

Need and Significance

The emergence of COVID-19 in the United States has drastically changed the way Californians work. Not only has it caused financial insecurity for businesses deemed non-essential, it has also forced essential companies to make abrupt changes to their daily routines in order to remain operational. The main objective of this case study is to inform those who will be entering the industry, current industry members, and educators of changes made within the commercial construction industry in California as a result of the COVID-19 pandemic. Due to the abrupt and unprecedented nature of the pandemic, recent changes made within office and jobsite protocols are requirements that have not been previously taught before in classrooms, or even working in the industry.

Methodology

The research in this case study predominantly comes from two rounds of semi-structured interviews conducted over the phone and internet.

Interview Questions:

1. What area(s) of California do you work in?
2. How has COVID-19 affected regions differently? (For companies that work in multiple)
3. How has the pandemic affected any of your current projects or projects you were in the process of bidding?
4. What new safety precautions have you enforced since the beginning of COVID-19?
5. Has it been easy getting your employees and subcontractors working for you to comply?
6. How has COVID-19 affected lead times on certain materials?
7. Prior to the pandemic, what was your greatest concern with respect to business risk?
8. What is it now?
9. (For Hanover) As an owner/contractor, how has the pandemic impacted your company differently than other general contractors?
10. Is the pandemic affecting how you finance jobs?
11. Has COVID-19 affected your hiring process?
12. Will your interns and new hires start on time?
13. How do you think the COVID-19 pandemic will affect the industry over the next few years?

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The Effects of COVID-19 on the Commercial Construction Industry in California: A Case Study

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As a result of the COVID-19 pandemic, construction companies across California have been forced to quickly adapt to new protocols and regulations. Since certain areas of California have been more impacted by the pandemic, construction companies in those counties have been forced to comply with stricter coronavirus guidelines. Between the regions researched in this case study, the Bay Area has been affected the most by COVID-19 shutdowns and regulations. Then, Los Angeles County and San Diego County, which faced similar restrictions. The least restrictive area to build during the pandemic is the Central Valley, where there were less reported cases. Despite the difference in restrictions, the companies in this case study implemented many of the same COVID-19 protocols throughout all regions. In terms of business risk, the location of each company was not determined to be a factor. These conclusions were determined after conducting two rounds of semi-structured interviews with five companies located in various regions of California. The objective of this case study is to inform future and current industry members, as well as educators, of changes made within the commercial construction industry in California as a result of the COVID-19 pandemic.

Key Words: COVID-19, Pandemic, Safety, Risk, Commercial Construction

Conclusions

COVID-19 Project Impacts

Throughout all regions of California observed in this case study, the regions impacted the most by the COVID-19 shutdowns were seven Bay Area counties: Alameda, Contra Costa, Marin, San Francisco, Santa Clara, Santa Cruz, and San Mateo. This is due to strict Shelter-in-Place orders issued early in March that only deemed healthcare, low-income housing, and senior housing as essential construction. This caused most construction to be halted for around a month until the order loosened on May 4th. At that point, construction could proceed by following strict guidelines. On the contrary, the region least impacted with COVID-19 shutdowns was the Central Valley; which had the least strict guidelines out of the Bay Area, Los Angeles, and San Diego regions.

New Safety Procedures and Protocol

Overall, companies in all regions enforced the same basic policies that adhered to the guidelines laid out by the CDC. This includes social distancing, increased sanitation efforts, additional sanitation stations, COVID-19 signage, and employee screening. The Bay Area and San Diego required that all employees must have their temperatures taken before entering the jobsite, while other regions did not. Despite this, some companies chose to do it anyway.

Risk Assessment

With respect to uncertainty, while some companies had a shift in business risk due to the pandemic, other companies did not. One common theme of risk before the pandemic was the lack of skilled labor. During the pandemic, common risks are navigating economic uncertainty and risks associated with cost and schedule impacts. None of the company's risks were found to be a product of the region they work in.

Results

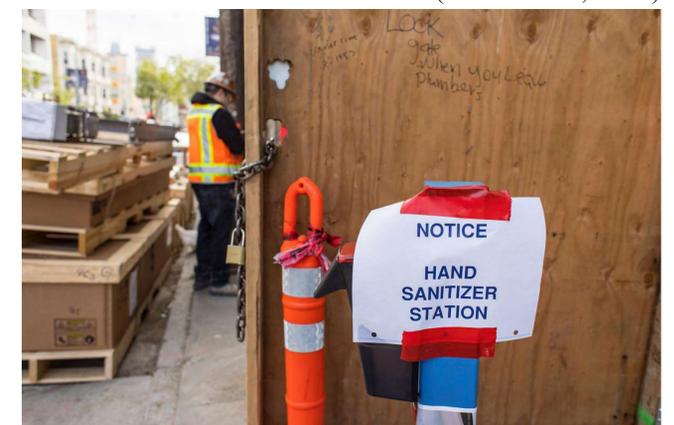
Commercial construction companies in California have adapted well to the sudden changes within the industry caused by the unprecedented novel coronavirus. Throughout all regions of the state, companies have implemented new protocols in order to keep their employees safe and stop the spread of the virus. Many of these protocols have never been previously required within the industry but have now become the new normal. These changes have not come without struggles, though; as many companies now face new health, financial, and legal risks.



(Giusti & Poirier, 2020)



(Muhammed, 2020)



(Dineen, 2020)