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Associated Subcontractors of Mass. CEO's message: Plan ahead and put in place contingencies for a disruption

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One of ASM's upcoming programs scheduled in April will focus on how to prepare for the next economic downturn. But if you talk with a construction company now about how the market looks, you will most likely hear that they are as busy as ever. While we all hope this remains true for the foreseeable future, we all recognize that a slowdown will eventually hit construction. It's never a bad idea to plan ahead and put in place the right contingencies for a disruption.

COVID-19 disruption in construction?

When we talk about a disruption in the industry, a market correction is one thing, but the recent expansion of COVID-19 or Coronavirus has certainly raised questions for subcontractors. While the Governor has encouraged employers to allow employees to telecommute, only 29% of the workforce is capable of doing so, according to the Bureau of Labor Statistics. Construction certainly falls within the 71% of the workforce that cannot be performed from home. Because of this, many tricky questions come up for subcontractors, and for all employers. For example, who is responsible for delays in work as a result of a shortage of labor or a delay in a delivery of supplies or materials? What happens when part of the workforce needs to be on a 14-day quarantine? Can insurance policies provide any relief? These are just some of the questions that employers must grapple with. Certainly, we all hope that the virus only presents a temporary disruption and not a long-term problem with major financial implications.

Recent DCAMM Seminar brings positive news for public construction

However, if you attended ASM's recent program with the Commissioner of the Division of Capital Asset Management and Maintenance (DCAMM), you would never believe there is any issue with the construction economy. Commissioner Gladstone announced that in 2020 DCAMM plans to spend approximately \$500 on public construction. That figure is expected to increase to \$900 in 2021. That is a lot of public construction and it certainly presents a bright picture for the near future for many contractors- particularly those who are certified by DCAMM for public work. During the presentation, several subcontractors rightfully asked about workforce development and expressed the common concern about finding enough skilled tradespeople to keep pace with demand.

More work to be done on workforce development

A near doubling of public construction in the next year will require more workers to enter the trades, which provide an excellent opportunity for a well-paying and steady job. The Baker Administration recently launched the “Career Technical Initiative,” which aimed to provide training to an additional 20,000 skilled trade workers over the next four years to help meet the needs of construction companies. The plan is to work with municipalities, employers, and school districts to provide more training opportunities by increased access to vocational schools. Reports in the media last year found a shortage of seats at vocational schools, many with wait lists. To fund the initiative, the Administration has proposed \$15 million in its 2021 fiscal budget which still needs to be debated in the House and Senate later this spring and summer. We hope the House and Senate approve funding.

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