



ECRI SPONSORS' CALL TO ADDRESS COVID-19 VIRUS 2020 ISSUES AND BEST PRACTICES

Friday, March 13, 2020

Call 1 Attendees:

Zahi Ghantous (CCC), Andreas Soellner (Linde), Ryan Loughins (Arcadis), Mayank Agarwal (Air Liquide), [Greg Ramsay (Hatch)], Jon Nield (ECRI)

Call 2 Attendees:

John Bauer and Karen Furlani (Jacobs), Jamie Reekie (Wood), Tom Roell and Gary Adams (Parsons), Finlay Mclay and Borys Yarosh (SNC Lavalin), Jon Nield, John Ruckert, and Xanthe Larsen (ECRI)

Main Risks Identified:

- Business continuity impact due to mass communication of virus to staff
- Adequacy of FM clauses to allow full recovery of cost and time impacts
- Challenge of managing projects in the field featuring FIFO (fly-in, fly-out)
- Travel restrictions imposed at country level (e.g. USA, many Gulf countries) – impacting staff movement/rotation cycles on construction sites
- Construction camp hygiene
- Some clients deciding to postpone/shut-down projects in delivery
- Supply chain disruption and dislocation, particularly in China, Italy and Spain
- Isolated sites – stage entry with 14-day quarantine as a work around for new employees coming on sites

Mitigation Already in Effect for Sponsors:

- Company-imposed travel bans on all non-essential travel
 - Personal travel is restricted with same parameters (CDC Guidelines for Levels 2 and 3 countries)
- Ban on staff attendance at meetings/conferences with > 50 people
- Close contact being maintained with customers/clients and suppliers
- Established BC plans being revisited, validated, updated
- Focus on older staff at higher risk
- Workshare/work-transfer arrangements under review to help manage home office situation
- Trialing of entire teams working from home
- Keep on top of general advice coming from authorities/governments – everyone on top alert
- Quarantining of staff for 14-days where known they have been in contact with virus carriers
- Active review and enactment of FM clauses along with compliance with notification requirements
 - Schedule relief but not cost – communication with the customer is essential to address the cost impact
- More specialized and regular cleaning/disinfecting of the workplace
- Huge amount of internal communications – on-line, videos
 - Project and program managers and dealing with employees
 - WPS codes at project level specific to virus

- No more hand-to-hand/face-to-face greetings
- Restrictions on visitors entering the workplace – strict imposition of 24-hr notice requirement
- China operations and manufacturing now seen to be starting to pick up again – 6-day week working to help catch-up; office working only with special permission (i.e. where access to specialized software is required)
- Full day allocated to proving BC measures for remote working
 - High technology (AutoCAD) poses a challenge to support
- Odd/even day/week attendance at offices
- New proposals: standard clause introduced to take account of virus as COVID-19 is no longer ‘unforeseen’
- Single risk ID number introduced for all projects within portfolio to allow easier summarizing from discrete project level of assumptions, costs, and contingencies to build up to enterprise level – are there any huge variances and explanations for these?
- Middle East – stringent travel restrictions implemented weeks ago, now applied to other impacted countries
- Pandemic Disease Response Plans with operations update calls
- Identify critical construction activities and delineate from non-essential
- Reclassify local employees as “local resources” to avoid transferring employees in/out of country to service existing projects
- Back office in India – asking suppliers for support/outsourced service providers – emphasis on executing projects
- Project and Enterprise Risk Level:
 - Escalated to executive team/group risk committee then established working group chaired by health and safety team and pushed through BUs
 - Business impact analysis – target initial geographic “hot spots” and produced overall risk assessment shared with Board and included in Annual Report
 - Business Continuity Plan (BCP) – gathering information, identifying gaps, and prioritizing additional resources and controls

Contemplated Additional Steps/Issues Under Consideration:

- Should E&C companies seek insurance cover in future to protect against time variable cost risks due to schedule impact?
- Risk Management: consider whether to take as Enterprise or Project – how to assign contingency for risk impacts of COVID-19?
- Classified personnel in US – work at home isn’t feasible so seeking solutions
- Employees with jobs that are shut down – how to handle and compensate?
- Extent actively looking at supply chain resilience – a “Plan B”
- No Sponsors reported confirmed cases within their companies
 - Evaluation process for mitigating/quarantine for exposure – proximity, amount of time – what are the criteria and process?
- How to report the risk publicly? Look at other industries with international operations? Is E&C unique?

Effect on ECRI/Sponsor Meetings:

- Timing of planned ECRI events – training sessions, SIG meetings, sponsor meetings – London risk course scheduled for end March is being postponed; timing of mid-year sponsor meeting to be debated by ECRI executive w/c March 16;
- BC Planning to be added as topic for forthcoming sponsor meetings
- Mega Projects SIG Meeting is scheduled for May 13 – will be maintained for now.

Actions/follow-up:

- Follow-up call in 1-weeks' time to be set up – JCN
- Check whether Hatch's action plan can be shared with sponsors – GR
- Employees with jobs that are shut down – best practices as how to handle and compensate? – JCN to send out this question to Sponsor group