

Minutes of the International Cost Engineering Council (ICEC) 2007 Region 3 Meeting Southern Sun Elangeni Hotel, Durban, South Africa 20 October 2007

1.0 Meeting Details

The 2007 ICEC Region 3 meeting was convened at the Southern Sun Elangeni Hotel in Durban, South Africa in conjunction with the Council Meeting of the African Association of Quantity Surveyors (AAQS) and the ASAQS/AAQS International Conference. ICEC Region 4 Director, Mr. Kwadwo Osei-Asante presided over the meeting.

The AAQS Council Meeting was held on Thursday 18th October from 12pm – 6pm and was attended by both AAQS and ICEC Region 3 members. ICEC Secretary-Treasurer, Dr. Peter Smith, was invited to attend this meeting as an observer as part of the co-operative agreement between AAQS and ICEC.

The ICEC Region 3 meeting was held on Saturday 20th October and commenced at 3.30pm following the conclusion of the conference. It should be noted that the AAQS meeting covered many areas and issues related to ICEC Region 3. Separate AAQS minutes were prepared by the AAQS Secretary. The minutes herein cover only the ICEC meeting.

2.0 Welcome & Introductions

Mr. Osei-Asante opened the meeting and welcomed all the participants.

A moment of silence was held for the former AAQS Secretary-General, Mr. Francis Githaiga, who passed away on 26 December 2006. Mr. Osei-Asante paid tribute to Mr. Githaiga for his contributions to the AAQS and quantity surveying profession generally.

3.0 Attendance & Apologies

Attendance

ICEC Executive

Mr. Kwadwo Osei-Asante - ICEC Region 3 Director
Mr. Egon Wortmann - ICEC Region 3 Assistant Secretary & ASAQS Executive Director
Dr. Peter Smith - ICEC Secretary-Treasurer

AAQS

Mr. Segun Ajanlekoko - AAQS President, NIQS Representative
Mr. Thabo Senyolo - AAQS Secretary-General, ASAQS Representative

ASAQS (South Africa)

Mr. Thembi Matunda - ASAQS President
Prof. Gaye Le Roux - ASAQS Representative, Registrar SA Council for QS Profession
Mr. Ron Singh - ASAQS Representative

NIQS (Nigeria)

Prince A.Y. Alhassan - NIQS Vice-President, Nigeria QS Registration Board Member
Ms. Tina N. Eke - NIQS Representative, Treasurer Women Assoc of QS Nigeria

GHIS (Ghana)

Lt. Col. S.K. Adusei-Appiah - GHIS Representative

Mr. Alfred Boateng - GHIS Representative
Mr. Humphrey Amegadoe - GHIS Representative

Apologies

Mr. Murtala Oladapo - ICEC Administrative Vice-Chairman
Mr. Joseph T. Tango - Tanzania Institute of Quantity Surveyors (TIQS)
Mr. Ian Oosthuysen - Institute of Namibian Quantity Surveyors (INQS)
Mr. Dan Kimoro - Institute of Quantity Surveyors Kenya (IQSK)

Not represented

Mauritius Association of Quantity Surveyors (MAQS)
Project Management South Africa (PMSA)
South African Project Control Institute (SAPCI)

4.0 Minutes of Previous Meeting

The minutes of the 23 November 2006 meeting in Calabar, Nigeria were taken as read and were accepted without amendment (accepted by Prince A.Y. Alhassan, seconded by Lt. Col. S.K. Adusei-Appiah).

5.0 Matters Arising From Minutes

None.

6.0 Officer's Reports

ICEC Secretary Treasurer

Mr. Smith began with the work being undertaken by Ms. Robyne Nash, the ICEC Administrative Manager, and the ICEC website developments. He then spoke about the importance of ICEC receiving feedback and suggestions from Region 3 member associations to help maximize the benefit that ICEC can provide for African members. He then spoke about new publications and initiatives being undertaken by ICEC. He handed out copies of the following documents to attendees:

- Promotional Flyer for the 2008 ICEC 6th World Congress in Toronto
- ICEC Information Kit (for potential members)
- International Roundup News
- Paper on the ICEC International Location Factor Cost Model
- ICEC Draft Strategic Plan – Evaluation Form
- Kenneth K Humphreys Award Program

He provided an overview of each of the documents. The “ICEC Information Kit” and “International Roundup News” received a number of positive comments from attendees. He encouraged member associations to provide feedback on the ICEC Strategic Plan.

This then led to general questions and discussion. Ms. Tina Eke raised the issue of visas for travel to the 2008 ICEC Congress in Toronto and ICEC Regional Meetings generally. Significant lead time is required for these visas for Region 3 member associations and it was requested that ICEC provide appropriate letters of invitation to assist in this respect. It was agreed that better communication was required and that the Secretary-Treasurer and the ICEC Secretariat would liaise with Region 3 members to ensure that appropriate letters are provided.

Professor Gaye le Roux and Prince A.Y. Alhassan then raised questions about ICEC certification procedures for professional development programs/courses and the use of the ICECA post-nominals and these were discussed in detail. It was agreed that this would be highly regarded by individuals from member associations and it is likely that members who do not have ICEC certification as yet will make application in the near future.

Prince A.Y. Alhassan then raised the issue of the role of the Cost Engineer in Nigeria and the fact that they do not have any formal qualifications or training in cost management. This is distinct from the QS profession where Qs need to be registered through the Nigerian QS Registration Board Member. It was considered that this created an unfair situation and the ability of Cost Engineers to provide expert cost management services was questioned. Prince A.Y. Alhassan then asked about the status of the ICEC membership application from the Nigerian Institute of Appraisers and Cost Engineers. It was explained that the period for objection to the application had expired but that the Institute had yet to pay the full fees necessary for membership. It was then explained that there were some communication problems within the NIQS in terms of a formal objection to the application. It was agreed that the Region 3 Director and the Secretary-Treasurer would liaise further with the NIQS on this matter.

Region 3 Director

Mr. Osei-Asante provided a verbal report on activities in Region 3 since the last meeting. He mentioned that the AAQS was becoming a very active and strong association and that it was tremendous that ICEC and the AAQS were forming a closer relationship. It was agreed that the AAQS would provide contact details for AAQS members who were not members of ICEC. Mr. Osei-Asante will follow this up and was confident that these associations would join ICEC in the future.

7.0 Membership Reports

The reports of the ASAQS (South Africa), GHIS (Ghana), TIQS (Tanzania), INQS (Namibia) and IQSK (Kenya) were presented at the AAQS Council Meeting. Written reports were provided by ASAQS, GHIS & INQS and verbal reports by TIQS and IQSK.

The main topic with the AAQS member reports was the influence that China was having on the African construction industry. Chinese contractors are undertaking a significant proportion of work in many African countries and local contractors are unable and unwilling to compete against the very low tender prices submitted by the Chinese. For example, in Namibia, Chinese contractors now undertake 85-90% of all Government work at prices 30-50% lower than local tender prices. Trends were also emerging where Chinese contractors are also financing projects. Many of the Chinese contractors are State Owned Enterprises and have significant financial backing from their government. The quality and efficiency of the Chinese contractors is very good in many African countries but there is the problem that many of these contractors are allegedly not complying with local employment laws, having workers live on site and work on projects around the clock. The situation does differ though. For example, in Kenya, Chinese contractors initially entered the market with very low tender prices to become established in the market but over time their prices have increased to reasonable levels. The AAQS resolved to write a position paper on the issue.

The other major issue was the shortage of construction materials (particularly cement and steel) and the impact that this was having on construction prices. Many countries are having to import these base materials (even South Africa).

GHS

Region 3 Director, Mr. Osei-Asante, provided a written report on GHS activities and discussed the content. The report is by reference made a part of these minutes.

ASAQS

ICEC Region 3 Assistant Secretary, Mr. Egon Wortmann, provided a verbal report on ASAQS activities. Their written report submitted at the AAQS meeting will also by reference be made a part of these minutes. Egon commented that the ASAQS had moved offices in Johannesburg changing from rented to purchased premises.

INQS

A written report was submitted by Mr. Ian Oosthuysen at the AAQS meeting. The report is by reference made a part of these minutes.

NKIS

Prince A.Y. Alhassan provided a verbal report on NIQS activities. The NIQS General Elections were held in May 2007 and a 2 day seminar was held in June 2007 on the topics of Contracts and Fraud/Corruption. The Nigerian Government is greatly concerned about corruption in business and the construction industry is viewed as having problems in this respect. Major reforms are occurring in the construction industry to address this problem.

(NOTE: Copies of any documents made a part of these minutes by reference are available from the ICEC Secretary upon request).

8.0 Reports From Other Regions

None

9.0 New Members

Concerns from the NIQS about the membership application from the Nigerian Institute of Appraisers and Cost Engineers has been noted earlier (Clause 6.0). This will be investigated further by the ICEC Region 3 Director and Secretary-Treasurer.

10.0 Potential New Members

The AAQS President, Mr. Segun Ajanlekoko, has kindly offered to provide contact details for AAQS member associations that are not ICEC members. Mr. Osei-Asante and Mr. Smith will contact these organizations. Mr. Smith also noted that other potential members from other regions included AACE-I Saudi Arabia and Iran, Quantity Surveyors International (UK), PUJA-B (Brunei), PMI Netherlands, UK Institution of Civil Engineers, the Indian Institute of Surveyors and AACE-I India.

11.0 Cooperation With Other Bodies

Mr. Osei-Asante commented that ICEC has continued its dialogue and mutually supportive agreements with the AAQS, PAQS, IPMA and FIG. Dialogue also continues with the RICS and Mr. Smith mentioned that a formal meeting was held with the RICS at their head office in London in October 2006 prior to the Region 2 meeting. The dialogue continues to be positive and much discussion has been held about the possibility of the RICS applying for ICEC membership.

12.0 ICEC International Location Cost Factor Model

Mr. Smith spoke about the ICEC initiative led by Mr. John Hollmann, the ICEC Region 1 Director, to develop an international location cost factor model. He referred to the paper handed out earlier in the meeting (ICEC International Location Cost Factor Model) which was presented at the recent PAQS Congress in Auckland, New Zealand in June 2007. A workshop was also held in July 2007 at the Region 1 Meeting in Nashville, Tennessee to discuss the detail of the model development. Mr. Smith presented a draft "Data Collection Form" that has been produced by Mr. Hollmann as a result of this workshop. Mr. Smith encouraged member associations to support this initiative and nominate at least one person from their association as a contact point and contributor to the project. General discussion and comments ensued. Professor Gaye le Roux volunteered to represent ASAQS and Dr. Corne de Leeuw volunteered to represent AAQS member associations for the development of the model. Both are very experienced practitioners in the estimating field and will provide valuable input. Dr. Corne de Leeuw has been developing a similar international cost model through the AAQS and is particularly keen to liaise with ICEC.

13.0 ICEC Strategic Plan

Peter Smith referred to the handout on the ICEC Draft Strategic Plan and emphasized the importance of getting feedback from all member associations to ensure that the organization remained relevant and best served member needs. This review is being led by Mr. Carsten Wredstrom from the Association of Danish Project Management in Region 2. Attendees undertook to reply to the ICEC Secretariat with comments as soon as possible.

14.0 UN NGO Consultative Roster Status

Mr. Osei-Asante spoke about the decision last year by the United Nations Economic and Social Council (ECOSOC) to grant Roster consultative status to ICEC. This has the potential to provide tremendous opportunities for ICEC and its member associations to contribute to the work of the United Nations. General discussion was then held on what this actually meant for firms and what was involved in utilizing this UN status to bid for work. It was agreed that there was a need for greater clarity on this for ICEC members. Mr. Osei-Asante and Mr. Smith offered to liaise with Mr. Murtala Oladapo to write a paper/report to provide this clarity.

15.0 Advantages and Responsibilities of ICEC Membership

Mr. Osei-Asante provided a reminder of the main advantages and responsibilities of ICEC membership. This included the sharing of publications amongst member associations and the use of members' individual web pages on the ICEC website for promotional purposes. Mr. Smith referred to the ICEC Information Kit handout which provided details in this respect. He also commented that the individual member sections on the ICEC website were generally under-utilised and encouraged members to add to their respective web-pages as it provided a good means of promotion of their association.

16.0 International Standards

Mr. Osei-Asante encouraged members to submit their list of standards and publications to the ICEC Secretariat for inclusion on the ICEC website.

17.0 Calendar of Events

Mr. Osei-Asante and Mr. Smith provided details of ICEC Region meetings held or to be held in

2007 and the ICEC World Congress and Council Meeting in 2008 in Toronto Canada. Mr. Segun Ajanlekoko noted that the AAQS General Assembly was originally due to be held in early July 2008 but, due to the proximity to the Toronto Congress, the AAQS Board had resolved to put the Assembly back to mid-August or later. Member associations were also encouraged to send details of any seminars/congresses/events to the ICEC Secretariat so that they could be included on the ICEC website.

18.0 Certification/Accreditation

Mr. Smith encouraged all members to seek ICEC accreditation of their CPD and Certification programs if this had not already been done. Details and application forms appear on the ICEC web page. This matter was also discussed earlier in the meeting

19.0 ICEC World Congresses

Mr. Osei-Asante noted that after Toronto in 2008, the 2010 Congress will be held in Singapore and the 2012 event is currently scheduled for Durban, South Africa. This is to be ratified at the 2008 Council Meeting and Mr. Egon Wortmann confirmed that the ASAQS will be in attendance to give a presentation on their bid for the 2012 event.

20.0 Publications – Roundup News & the ICMJ

Peter Smith referred to handouts about the newly established Roundup News and International Cost Management Journal (ICMJ). He explained the background behind the new publications and encouraged member associations to contribute. The first addition of the ICMJ is now scheduled for November 2007 and members were advised that it was still possible to submit papers for consideration for last minute inclusion as long as the papers were received by 5 November 2007.

21.0 Other business

Prince A.Y. Alhassan led a discussion on current problems with Quantity Surveying and Project Management education in Nigeria and many other African countries. It is becoming increasingly difficult for universities to attract and retain good quality academic staff in these fields and courses were suffering as a result. This has resulted in a serious shortage of QS/PM academics. Much of the problem lies in the relative poor pay levels for academicians compared to the income they could earn as practitioners in the construction industry. A range of strategies were discussed including the use of practitioners as casual lecturers, assistance with the development of course materials, 'block style' teaching and guest visits/lectures by academics from other regions. It was agreed that the AAQS/ICEC would collaborate to try and address this problem.

22.0 Adjournment

There being no further business, the meeting was adjourned at 5:55 pm. Mr. Osei-Asante thanked everyone for their attendance and active participation in the meeting.

Respectfully submitted,

Peter Smith
ICEC Secretary Treasurer