

COMMISSION 10 REPORT

FIG WORKING WEEK, STOCKHOLM 14-19 JUNE 2008

COMMISSION 10 MEETING - SUNDAY 15 JUNE 2008

Attendees Mr Andrew Morley - Chairman;
Mr Geoff Schmitt - Acting Chairman, Working Group 10.2;
Mr Richard Hucker, MBE - Chairman, Working Group 10.3;
Twelve Delegates/ participants from countries as diverse as Czech Republic,
Ghana, Hong Kong SAR and Sweden;
Mrs Shirley Bithell - C10 Secretary/ Administrator.

Apologies Ms Sarah Wilkinson - Chairwoman, Working Group 10.1.

Reports

The Chairman reported that progress during the year had been less than hoped for due to business commitments of the principals but it was encouraging that Commission 10 would hold three Technical Sessions, all taking place on Wednesday 18th June. The first would be an open forum session on Project Management followed in the afternoon by two sessions both of which contained useful and interesting papers; he encouraged all present to attend the Technical Sessions.

Cooperation with The European Committee of Construction Economists (CEEC) had continued with him attending their twice yearly meetings. A positive development was that one of the papers in the C10 Technical Sessions would be by given Martin Wright from CEEC, on the topic of the CEEC Code of Cost Planning.

Reporting on Working Group 10.3, Richard Hucker said that he was tasked in Hong Kong in 2007 with looking at different Project Management examples and relating these to best practice. It was apparent that some FIG non-C10 colleagues were not sure of the need for project management techniques and he believed the best way to demonstrate such need is by example. Therefore he would be presenting examples of successful and unsuccessful projects at the open forum on Wednesday morning. Richard added that WG10.3 will be looking at areas of best practice arising from these examples and is planning to produce a publication by 2010 which would illustrate examples of best practice.

Richard advised that building on the Conference theme of Integrating Generations, he would also be presenting a paper on Wednesday afternoon which would review best practice in the recruitment and retention of surveying staff. This would be followed by a paper by Ms Leonie Newnham, the Vice Chairwoman of Working Group 10.3, who would be discussing the retention of information when staff leave a project.

In his report on Working Group 10.2 activity, Geoff Schmitt noted that the focus continues to be on the financing of projects using either the Private Finance Initiative or Public Private Partnership (PFI/PPP) models which are both used widely in the United Kingdom. Build Operate Transfer (BOT), is a finance method used in many other countries, often for the construction and maintenance of toll roads. Geoff asked that anyone with experience of or interest in either of these financing models would be a welcome contributor to WG10.2. He also drew attention to the concurrent UN Habitat Seminar which would discuss the financing of low cost housing projects and recommended that as many attendees as possible attend.

For WG 10.2 the Chairman reported that Sarah Wilkinson had been working on some projects for FIG, this and her other work will be reported in the Commission 10 quarterly newsletter.

Points of Discussion

There was a lengthy discussion of the need to increase the number of National delegates and other participants to Commission 10 and widen involvement in and awareness of its activities. Delegates and other participants may be active contributors or, simply, observers and all contributions may be made electronically. Every Member Association of FIG is entitled to nominate a delegate to each of the ten commissions and the Chairman asked that all attendees take every opportunity to highlight this to FIG non-C10 colleagues. Please forward/ submit details of anyone interested in contributing in C10 to Shirley Bithell, the C10 Secretary.

The Chairman believes that a number of Member Associations could provide active contributors on the basis of regional representation, for example many of our colleagues from the African continent have common interests, and it would be of benefit to all of C10's work if those interests were represented. Mr Osei-Asante (Ghana) advised that many of the African QS institutions meet under the banner of the African Association of Quantity Surveyors (AAQS) and that he is the African Regional Director for the International Cost Engineering Council (ICEC). If Commission 10 is not seen as strong and productive then Ghana would not be able to justify funding its Delegate, but also as Commission 10 gets stronger then FIG would be stronger.

The colleagues from Hong Kong SAR agreed with Ghana, but undertook that with Ben Chong now registered as the HKIS Delegate to Commission 10 there would be contributions from Hong Kong.

It was felt that maybe there was 'competition' between FIG and ICEC – the Chairman did not believe so adding that there is a Memorandum of Understanding (MoU) between FIG and ICEC. There are similarities in their roles of global representation, FIG strongly interacts with, eg, UN agencies (UN-Habitat, World Bank, etc), NGOs and similar institutions and academia, as well as practitioners in both public and private practice; ICEC member associations are from many disciplines other than surveying and most of the individual members are practitioners in commercial companies and private practice.

Ms Victoria Berggren (Sweden) said that she had been invited to attend by a colleague in order to see how Commission 10/ FIG worked; she had found it very interesting to see how other countries worked and interacted.

Mr Robert Sinkner (Czech Republic) said that in Munich in 2006, he had been the only non-UK attendee at the Commission 10 meeting and he was pleased to see the wider representation now present. He expected Commission 10 to continue developing and hoped to enlist Slovakian colleagues to join. He added that change in Eastern/ Middle Europe is slow but there is progress towards more cost identification and associated management issues.

Post meeting notes

Andrew Morley (AWM) and Mr Osei-Asante (KOA) met later in the week and discussed ideas for involving African QS associations and achieving some outcomes from the FIG/ ICEC MoU. It was noted that the next AAQS meeting will be held in Accra, Ghana, in August 2008 – AWM was invited to attend.

Also, AWM met KOA and colleagues from AAQS and other members of the ICEC Council during its bi-ennial meeting in Toronto on 28 & 29 June, 2008. This meeting discussed, in particular, the possibility for FIG C10 to join ICEC in the proposed World Urban Forum 4, Business Forum, to be held in Nanjing, China, in November, 2008.

TS 6J - PROJECT MANAGEMENT - OPEN SESSION

The session was chaired by Richard Hucker, MBE, (RAH) with Andrew Morley as Rapporteur; over 30 participants attended.

RAH advised that he was building on a task that arose from FIG Working Week in Hong Kong 2007, to assess Project Management practices. RAH gave a brief outline of Project Management and the important issues relating to it, explaining the definition as a fixed (usually, short) life exercise to create a unique process by scale and cost. He stated that Project Management skills are used by all FIG members and not just commercial managers/ quantity surveyors/ construction economists. Many projects do not achieve their clients' objectives and, worldwide, approximately 50% of major corporate global projects, such as mergers and IT systems, fail to achieve their time, cost or quality objectives. Project Management should learn from and build on skills used by successful projects which would reduce the risk of failure to meet all objectives. RAH then identified and described several projects that were either successful or unsuccessful due to either good or bad practice; after highlighting several instances of each he advised:

1. ensure the personnel employed have the level of experience required to carry out the tasks and ensure transparency at all parts;
2. establish clear communication routines especially in different countries to ensure cultural differences are taken into consideration;
3. most projects now have dispute resolution procedures written into the contracts;
4. one reason that more projects fail in recent years, could be due to the fact that the modern day approach is more adversarial;
5. ensure clear leadership, monitoring and adjustment as necessary and when necessary;
6. surveyors often have the opportunity to oversee the whole programme;
7. lack of consultation with all interested parties is likely to lead to problems;
8. learn from experience and use Best Practice;
9. management of Human Resources is critical to ensure recruitment and retention of personnel;
10. clients need to ensure that early stage expedition and planning is done correctly, this is critical to the process and has the most impact on the outcome.

Points of Discussion

Mr Richard Otto asked if a Risk Matrix should be used and should it be shared between owner and contractor - RAH advised that subject to contractual and financial constraints it is always wiser to share whenever possible.

Mr Geoff Schmitt observed that a Risk Schedule and analysis at the start of a project and re-assessment of it at regular intervals throughout was a minimum for 'best practice'.

Mr Frank Culliver remarked on the applicability of the discipline of Project Management across all of the branches of surveying represented in FIG.

RAH requested that anyone who has further examples of good and bad practice forward the details to him. He intends preparing a report on Project Management WG 10.3 will publish before 2010.

Andrew Morley thanked Richard for his work in researching and presenting the several examples and the lessons to be learned from them, and all participants for their contributions to the lively discussion.

TS 7J - CONSTRUCTION ECONOMICS - ISSUES FOR THE PROFESSION

This session was chaired by Dr Maria Ulfvarson Östlund, and Rapporteur Mr Andrew Morley; it was attended by 31 participants.

All papers were presented by their authors, as below, the Chairwoman then called for questions.

Mr Richard Hucker, MBE – Planning and Managing the Recruitment and Retention of Construction Surveyors

Ms Leonie Newnham – How to Stop Knowledge Walking out of the Door with the Team When a Project is Completed!

Mr Geoff Schmitt – The Changing Face of Dispute Resolution

Mr Martin Wright – The CEEC Code of Cost Planning - Introduction and Practical Examples

Points of Discussion

For Richard Hucker - keeping employees could be assisted by using similar techniques as Ms Newnham; retaining information is not always the way forward, but anything that helps the working environment helps retain staff; staff aspirations change with age and benefits need to change with them; fluctuation in staff levels do affect personnel retention – staff may stabilise if inducements such as training offered.

For Leonie Newnham - was the captured information passed on and how were emails captured – Important emails were saved as word documents and copied to the configuration file; interacting with the project appears to encourage staff retention; part of a successful project is the retention of personnel; as Leonie works in a government department, how is she affected by changes in government and government policy – to date not happened but would have to react accordingly; competent teams can be lost due to fluctuation of work levels; within the public sector, changes can be influenced due to decrease in staff to external agencies an increase in staff may bring in new knowledge and experiences.

For Martin Wright - does the Code take into consideration whole life/ environmental issues – the model is on the system but has yet to be populated; is the Code officially recognised and is the EU not already doing something similar and are they aware of the CEEC model.

For Geoff Schmitt - Does he have input into setting up contracts to reduce disputes – a partnering system is being used more in the UK; Mr Chung advised that for the last 10 years Hong Kong has employed Dispute Resolution Advisors at the start of projects, they have regular on site contact and the arrangement is successful: in the last 10 years only 2 cases have gone to arbitration; the point was raised that it appears that more time is spent discussing and agreeing the contract than actually carrying out the project - agreed that this

could appear to be the case but, hopefully, moving on to the use of Mediation and Dispute Review Panel systems may help to improve the situation.

Andrew Morley gave a brief closing remark to thank all of the authors and participants for their support of Commission 10.

All papers can be found on the FIG website: <http://www.fig.net/pub/fig2008/techprog.htm>

TS 8G - CONSTRUCTION ECONOMICS - CASE STUDIES

Session chaired by Mr Andrew Morley, Rapporteur Mr Geoff Schmitt and attended by 21 other participants.

Papers were presented by their authors, except for Mr Howard Klein, who was unable to attend the conference, Andrew Morley presented this paper.

Mr Mike Sutton – A Criminal Waste – The Organised Crime Involvement in the UK Muckaway and Disposal Process

Mr Yoav Coller – Registration of Land Rights – The Importance of the Surveyor and the Advantages to the Economy

Mr Howard Klein – Somewhere in Time – Securing and Protecting your Contractual Rights

Points of Discussion

For Mike Sutton – it was considered incomprehensible that waste is dumped, without adequate criminal recompense - advised that offenders are rarely imprisoned and, generally, fines are not proportionate to the profit made which could run into millions.

For Moshe Gilai and Yoav Coller – queried if the land in question was state owned? It was advised that the backlog of registrations is for state owned land within the green area, this is now being addressed with less than 5% still to be registered; the reason for the delay was due to differences in departments, this has now been resolved.

For Howard Klein (presented by Andrew Morley) – Geoff Schmitt advised that if a claim for extra time by contractor could be evaluated then a supplementary agreement could be made for payment to the contractor by the owner to cover the cost of a delay; he also advised that the UK Society of Construction Law has published a document 'Delay Action Protocol', which whilst it is not a legal document, it is a useful tool.

Andrew Morley thanked the authors and participants for their contributions.

All papers are on the FIG website: <http://www.fig.net/pub/fig2008/techprog.htm>