



The latest news on Texas construction trends impacting your projects.

Q3 2020 Summary: The pandemic continues to impact all sectors of construction. Equipment, materials, and services are being delayed due to disruptions in global supply chains. However, delaying a project to seek a price bargain is not the most advantageous to the project.

Delay of Outsourced Structural Steel Shop Drawings

Outsourcing structural steel shop drawings to foreign countries is a common practice, but detailing is taking longer because of the pandemic. The delay can have a trickle-down impact on structural steel construction. One way to avoid this potential schedule impact is to verify your contractor's steel supplier has the staff resources readily available to detail your shop drawings and has allowed enough time in the production schedule to complete them given this world-wide pandemic.



Structural steel installation at Collin College's new Celina Campus.

Supply Chain Disruptions Cause Product Delays

Material and equipment manufactured internationally are delayed due to plant closures. Specifically, televisions, fire alarm system components, and HVAC equipment have been impacted. Now, more than ever, timely decisions regarding equipment selection and expedited submittal reviews can help offset the delays. Another means of addressing this impact is to be flexible in equipment selection.



Air handling unit (AHU) equipment installation at the University of Texas Health Science Center at Houston, Medical School Building Penthouse AHU Replacement project.

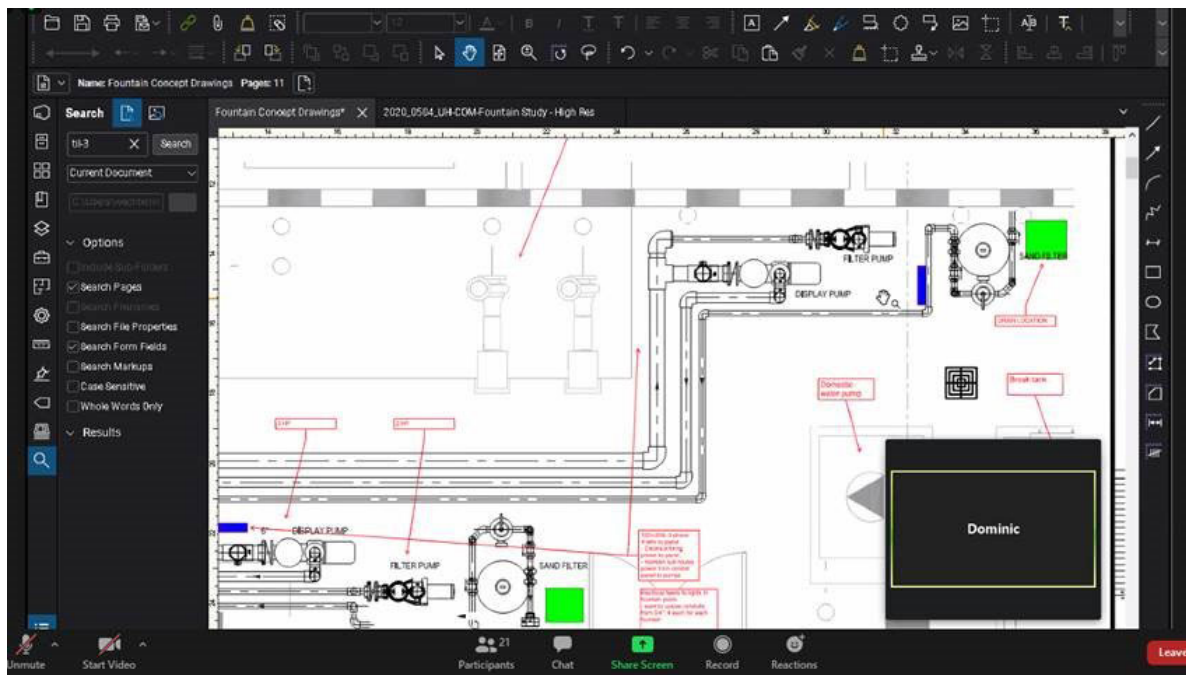
Manage Market Fluctuations With a Long-Term Strategy

There is an old saying in the construction business, “It will never be cheaper to build than it is today.” We believe this is especially true in the current economic situation. Owners who delay projects in the hopes of lower prices due to further softening market conditions may find some spotty bargains in the future and in certain buyout circumstances; but with no similar historical model to go by, no one knows how long this market dip will last.

Here are a few points on pricing to consider:

- We have made no major work category cost estimate adjustments since February (before COVID).
- We continue to recommend including three to four percent escalation for projects starting in 2021.
- Alternates are an easy way to incorporate any savings realized on your project.
- Owners with “shovel ready” projects, executed through the preconstruction stage, stand a higher chance of obtaining stimulus funds appropriated on the state or federal level.

A better strategy for managing the current unknowns of this market is to safeguard projects from future cost escalation. Owners who purchase now, plan for potential buyout savings, and prepare for possible stimulus funds will see the best cost advantages. We continue to urge Owners not to wait for further softening in the marketplace before moving forward with projects.



Screenshot of a virtual design meeting for the University of Houston, College of Medicine project.

About Vaughn Construction

Vaughn Construction is a Texas-based construction company that specializes in new construction, renovations and additions to civic, healthcare, education and research facilities. The privately-held company has offices in Austin, Bryan/College Station, Dallas/Fort Worth, El Paso, Galveston, Houston, Lubbock, San Antonio, and the Texas Medical Center (Houston).

(800) 344-2736 info@vaughnconstruction.com

Follow Us  

© 2019 Vaughn Construction. All rights reserved. Privacy Policy, Terms of Use.