

SISV News

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Issue
Oct 2005



Newsletter of the Singapore Institute of Surveyors & Valuers



9th PAQS CONGRESS

At Shangri-La Hotel,
Dalian, China

Being an Expert Witness

What constitutes Expert Evidence

Singapore's Real Estate Heartbeat

Getting a Diagnosis

PLUS // News from the Divisions // Features

SISVnews

SISV News is a quarterly newsletter of the Institute. It is distributed to members, students and friends of the surveying profession free of charge. Anyone wishing to receive a copy may contact the Secretariat.

22nd COUNCIL 2005 - 2007

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All contributions of suitable articles are welcomed. Article submissions should include both hard (printed) copy and a softcopy (via email or diskette) in word format. Contributions should reach the Secretariat before 25 March, June, September and December.

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OFFICE HOURS

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CONGRESS**04**

Expert Witness...

Singapore's
Real Estate
Heartbeat**07**SAA meeting
*CHÀO MUNG!***08**

Our heartiest congratulations and best wishes to



Kong Mun Kwong
Member of Quantity
Surveying Division
for receiving The Public
Service Star (Bar)
[BBM (L)] Award on
National Day 2005



Dr Lim Lan Yuan
President 22nd V & GP
Divisional Council
2005-2007
for receiving The Public
Service Star (BBM) Award
on National Day 2005

Congratulations and a warm welcome to our new members/member firms**FELLOW**
Division
VGP

Name
Poh Kwee Eng

MEMBER
Division

QS Chia Kah Pui Deric
QS Sandy Avianto
QS Wan Chee Weng Raymond
QS Lim Cheng Jin
VGP Kong Kok Kee Michael
VGP Yusof B Amir Wahid

PROBATIONER

Division Name
QS Yeow Pei Chen
VGP Cheong Wai Khin
VGP Lee Weng Bunn
VGP Lock Peck Geck
VGP Ong Yew Guan
VGP Yek Pei Ling

Notice

The following members have resigned from the Institute:

Division Name
QSF Han Wee Kwang
QSM Donald Payne
VGPP Wong Su May
VGPP Tan Wen Li

CONFERENCE

REALTORS CONFERENCE & EXPO

28 - 31 Oct 2005
San Francisco
Website: www.realtor.org/conferenvnce

8th SOUTH EAST ASIA SURVEY CONGRESS (SEASC)

21 - 25 Nov 2005
Bandar Seri Begawan, Brunei Darussalam
Website: www.seasc2005.org.bn
CPD Credit: 16 units (applicable to LS Members)

1st WAVO WORLD VALUATION CONGRESS

"Valuation in the Globalised Economy"
15 - 17 May 2006
MERITUS MANDARIN SINGAPORE
Singapore Institute of Surveyors and Valuers
20 Maxwell Road #10-09B
Maxwell House
Singapore 069113
Tel: +65 6222-3030
Fax: +65 6225-2453
Email: wavo@sisv.org.sg
Contact Persons: Ms Jean Lian / Ms Janet Han
Website: <http://www.wavoglobal.org>

10th PACIFIC ASSOCIATION OF QUANTITY SURVEYORS (PAQS) CONGRESS

"Advancing New Frontiers"
21 - 24 May 2006
MARINA MANDARIN SINGAPORE
Congress Secretariat
Singapore Institute of Surveyors and Valuers
20 Maxwell Road #10-09B
Maxwell House
Singapore 069113
Tel: +65 6222-3030
Fax: +65 6225-2453
Email: paqs2006@sisv.org.sg
Contact person: Ms Judy Poh
Website: www.sisv.org.sg/10PAQS

14th ASEAN VALUERS ASSOCIATION (AVA) CONGRESS 2006

"Valuation in Asia"
3 - 5 July 2006
MERITUS MANDARIN SINGAPORE
Congress Secretariat
AVA Singapore
Singapore Institute of Surveyors and Valuers
20 Maxwell Road, #10-09B
Maxwell House
Singapore 069113
Tel: +65 6222-3030
Fax: +65 6225-2453
Email: ava2006@sisv.org.sg
Website: <http://www.sisv.org.sg/avacongress2006>

LIBRARY SECTION

You can now browse for list of SISV Library collections from the web. The list and rules will be updated regularly for your reference.

If you come across books or wish to donate books that are useful to the surveying profession, do call May Lam at 6222 3030 or e-mail to may_lam@sisv.org.sg for assistance.

BCA Catalogue 2005

Code of Practice on Building Design - Sept 2005 Edition

Directory of Certified Products Year 2004/2005

FIABCI Directory 2005-2006

PRC : Land Management Law. (In Mandarin)

PRC : Practical Guides to Land Law & Cases. (In Mandarin)

PRC : Land Clearance Resettlement, Compensation Guides & Cases. (In Mandarin)

Property Market Information - 2Q2005
• Commercial & Industrial Properties
• Details of Project Under Development
• Private Residential Properties

Safety News - Land Transport Authority

CIRCULARS

Contents of the circulars will be made available to FSISV and MSISV only. Please call Joe of Secretariat at Tel: 6222 3030 to request for a copy. For SISV Probationers and CREA, please contact the originator directly.

URA

Issued by Urban Redevelopment Authority (URA). These circulars are also available at <http://www.ura.gov.sg>

URA/PB/2005/12-DCD

URA/DC PLAN RELEASE 3/2005E
Street block plan for House No. 11-69 (Odd Nos) Jalan Wangi (Toa Payoh Planning Area)

URA/PB/2005/13-DCD

URA/DC PLAN RELEASE 4/2005E
Street block plan for Ford Avenue (Bukit Timah Planning Area)

URA/PB/2005/14-DCD

URA/DC PLAN RELEASE 5/2005E
Street plan for terrace dwelling houses along Richards Place/Richard Avenue (Hougang Planning Area)

URA/PB/2005/15-DCD

Revised submission requirements for additions & alterations proposals within a strata unit involving increase in gross floor area

URA/PB/2005/16-DCD

Guidelines for mixed use developments on commercial zone

URA/PB/2005/17-DCD

Orchard Road Development Commission

URA/PB/2005/18-DCD

Clarification circular on guidelines on breaking away of existing landed housing within non-safeguarded landed housing area

URA/PB/2005/19-DCD

Development application fees revision

URA/PB/2005/20-DCD

Gross Floor Area (Gfa) Verification Service

URA/PB/2005/23-CUDD

Art Incentive Scheme for New Developments In Central Area

URA/PB/2005/24-DCD

Revised guidelines on students' hostel developments

FSSB

Issued by Fire Safety & Shelter Bureau. These circulars are also available at <http://www.scdf.gov.sg>

CD/FSSD/12/01/03/04

Centralisation of building control unit of HDB/JTC/LTA : Submission of fire safety plans for regulatory approval and application for temporary fire permit/fire safety certificate and fire certificate

CD/FSSD/12/01/03/04

Revision of portable fire extinguishers in buildings

CD/FSSD/12/01/03/04

SS CP 52 : 2004 - Code of practice for automatic fire sprinkler system

CD/FSSD/12/01/03/04

SS CP 10: 2005 - Code of practice for installation and servicing of electrical fire alarm systems and SS CP 19: 2000 - Amendment No 2 - Code of practice for the installation and maintenance of emergency lighting and power supply systems in buildings

CD/FSSD/12/01/03/04

Revision to technical requirements for hs in landed dwelling unit - HS form, location of basement HS and thickness of HS ceiling slab

CD/FSSD/12/01/03/04

Omission of fire rated doors to exit staircases in multi-storey car park buildings

Our Congratulations to



Seah Kwee Yong

SISV Fellow of the Quantity Surveying Division, for receiving the Standards Council Merit Award 2005

The success of the national standardisation programme is due, in no small measure, to the strong support and contribution of many professionals and technical experts. They contribute time and effort for the development of standards and the promotion of standardisation programme to help the industry become more competitive. Kwee Yong has been recognised by SPRING Singapore as one of the key contributors that help the construction industry grow. Well done, Kwee Yong!

9th PAQS CONGRESS AT SHANGRI-LA HOTEL, DALIAN, CHINA

SISV is a serious contender in a bid to organise the ICEC World Congress in 2010

The 9th Pacific Association of Quantity Surveyor (PAQS) Congress, incorporating the International Cost Engineering Council (ICEC) Region IV Board Meeting, was held at Shangri-La Hotel in Dalian, Republic of China from 25 to 28 June 2005.

Hosted by the China Engineering Cost Association (CECA), the Congress was attended by over 450 delegates, making it the largest PAQS Congress yet. Speakers from Denmark, UK, Canada, South Africa and all other PAQS countries ensured a varied and interesting programmes.

Singapore sent an eight-person delegation from SISV. It comprised Edward Tang, Goh Ngan Hong, Daniel Wong, Seah Kwee Yong, Khoo Sze Boon, Caroline Tan, Judy Poh and Teoh Wool Sin. All eight of them are members of the Organising Committee of the 2006 PAQS Congress in Singapore.

This is the first time SISV had sent such a large delegation to an overseas Congress. Our aim is to promote the 10th PAQS Congress to be hosted by SISV in Singapore next year. It is also to show our commitment in bidding for the ICEC World Congress in 2010.

The larger-than-usual size of our delegation was made possible with a combined funding from various sources. On top of the funds received from SISV, we also got assistance from two of Singapore Tourism Board's (STB) funding schemes.

During the PAQS Board and ICEC Council Meetings, we presented our plans to organise the 2006 PAQS Congress. We reiterated our keen interest in bidding for the 2010 ICEC World Congress. We have also informed the delegates who attended the meetings that SISV would be submitting a formal bid during the 5th ICEC World Congress in Slovenia next April 2006.





The ensuing two-day Conference with the theme "Culture of Quality Construction" saw some forty over papers presented on a wide range of topics from quantity surveying to value engineering. SISV delegates presented five papers as shown below.

- | | |
|--------------------|---|
| a. Goh Ngan Hong: | Procurement & Contract Award Practices – A review of the Singapore Construction Industry |
| b. Khoo Sze Boon: | Can A Quantity Surveyor Add Value to (on behalf of Eugene Seah) the Project: Don't Say It, Show Us! |
| c. Seah Kwee Yong: | Cost Analysis & Cost Plan Civil Engineering – Rail and Road Infrastructure |
| d. Edward Tang: | The Practicality of Guarantee Maximum Price Contract for Foreign Developers in China |
| e. Teoh Wooli Sin: | Seven Steps to Project Control for Consultancy Services Contract for Major Projects |

This was yet another record in SISV history and members can obtain a hard copy of the Conference proceeding at SISV library for reference.

With STB's support, we set up a booth outside the Auditorium during the two-day Conference to promote our 2006 PAQS Congress. The main delegates of PAQS, and all participants of the Conference alike were very impressed with our displays. The Cardboard Tower that we loaned from STB and brought all the way from Singapore, displayed "UNIQUELY SINGAPORE" proudly at our booth. There was definitely a lot of interest from the participants, looking at how STB's promotional materials and the 2nd Announcement brochures, for the 2006 PAQS Congress from SISV, were eagerly snapped up.



At the Farewell Dinner of PAQS Congress on 28 June 2005, we presented once again the proposal to organize the 2006 PAQS Congress and showed a "Uniquely Singapore" promotional video to all participants.

The 10th PAQS Congress, incorporating the ICEC Region IV Meeting, will be hosted by Singapore Institute of Surveyors and Valuers (SISV) at Marina Mandarin Hotel in Singapore from 21 to 24 May 2006. We look forward to your participation and sharing your papers in the 10th PAQS Congress in Singapore next May. For more details, please visit the 10th PAQS Congress website at www.sisv.org.sg/10PAQS or contact Judy Poh at SISV Secretariat. For more information on PAQS and ICEC, please visit their websites at www.paqs.org and www.icoste.org respectively.

RESOURCE WASTAGE DURING PRE-CONTRACT STAGE OF DESIGN-AND-BUILD PROJECTS

Adeline Teng and Florence Ling Yean Yng
Department of Building, National University of Singapore

BACKGROUND

The traditional design-bid-build (DBB) procurement method is said to lack a single point of responsibility. The design-and-build (D&B) system is introduced to overcome some of the problems associated with DBB. However, D&B also has its own limitations; one of which is resource wastage during pre-contract stage.

The objectives of this study are:

- to identify the sources of resource wastage during pre-contract stage of D&B projects; and
- to recommend best practices to improve resource utilization during pre-contract stage of D&B projects.

RESEARCH METHOD

In-depth interviews were conducted with 13 construction industry professionals, comprising three architects, three engineers, three quantity surveyors and four contractors. They have personally been involved in D&B projects in the last five years. They have practiced for 14 to 31 years in the industry, with an average of 23 years. They also hold senior positions such as directors and senior managers.

MAIN FINDINGS

The interviewees revealed that there is indeed a high level of wastage in terms of time, cost and effort during the pre-contract stage of every D&B projects they were involved in. The extent of wastage is widespread. The costs include unrecoverable professional fees, lithographic charges and other tendering costs.

Some of the problems faced are highlighted below.

• Too many bidders

Each bidder needs to prepare a design. If 10 bidders are participating in the tender, at least 10 architects and 20 engineers (civil and M&E) are preparing 10 different designs. The bidder does not merely waste the time and effort of his own in-house technical team but that of external consultants, sub-contractors, specialist contractors and suppliers.

• Too many uncertainties

There are many uncertainties due to ambiguous design brief. The implications of this are: lack of information to carry out a proper design; too many assumptions need to be made by designers; assumptions differ significantly among tenderers and contractors price higher markups to cover for unforeseen risks. The result is that clients may be paying more than they would have if it were a DBB contract. For D&B teams, much time, money and effort are expended for something that has an uncertain outcome.

• Too much design detailing requested

Clients and their representatives require a high level of design detailing to be submitted together with D&B bids. Much time and costs are incurred to undertake the design.

• Tender period is too short

The relatively short tender period means that designers are constrained by time. The implication of this is: the proposal is not properly prepared; clarifications not adequately dealt with; and designers need to make many assumptions. The result is that a properly considered tender could not be submitted, leading to potential disputes at the post-contract stage.

• Getting a 'free' lunch

Clients regard design proposals by D&B bidders as free due to the prevalence of 'no job no fee' arrangement between designers and D&B contractors. The result is that cost incurred by the unsuccessful team is built into the next tender. In the long run, this drives cost up.

RECOMMENDATIONS

From the interviews, best practices are recommended to improve resource usage during the pre-contract stage of D&B projects. These are:

- limit the number of tenderers
- engage professionals to prepare clear employer's requirements

- do not over specify the design detailing that must be submitted with the tender bid
- provide a reasonable tender period
- use a weighted system to evaluate tenders
- educate clients on the implications of their decisions and actions
- use 2-stage tender.

The number of tenderers should be limited to no more than five, so as not to have too much wastage, and still have an acceptable level of competition. For clients without in-house expertise, professionals should be engaged to prepare a brief that is clear and unambiguous. The brief should not ask for unnecessary details (such as detailed architectural design) that do not impact on the aesthetics and function of the facility. Engineering design is also not required, as these are governed by codes and no competent engineers are going to compromise this aspect. Tender periods should be eight weeks or more, so that teams can prepare a properly considered design, and the tender can be competitively priced.

As regards tender evaluation, it is suggested that criteria for selection be made clear to tenderers. A weighted system could be used to evaluate the different proposals. Clients should be aware of their actions and decisions, as these may cause further wastage such as redesigns and reworks.

The two-stage tender is also recommended. The steps are outlined below:

- General prequalification announcement by client, stating prequalification criteria clearly.
- Client pre-qualifies 8 to 12 teams (each team comprises a D&B contractor and his designers)
- Request for Proposal (including client's requirements) documents prepared by client's team (or his consultants) and given to pre-qualified D&B contractors.

1st Stage submission. The pre-qualified teams proceed to prepare and submit:

Outline proposals
(CONCEPT design). [The submission of only concept design reduces excessive resource wastages.]

ESTIMATED price

Guaranteed maximum price (GMP)

Client short-lists two to three teams because the concept design and GMP are acceptable.

2nd Stage submission. The short-listed teams proceed to prepare and submit:

Scheme design
(Note: detailed design only for a few important sections, plans and elevations)

ACTUAL bid price

that does not exceed GMP

CONCLUSION

D&B gives rise to resource wastage at the pre-contract stage. Ambiguous client's brief causes bidders to price higher markups, with clients ending up paying higher cost for their facilities. The short tender period prevents designers from preparing a properly considered tender, leading to a building that is not optimally designed. The high level of design detailing, coupled with the 'no job no fee' arrangement make designers reluctant to invest too much time and effort on a venture that is fraught with uncertainty, and of which the outcome is not predictable. For the industry to reap the benefits of D&B, these problems need to be overcome by adopting the best practices suggested above. Alternatively, the tried and tested traditional DBB can continue to be promoted and used.

Short-listed tenderers are required to develop the design and price their proposals right away. Especially in cases where a large number of tenderers were invited to tender, high resource wastages would likely result. A two-stage tender is therefore proposed.

DO YOU HAVE WHAT IT TAKES TO BE AN EXPERT WITNESS?

Get the A-Z of being an Expert Witness and find out what constitutes expert evidence

In the construction industry, disputes may arise due to delay of completion date or design faults. For this, you need to know how to present evidence as an Expert Witness. Participants at the "Expert Evidence & Expert Witness" seminar had the opportunity to learn from one of the industry's finest, Fred Ng Sai Ho.

Held on 23 June at Furama City Centre, most of the participants were there to learn more about the process of presenting expert evidence. "I'm here to find out more about the requirements and implications about being an Expert Witness and learn the art of presenting expert evidence," said Angie Ng, one of the participants. Well, they were definitely not disappointed.

Fred Ng, the only speaker from South East Asia at the seminar is a forensic engineer and a consultant with DSL Management Ltd (Hong Kong) and Jacobs Babbie Consulting Engineers (Singapore). His famous cases included dealings with landslips in Hong Kong, California and Singapore.

Here's his useful tips to those who are preparing to be an expert witness: "Firstly, planning and structure is needed followed by a thorough factual preparation. "KISS" – keep it short and simple. Use illustrations, charts and diagrams in the report. After all, a picture is worth a thousand words. Also bear in mind what one aims to achieve before writing the report. Finally, take ownership of the report but give credit to other consultants or experts that were consulted in order to complete the report."

As a parting shot, Fred Ng revealed during the 'Q & A' session that he was once paid a handsome fee of HK \$15,000 for just half a day in court as an expert witness!



DIAGNOSIS ON SINGAPORE'S REAL ESTATE HEARTBEAT

A panel of professionals is upbeat about the growth of the real estate sector

'Singapore's Real Estate Heartbeat- Now and the IR Era', another seminar in SISV's Property Market Update Series, drew an overwhelming attendance of 120 participants from both members and non-members of SISV. IR, which stands for Integrated Resorts, is the latest buzzword in the market. And industry professionals were keen to find out more about its impact on the real estate sector.

The panel of speakers comprising Moray Armstrong, Executive Director, Office Services Singapore, Jeremy Lake, Executive Director, Investment Properties, Bernard Goh, Associate Director, Industrial Services, all from CB Richard Ellis and Tay Huey Ying, Associate Director, Research & Consultancy and Letty Lee-Teo, Director and Head of Retail, both Colliers International, presented findings from their respective areas of expertise.

Participants who gathered at Furama City Centre, on 15 July 2005, were certainly not disappointed, as the "diagnosis" delivered showed that the industry to be very much in the pink of health.

All five sectors of the industry were put in the spotlight: office property market, property investment sales market, industrial sector, residential property market and the all-time favourite among institutional investors, the retail sector. With the exception of some segments within the industrial sector, which has seen rental rates drop continuously since 2004, the rest of them showed positive growth and a good sign of the economy recovering.

With the positive outlook all-round, developers and investors were definitely in high spirits and can be assured of smooth sailing ahead in the IR era.



SAA HELD ITS FIRST EXECUTIVE COUNCIL MEETING IN KUALA LUMPUR

The inaugural Surveyors Alliance Asia (SAA) meeting was held on 21 June at Kuala Lumpur, in conjunction with ISM's 44th Dinner

The SAA was formed in November 2004 in Hong Kong. Its three founding members include Singapore Institute of Surveyors and Valuers (SISV), Hong Kong Institute of Surveyors (HKIS) and Institution of Surveyors Malaysia (ISM). Lee Li Chuan, who was then the President of Land Surveying Division represented SISV on that historic occasion.

Dr Amy Khor, Chairperson of SISV with Lee Li Chuan attended the first Executive Meeting in Kuala Lumpur. John Loh, from ISM, was elected as Chairman at the meeting. During the meeting, it was also agreed by members that the Chairmanship should be rotated every three years. John Loh also made a bid to host the inaugural function in Kuala Lumpur in conjunction with the Surveyors' Congress to be held tentatively next June 2006.

Matters discussed at the meeting included having a regional logo competition among members and non-members of the founding alliance.

Later, newly-appointed Chairman, John Loh, welcomed representatives to the ISM's 44th Anniversary Dinner, which was organised in conjunction with SAA's first meeting. Here's a toast to many more successful meetings!



CHÀO MUNG! (W E L C O M E !)

Fun and fellowship was the main agenda during a 5-day visit by our Vietnamese counterparts

SISV Singapore played host to the 8-person delegation from the Price Control Department, Ministry of Finance, Vietnam when they visited our sunny island from 11 to 15 July.

Dr Lim Lan Yuan, President, V&GP Division, was on hand to greet and welcome the delegates. They were treated to a lunch reception after a brief introduction and a short familiarisation session. In the following days, our Vietnamese delegates were given educational tours at various places. These include a visit to DTZ Debenham Tie Leung (SEA) and Knight Frank Pte Ltd to give them a glimpse of the private valuation practice in Singapore.

Delegates were also shown the licensing and control of valuers during their visit to the Inland Revenue Authority of Singapore (IRAS). A final training session at the SISV office on their last day rounded up the very fruitful trip.

Our guests showed their appreciation with an exchange of tokens and took home sweet memories and a bagful of knowledge to share with their members back in Vietnam.

Five days of fun and learning, we most definitely look forward to hosting more cross-cultural visits from our other ASEAN neighbours.

