

Actions for Covid-19 on your construction project

by Nicholas Gould

There is of course some uncertainty about the impact that Covid-19 is having and will have on current projects and businesses. From the frequent questions arising this week, consideration should be given to:

1. Site lockdown – what is the impact on your contracts, the workforce and the supply chain? What rights do you have for relief under the contracts, and who might be bring claims against you?
2. Force majeure – is Covid-19 a force majeure event under your contract? Check the contract to see what needs to be proved. Gather evidence and notify within the contract timescales.
3. The impact of notifying – consider your contractual rights before notifying a force majeure event. There might be an initial right to suspend followed by limited relief (time but no money).
4. Notices – look at the contract to see what the notice needs to contain and the deadline for issuing it. Are multiple notices required, perhaps for the initial warning, then for details of the claim and evidence as well as regular updates.
5. Evidence – gather evidence as it becomes available and document the problems faced in correspondence and notices to the other party.
6. Extension of time and money – check the contract for your right to an extension of time and possible financial claims. Are separate notices required and again, how long after the event do you have to serve the notice.
7. Health and safety – the health and safety of the workforce is paramount. Are there enough senior people on the site to manage the works, and adequate handwashing facilities?
8. Insurance – is there any existing cover for disruption to your business?
9. Frustration – it is unlikely to work in practice, but might be worth considering over the coming weeks.
10. Business as usual – it might seem a long way off, but consider with your contracting parties how you will plan for resuming work once the effects have subsided.

Much depends on the contract terms and the actual impact on your projects and business. If more help is needed let me know.