

Small Firms Roundtable

Moderators: *Bill Lloyd*, Great West (Montana)
Karen Friese, K. Friese & Associates (Texas)

Steve Hall with **ACEC spoke about the letter sent to Senate Leaders by McConnell and Schumer urging to retain the business tax provisions in the third coronavirus response bill to help mitigate the cash low crunch experienced by engineering firms.** This was sent on 3/21/20. To view the letter go to <https://www.acec.org/conferences/coronavirus/>

Steve also spoke about **ACEC letter to the Senate expressing concerns about unintended impacts of the Families First Coronavirus Response Act on small engineering firms that was sent on 3/17/20.** To view the letter go to <https://www.acec.org/conferences/coronavirus/>

"Allowing firms to delay or reduce payment of FICA taxes, 2019 taxes owed, and 2020 quarterly estimated tax payments would all improve cash flow and give engineering firms additional liquidity needed to continue paying their employees. Congress and Treasury should also consider allowing the Federal Reserve to lend to firms impacted by the economic slowdown by using accounts receivable and/or physical assets as collateral. Going forward, as you consider additional legislative response measures, we strongly encourage you to consider robust infrastructure investment, which will help restore economic stability to hard-hit sectors of the economy and bolster state and local agency budgets facing severe revenue shortfalls."

Questions asked during the roundtable discussion:

What are you doing with Admin Staff?

(Karen) They are not working from home at this point but are finding productive activities for them to bring home, looking at each individuals skill set and setting up tasks for them to do. Examples: bring home filing, writing out project descriptions, organizing paperwork.

Are you allowing individuals to work from personal laptops/ desktops?

(Bill) We are not allowing those that have access to the VPN to use personal laptops due to concern with Firewall. However, staff are able to use laptops to use Office 365, etc.

For those offices that are still open, how are you dealing with staff?

(Bill) Have a calendar for all staff to see -- people sign up on days and times they would like to come into the office, maximum of 10 people at a time.

Encourage people to work remotely if they have the ability to.

Moving to more electronic invoicing to reduce face time and touching of paper.

Have not gone this far yet, but may look into a furlough for some employees -- will not receive pay but will still have access to benefits.

Telework:

Have IT staff set employees up with laptops, desktops at home. Have access to the VPN. Z3 cisco meraki has been seen to provide much more rapid speed for data transfer through the VPN.

Final thoughts:

(Bill) Over-communicate with your staff, have project managers, etc. touch base with staff at least once a day; it reduces stress and anxiety. None of us have been through this before and we will all get through this together.

(Karen) Now is the time to start thinking about what you are going to do a week to 2 months or more down the road, be over prepared and start putting a plan together. It will make you feel like you have more control over the situation and prepare yourself as much as possible. Place a plan in order of action and set triggers for when you will have to implement them.

A recording of this roundtable will be posted on the acec.org website.

Please encourage staff to join the discussion tomorrow COVID-19 Legislation: What Employers Need to Know beginning at 3:30PM.

Medium Firm Roundtable

Discussion Items:

- 1) Managing exempt employee time off
 - a. Encourage sick time use, work from home, maintain job position without pay (if no sick time)
- 2) Cash Flow Management
 - a. Look at what level of production staff on PTO can be maintained and still maintain cash flow (example 30%)
 - b. Line of credit
 - c. Talk to accountant to review percent of personnel that fall under Family First Act and are in non-productive status.
 - d. SBA loans
- 3) Strategy for workforce
 - a. Work from home policy—what is training vs. WIP
 - b. Working guidance—daily check in with supervisor, go over workload, projects
 - c. April 2 effective date for Family's First Act, will look at non-productive employees
 - d. Good technology—skype or zoom
 - e. Communicate with employees, even about cash flow
- 4) Short-term conserve cash ideas:
 - a. Pull back reimbursements, ie: cell phones
 - b. Postpone salary increases
 - c. Reduce salaries by a % in short term
 - d. Look at all fixed costs, conserve in anyway

- e. Renegotiate workers compensation premiums
 - f. Get invoices out every 2 weeks
 - g. Outstanding AR's—stop work
 - h. Use retainers to start work
- 5) Benefits changes:
- a. Allow negative PTO balances
 - b. Change status for health care benefits, under 20 hours per week allowed
 - c. Limit PTO hours used only 40
- 6) Co-ops or Interns coming on board in spring:
- a. Be transparent, can't bring on right now
 - b. Stay connected to them

Large Firm Roundtable

Moderator: Dave Zimmer, North American President for CDM Smith

4 Discussion Topics:

1. What response actions have firms taken?

- Chicago -- working remotely, partnering w/clients, tracking employees who have been infected (**40 so far**). This company has started going to client sites and decontaminating or fogging offices.
- Amy Spann -- Says fogging is not covered under insurance because it doesn't fall in to normal clean up/engineering.
- Alan Pramuk -- Their company has a COVID-19 response team in place. They are having daily calls with csutie, HR, PR and having that information sent to office leaders nationwide. IT team has everyone set up to work remotely. They are offering internet reimbursements to employees if they increase their speed. Portal page set up for staff with FAQs. Alan mentioned his company has the opportunity to help set up isolation hospitals.

2. Updates on impact of services, infrastructure, construction work?

- Pennsylvania is the only state so far to shut down construction. Everyone on call hoping states maintain construction moving forward. Florida has actually accelerated construction because of reduced traffic on roads.
- Out West Water Waste Agencies have kicked off construction engineers because they do not want their water staff to be contaminated. 5 percent of construction sites shut down in California.
- NY&NJ construction investigations considered essential. Temperatures are being taken before they enter site. Some sites are closing because there is a lack of people to work.
- NLC.org resource to see each state and what the response is to COVID-19.

- Rick Allen of Bowser Morner said they have taken steps to issue a letter of authorization to all employees and all construction projects are continuing to work.

3. Expectations of market once pandemic ends?

- Acceleration of airports
- Be prepared to move on work quickly.
- Some DOT clients are calling and asking member companies to take over for their staff because they have federal deadlines to meet.

4. What are best practices firms are implementing? (Leadership, communications, business, etc.)

- Provide templates to field/construction staff in case they were to be stopped by police on roads.
- Staff taskforces
- Donation of any N95 masks