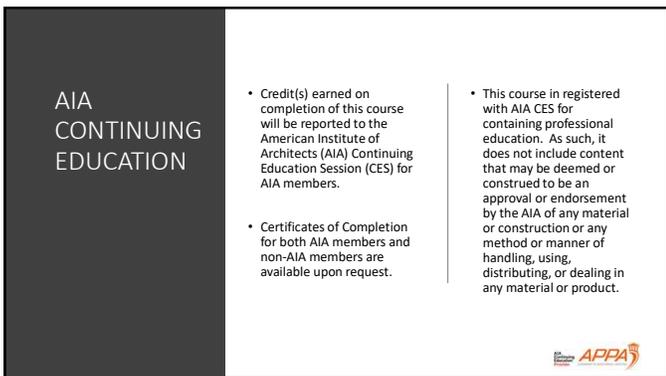




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Setting the Stage

- Unprecedented disruptions to our lives
- The Pandemic
- Hybrid Work
- The Great Resignation
- Hyper-inflation



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The Pandemic

- Keeping staff safe
- Closing of campuses/offices
- Learning to work remote/virtual
- Keeping construction projects moving
- On-going challenges

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Hybrid Work

- Flexibility
- Home School and After School
- Aging Parents
- Relocation



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The Great Resignation

- Over 40 million workers have left the workforce
- Multiple Reasons
 - Relocation
 - Remote work
 - Family Care
 - On-going concerns about the pandemic
 - Searching for satisfaction



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Labor

- 2008
- Retiring baby boomers
- Different career dynamics
- Lower population and immigration
- The future workforce does not exist



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BUILDERS	BABY BOOMERS	GENERATION X	GENERATION Y	GENERATION Z	GENERATION α
The generation that built the economy, infrastructure and factories after the Depression and WW2.	The post-war baby boom that created an economic boom.	Ironically named after Douglas Coupland's anti-ideal manifesto "and call us X". Note: spans 15 years.	The letter that followed X, also known as Millennials.	Following from Y, the end of an era and the end of a millennium.	Coined by McCrindle to define the start of a whole new era. Follows scientific naming (Greek alphabet).
We prefer proper English if you please. Born: < 1946 Age: 75+	Be cool! Peace, Groovy, Way out! Born: 1946-1964 Age: 56-74	Dude, Ace, Rod, As If, Wicked! Born: 1965-1979 Age: 41-55	Bling, Funky, Dish, Fresh, Whappa! Born: 1980-1994 Age: 28-40	It, fam, boe, slay, goss, queen! Born: 1995-2009 Age: 11-25	crax, far, pet, msh, GOAT! Born: 2010-2024 Age: under 11
World War II 1939-1945	Moon landing 1969	Stock market crash 1987	September 11 2001	GFC 2008	Trump / Brexit 2016
Model T Ford 1908, 1927	Ford Mustang 1964	Holden Commodore 1975	Toyota Prius 1997	Tesla Model S 2012	Autonomous vehicles 2020s
Roller skates	Frisbee	Rubik cube	BMX bike	Folding scooter	Fidget spinner
Record player 25, 1948	Audio cassette 1962	Walkman 1979	iPod 2001	Spotify 2008	Smart speakers 2016

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Hyper-Inflation

Material Price Inflation through 2021 & 2022 YTD through June

Total Construction Spending SOURCE: U.S. CONGRESS BUREAU OF ECONOMIC ANALYSIS, JULY 1, 2022

Building Cost Index SOURCE: ENR

AIA Architectural Billings Index (ABI) SOURCE: AIA

Construction Cost Index SOURCE: ENR

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Material Price Inflation through 2021 & 2022 YTD through June

Category	2021	2022
Construction	10.0%	10.4%
Manufacturing	1.0%	1.5%
Services	0.5%	0.8%
Total	1.5%	2.7%

Total Construction Spending SOURCE: U.S. CONGRESS BUREAU OF ECONOMIC ANALYSIS, JULY 1, 2022

Building Cost Index SOURCE: ENR

AIA Architectural Billings Index (ABI) SOURCE: AIA

Construction Cost Index SOURCE: ENR

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Group Discussion

- What are some of the strategies that you have used at your university to manage the disruptions to your construction projects?

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Contract Language

- "The GMP does include projected escalation and escalation allowances as indicated in the bid tallies. Any additional extraordinary escalation costs above or below these costs will be funded and/or refunded through Owner Contingency. "Extraordinary escalation" is defined as unforeseen escalation over 5% per year for this clarification. Reasonable escalation is included. According to the Department of General Services (DGS) California Construction Cost Index (CCCI), the Annual Percentage increase was less than 5% every year from 2011 through 2020."




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Final Thoughts

- Disruptions will continue
- Labor will continue to be a challenge
- Supply chain and logistics will be episodic
- Planning for construction is critical
- Need to find new and innovative ways to deliver projects



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AIA CONTINUING EDUCATION

- This concludes The American Institute of Architects Continuing Education Systems Course



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Thank you!

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