



# Pandemic Impacts on Construction Costing

By Alex Carrick

As with most things pandemic-related, it's hard to know where the cost of construction will land six months, or a year, or two years from now. Set out below are ten ways in which costing in the sector is likely to be impacted in the period ahead.

## A Commodities Dependency for Materials

(1) Commodities are the basic building blocks of everything, including materials used in construction. As an asset class, they will stay undervalued until the global economy picks up a great deal more steam than it is currently exhibiting. Over the past two decades, China has embarked on several massive infrastructure spending programs that have drawn in nearly half of world copper, nickel, iron ore (for steel), aluminum, and cement/concrete supplies.

To kick-start its economy again, after a coronavirus-induced shutdown early this year, China has announced it will initiate another round of infrastructure spending. This time, though, most

of the focus won't be on building roads, transit projects, railways, and airports. Instead, majority funding will go toward boosting the high-tech sectors expected to lead future gross domestic product growth. The emphasis will be on data centers, biotechnology, and medical labs, etc.

The uplift in demand for and pricing of commodities from old-style infrastructure projects is well known. New-style infrastructure spending will shift the balance toward other inputs (e.g., lithium, cobalt, etc.), blunting "normal" commodity price movements.

(2) A US economic upturn, especially if residential construction is a primary driver, will have a significant impact in a couple of commodity pricing areas, primarily lumber and gypsum.

(3) Also, the administration in Washington has been speaking of imposing restrictive trade measures against some countries in a couple of areas, aluminum and steel. Quotas on imports, or new tariffs, will add to costs.

(4) Helping to keep costs down presently, however, is the low international price for crude oil, which has flow-through benefits throughout the



construction sector due to widespread consumption of gasoline and diesel fuel.

## A Demography Dependency for Labor

(5) Many older workers, advised to "shelter at

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**IS SOLICITING COST PROPOSALS FROM NEW YORK STATE MWBE SUBCONTRACTORS/VENDORS FOR:**

**WP-0112 Replacement of Main Sewage Pump System at Coney Island WWTP Project**  
 NYC DEP Contract No: CI-119  
 Bid Date: August 6, 2020

**Description of Project:**  
 The CI-119 project consists of the replacement of the Main Sewage Pumps and other ancillary equipment and structures at the Coney Island Wastewater Treatment Plant (WWTP) in Brooklyn, New York. Work includes demolition of six existing Main Sewage Pumps (MSPs), shafts, motors, drives, and piping, and replacement with vertical centrifugal dry pit pumps, 600 HP motors and eddy current drives, and vertical shaft; demolition and replacement of the MSP seal water system, actuated sluice gates, sump pump system; installation of a new Flood Recovery Pump system; demolition of the decommissioned chemical storage tanks, piping, pumps, and appurtenances in the chemical and dechlorination rooms; also structural, MPT, architectural, electrical, instrumentation and controls, HVAC and plumbing, and fire protection work to support the pump replacement.

**Many bidding opportunities are available:** demolition, sitework, rebar install, trucking, fill supply, hauling and demolition, paint, masonry, doors, drywall, roof, tile, windows, overhead doors, metals, plumbing, HVAC, electrical, and indirect items.

If you are interested in bidding on this project, please contact Skanska's Outreach Coordinator: Julia.Omanoff@skanska.com • EOE/M/F/Vet/Disabled

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**IS SOLICITING COST PROPOSALS FROM PANYNJ MWBE AND SDVOB AND LOCAL SUBCONTRACTORS/VENDORS FOR:**

**JFK Airport Bergen Electrical Substation Project**  
 PANYNJ RFP No: 60765  
 Bid Date: July 27, 2020

**Description of Project:**  
 The Bergen Substation Replacement Project ("project") will replace the existing Bergen and Van Wyck 5-kilovolt (5KV) electrical substations at John F. Kennedy International Airport with a new, single Bergen 5KV Substation. The Bergen Substation is a critical component of the electrical power distribution system at JFK and assists in supplying power to JFK airside-landside facilities and associated supporting infrastructure. The project also includes the decommissioning and demolition of the existing Bergen and Van Wyck substations following commissioning of the new, replacement facility.

The project for the new Bergen Substation will include the design and construction of a new, single substation that would replace the existing Bergen and Van Wyck substations. The scope of work for the project will include new switchgears, feeders, associated electrical equipment, and a new concrete building to house the substation equipment and associated building systems. Decommissioning, demolition, and site restoration at the existing Bergen and Van Wyck substation sites is also included in the scope of services.

**Many bidding opportunities are available:** furnish and install rebar, ready-mix concrete supply, masonry, structural steel, miscellaneous metals, waterproofing, building insulation, metal wall paneling, roofing, green roofing, fire proofing, doors, overhead coiling doors, windows, glazing, gypsum board, ceramic tiling, painting, sprinklers, plumbing, HVAC, piles/micropiles, pavement milling, sawcutting, asphalt concrete paving, mpt materials, fill material, line striping, fencing, landscaping, drainage piping, manholes, electrical, electrical materials and equipment, photography, portable toilets, dumpsters, office trailers, soil borings, soil testing, commissioning.

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**IS SOLICITING COST PROPOSALS FROM DBE AND SBE SUBCONTRACTORS/VENDORS FOR:**

**Amtrak Baltimore Penn Station NGHSR Station Renovations Project, Baltimore**  
 Amtrak Contract  
 Bid Date: July 24, 2020

**Description of Project:**  
 This station is Amtrak's eighth busiest station nationally with approximately three million passengers per year utilizing approximately 150 Amtrak intercity and Maryland Transit Administrations MARC commuter trains each day. Ridership is forecast to increase significantly at this principal station along the Northeast Corridor. To accommodate this increase, Amtrak plans to introduce its high-speed train (HST) fleet to increase the train frequency along the corridor. MARC also plans to increase the frequency of its service to correspond to its commuter passenger increasing volume.

The project also includes other significant improvements such as:

- Reconstruction of a side level boarding platform (48" above top of rail). Platform 2 reconstruction will bring the architectural elements back to their original beauty while making the functional and ADA-compliant enhancements of a side boarding with an elevator, an escalator, and refurbished stairs.
- Construction of a new Platform 5, which will be approximately 1,000 feet long and constructed with precast concrete planks.
- A new canopy including lighting, signage, drain leaders, electrical outlets, video surveillance cameras, and passenger information display systems (PIDS) which include audio-visual messaging and speakers.
- A new pedestrian bridge will extend from the Concourse elevator lobby, over Tracks 7 and F.

**Many bidding opportunities are available:** demolition, drilled piers, micropiles, structural steel, miscellaneous metals, precast concrete, roofing, skylights, curtainwall, wall panels, gypsum board, masonry, paint, tile, terrazzo, tactile warning surfacing, elevator, escalator, HVAC, fire protection, plumbing, electrical, signage, sitework, fencing, landscaping.

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**IS SOLICITING COST PROPOSALS FROM DBE AND SBE SUBCONTRACTORS/VENDORS FOR:**

**Amtrak Emergency Service Building Relocation Project, Manhattan**  
 Amtrak Contract  
 Bid Date: July 28, 2020

**Description of Project:**  
 The Emergency Services Building (ESB) project (the Project) consists of the construction within the secured site of the LIRR West Side Storage Yard (West Rail Yard) of a new electrical substation, emergency generator, and control panel within a fenced area as a temporary replacement for the ESB while it is demolished in favor of a new substation that is not a part of this contract, and moving an existing SCADA cabinet to a location adjacent to the aforesaid fenced area. This equipment will be located near the northwest corner of 11th Avenue and West 30th Street, north of the High Line structure. The Project also includes communications and electrical raceways, boxes, and cables related to the foregoing; fire alarm work related to the foregoing, a new water meter vault, and related civil work, all between the existing LIRR Access Road and West 30th Street.

**Many bidding opportunities are available:** Pipe materials, ready-mix concrete, rebar fabrication, rebar installation, erosion control materials, chain link fence, fill materials, haul and disposal, structural steel, metal deck, and miscellaneous metals.

If you are interested in bidding on this project, please contact Skanska's Outreach Coordinator: Julia.Omanoff@skanska.com • EOE/M/F/Vet/Disabled

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**Government Contracting 8a Business Development Webinar**  
 Thursday, July 23, 2020, 9:00 am–10:30 am  
 Online  
 Main Sponsor(s): US Small Business Administration  
 Contact: Susan Lourie, 617-565-5590, susan.lourie@sba.gov  
 Fee: Free; registration required  
 The SBA Massachusetts District Office presents a webinar on SBA's 8(a) Business Development Program. Expand and grow your business by selling your product or service to the federal government. Government agencies reserve contracts for small businesses certified in SBA's programs. Find out if you are qualified and ready for certification. For more information, go to: https://www.sba.gov/offices/district/ma/boston The SBA is an independent agency of the federal government created to aid, counsel, assist, and protect the interests of small business concerns, to preserve free competitive enterprise, and to maintain and strengthen the overall economy of our nation. The SBA Massachusetts District Office in Boston is responsible for the delivery of SBA's many programs and services throughout the state.

**PPP Forgiveness—Important Concepts and Interim Final Rule Webinar**  
 Monday, August 3, 2020, 10:00 am–11:00 am  
 Online  
 Main Sponsor(s): US Small Business Administration, New Hampshire Small Business Development Center  
 Contact: Chuck Gilboy, 603-970-1307, chuck.gilboy@unh.edu  
 Fee: Free; registration required  
 The Paycheck Protection Program (PPP) loan forgiveness application has been posted on the websites of the US Small Business Administration and the Department of the Treasury. We're waiting for final forgiveness guidance, but the application itself makes several important changes to how you calculate forgiveness that we'll cover. We'll also discuss the documents that should be tracking and collecting now as we wait for the final SBA rule. This webinar is presented by Chuck Gilboy, New Hampshire Small Business Development Center (NH SBDC) business advisor. NH SBDC is the leading resource for business advising and education for small to medium businesses in the Granite State. Each year, three thousand small businesses in approximately two hundred New Hampshire communities benefit from NH SBDC advising and educational programs provided at no charge to New Hampshire enterprises.

**How to Access the Woman-Owned Small Business Federal Contract Program Repository Webinar**  
 Tuesday, July 28, 2020, 2:00 pm–3:00 pm  
 Online  
 Main Sponsor(s): US Small Business Administration  
 Contact: Patrice Dozier, 404-331-0118,