to track which items were sent, when they were sent and to whom.
2. Communicate your intended actions with the owner, subtrades and suppliers. If appropriate, arrange a telephone or video call to discuss project shut down.
3. Collect and document potential costs for site shut down and maintenance costs. These should eventually be sent to the owner after reviewing contractual requirements.
4. Ensure you have copies of your insurance policies and review with your broker for any limitations of insurance coverage or relevant exclusions. If suspension is for extended duration, notice to your insurer might be required. Also diarize the expiry date of the policies and obtain extensions if required. Also ensure you have current certificates of insurance from subcontractors.
5. Notify your surety of suspension of work on a project and expected resumption date and revised completion date. In some cases, Owners, such as Defense Construction Canada, require consent for the surety to the extension.
6. Review local requirements and permits and any requirements for notice with emergency services, inspection services, site monitoring and normal frequency site maintenance services (toilet, waste collection, water delivery, fuel, etc.).

## SECURE AND PRESERVE PROJECT

1. Develop written plan to protect the project, materials and public, which plan should be monitored periodically. This would include emergency contacts posted at site.
2. Inventory and protect materials and equipment on site and monitor same. Ensure to observe all manufacturers' recommendations for storage, etc.
3. Ensure site signage is clean and appropriate for a dormant site. This would include emergency contacts, egress, that all fire protection/extinguishers are operational, clearly and appropriately located, all fire sprinklers systems are checked and any other site emergency systems like communications are operational.
4. Ensure all safety rails and barricades, kick plates and safety nets remain in place. Ensure any hoarding, scaffolding, stairs and ladders are properly anchored, clear and unobstructed and protected where possible from public access or vandalism.
5. Revisit site lighting (exterior and interior) and confirm is satisfactory for safety and operational, while also checking operation periodically.
6. Ensure climactic controls in any building or temporary structures are appropriate for purpose during site shutdown and monitor (especially as seasons change) remotely if necessary. This includes temperature, humidity, air circulation and moisture content. Make sure to include storage of materials on site that might have specific requirements or limited duration of exposure.
7. Ensure any temporary heating systems are not open flame if possible and that flammable substances, liquids/solvents and compressed gases are removed from site if possible or stored properly. Ensure barricades and signage is clear and visible and spill protection equipment is in place. Ensure shut off gas lines are operational or shut off and clearly labelled.
8. Ensure to check temporary filters for heating systems. Ensure to check warranty impact of extended usage before project completion of permanent equipment.
9. Consider any temporary roofing, cladding, temporary tarps, damp/waterproofing or temporary enclosures or hoarding to protect unfinished work and avoid water penetration and site condition decay. Some permanent materials are only allowed to be exposed for certain periods. Check manufacturers' materials for guidance.
10. Ensure traffic control signage is maintained to plan including cleaning and replacement if damaged.
11. Document site condition and inventory with dated photos/video that are labelled. Consider usage of drone for overall site status and elevated photos. Consider as built survey of site condition when shut down especially if unit price contracts.
12. Keep log of last time on site for each trade and last delivery of suppliers. Ensure to co-ordinate demobilization of tools and equipment and keep proper records. Consider half load season if considering demobilization of equipment. Also ensure all manifests of removals are catalogued and removed from site including permanent and temporary materials and equipment (owned or rented or leased). Any demobilization of goods or equipment from site should be explained to other parties especially if will impact future costs at start-up.
13. Take inventory and review third party rentals and site servicing contracts and consider returning equipment and goods or suspend rentals if possible, including written confirmation of understanding between appropriate parties.
14. Consider shutting off domestic water supply if possible, to avoid possible damage if leak or unplanned discharge. Ensure pressure of incoming fire lines if required.
15. Review any open excavation and where possible consider temporary backfilling trench or excavation after

appropriate as built information and marking of infrastructure. If not ensure any utility supports and shoring or trench support is monitored.

16. Would be wise to spend some time cleaning and organizing site and removal of waste to avoid fire hazard. Also removing any potential trip hazards.
17. Ensure temporary electrical power sources are secure and any cables are free of moisture and temporary extension cords are not trip hazards.
18. Ensure equipment has vandalism guards in place and parked in safe and well-lit spot to minimize risk of vandalism and theft. Test GPS trackers.
19. Site and tool cleaning if warranted and disinfection if required.
20. Ensure inventory of all materials and check insurance lists to ensure protection for theft or vandalism.

## SITE MONITORING

1. Arrange for site security and/or periodic site visits as necessary. Consider video surveillance as alternate to site security. Document and have written checklist and date performed and by whom. Test externally monitored security alarms and camera recordings periodically.
2. Strongly consider keeping site log of site visits during suspension of work. Include weather, interior temperature, check of site security, safety equipment, traffic control, dewatering status, all drains are cleared, any damage noted, and mitigation steps required.
3. Ensure to inspect and clear all drains including storm water inlets, catch basins, floor and roof top drains. Ensure free of debris and sediment.
4. Ensure any site dewatering or bypass pumping is monitored and maintained and documented. Consider appropriate back-up systems and test regularly.
5. Ensure all fencing and hoarding is maintained and consider improvement to protect public especially if open excavation.
6. Ensure equipment on site is in safe and appropriate location especially as maintenance may be required.
7. Ensure any shoring or trench support is monitored. Any temporary supports for utilities etc. are re-evaluated and consider alternate support plans considering extension of duration required. Review trench plates and other trench decking used and maintenance.
8. Water level monitoring and contingent plans for possible flooding during spring run-off.

## PROJECT MANAGEMENT UPDATES

Use the time during which project operations are suspended to update project management items such as:

1. Documenting all the above steps and costs done to preserve the work. Track costs using separate cost code(s).
2. Confirming contractual schedule and performing update for current as built condition at time of shutdown.
3. Spend time to catch up on change orders and updating quotations, revised change request submittals and change logs.
4. Follow up on outstanding project submittals including shop drawings, close out requirements.
5. Consider hiring construction claims consultant to aid in scheduling updates and claims preparation.

6. Ensure project records are safe and backed up or copies are off site including as-built drawings, correspondence, permits, inspection reports and other project records.
7. Apply for payment for the final amount of work even if a partial month. Follow up on accounts receivable, document last date of work and when lien rights expire. Consider filing timely written payment bond claims. Obtain executed copies of payment bonds from owner or contractor for your file to be proactive.
8. Process invoices for subcontractors and suppliers and ensure their certificates of insurance are current, obtain statutory declarations and workers compensation clearance certificates if required by subcontracts.

## GENERAL COMMENTS

1. Review any employment agreements or collective bargaining agreements for notice provisions and call back provisions.
2. Consider applying for government subsidies available.
3. Update weekly corporate cash flow to consider impact of suspended projects and overhead requirements.
4. Take advantage to do any preventative maintenance on owned or rented equipment (cash flow permitting).
5. Think of having third party risk management or safety officer review site and report as independent review.
6. Revisit costs to complete after reexamining methodology changes, including social distancing and other additional measures that will be required when work resumes.
7. Review company succession plans and ensure backups are designated for each key position including use of third parties if necessary.
8. Ensure heightened company awareness on cyber-crime (such as attacks through phishing). Also ensure have contingency plan if something occurs since for most people working remotely a problem could be devastating.
9. Consider electronic methods for third parties that need to sign subcontracts and purchase orders in the near term to avoid couriers and need to find physical company seals.
10. Update health and safety plans including additional measures to ensure better project precautions in the future. This might include new measures of shift staggering and site wash facilities.
11. Think about how project start up can be phased in and documenting how things ramp up including remobilization costs.

We trust this provides food for thought and stimulates other items for consideration as this list is not all encompassing. We all hope that any shutdowns will be for a short duration but, if not, plans can always be revisited as no one wants to deal with items on an emergency basis.

Please continue to reach out to your Trisura contacts for any further questions or concerns.

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