



ICMS: MARKET PROBLEM AND POSSIBLE SOLUTIONS

Presented by

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AT THE NIQS 2022 NATIONAL CONFERENCE AND ANNUAL GENERAL MEETING

THEME:

INFRASTRUCTURE COST MANAGEMENT: CONTEMPORARY ISSUES AND EMERGING TRENDS

VENUE: THE PODIUM LEKKI, 124 T.F. KUBOYE ROAD, LEKKI PHASE I, LAGOS

NOVEMBER 22-25, 2022

INTERNATIONAL COST MANAGEMENT STANDARD (ICMS):

Market Problem And Possible Solutions

BY

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ICMS

Agenda



'We cannot solve our problems with the same level of thinking that created them.' – Albert Einstein

- ▶ Construction in Context
- ▶ Measurement Matters
- ▶ Market Research
- ▶ Market Feedback
- ▶ Solution Options



What are the aims of ICMS



- Construction cost and other **life cycle costs** to be consistently and transparently benchmarked
- Causes of **difference in costs** between projects and constructed assets can be identified
- Properly **informed decisions** on the design and location of construction projects to be made
- Data to be used with **confidence** for project financing and investment, programme and decision-making and related purposes



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Who will Benefit from ICMS



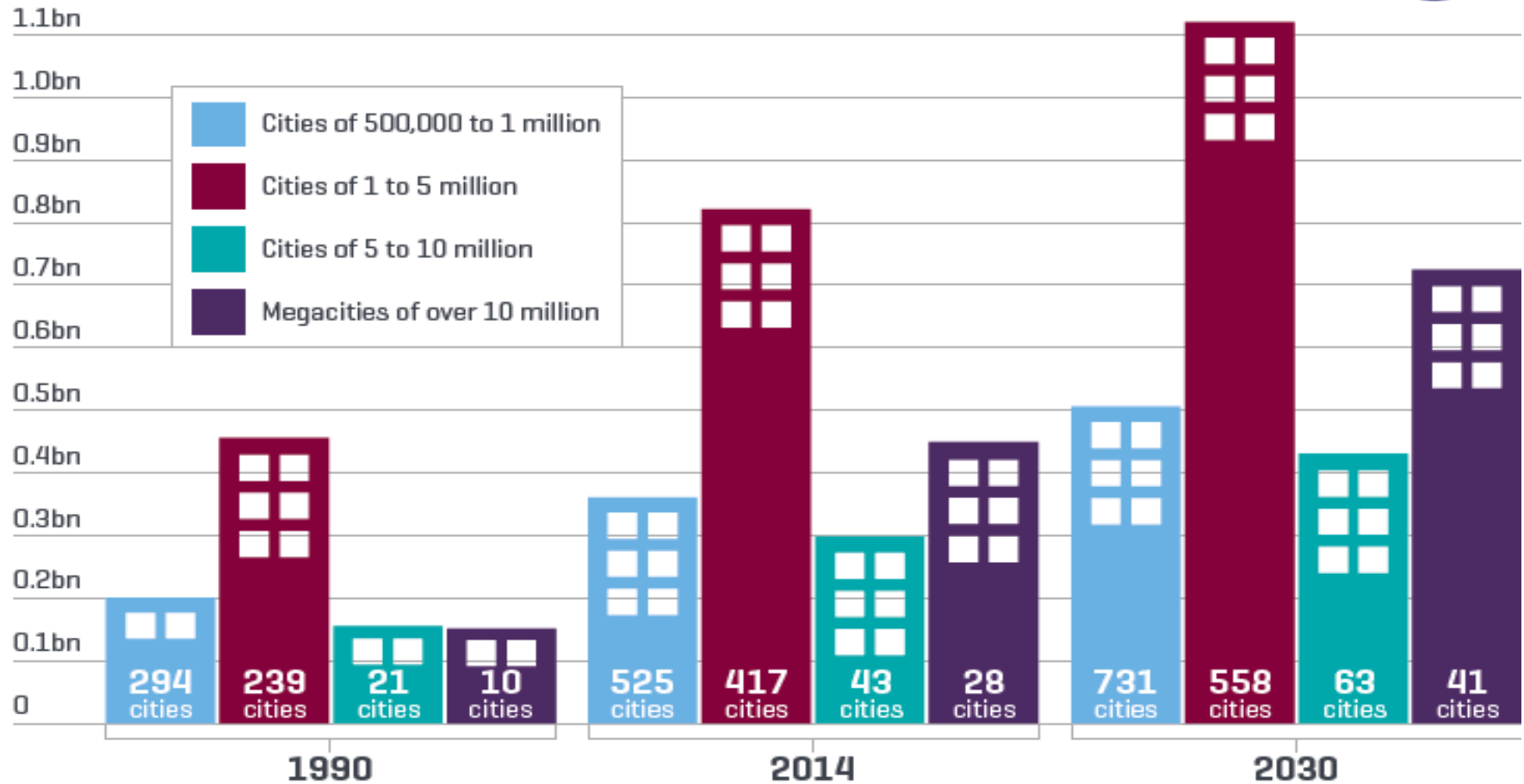
- Any party that has a **direct or indirect** interest in construction projects and constructed assets
- Those **investing** in or managing construction projects will benefit significantly
- All **stakeholders** over the life cycle including asset operators and facility managers
- Financial institutions will have a consistent basis for **assessment** of project funding requirements
- The **public** will benefit through enhanced, prudent assessments of public projects



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Construction in Context



Source: UN DESA

Construction in Context



Construction in Context



Standards work and construction needs them.

International standards in professional services are the new frontier.

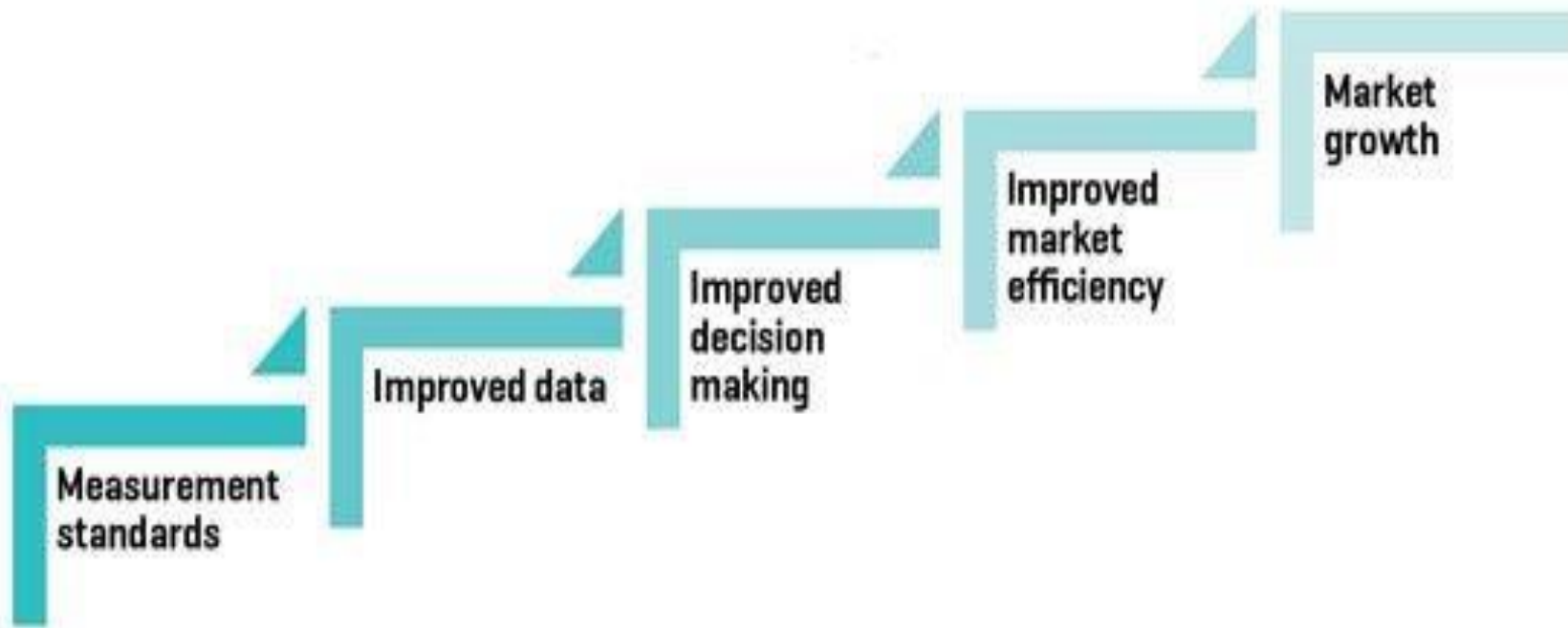
*In **Canada**, growth in the number of standards accounted for **17 %** of the labour productivity growth rate and about **9 %** of the growth rate in economic output (real GDP) over the 1981 to 2004 period. If there had been no growth in standards in this period, real GDP would have been **CDN 62 billion** lower. (Source: Canadian Government)*

*In the **United Kingdom**, standards made an annual contribution of **GBP 2.5 billion** to the economy, and **13 %** of the growth in labour productivity was attributed to standards. Standards were identified as enablers of innovation and facilitators of technological Change. (Source: UK Government)*

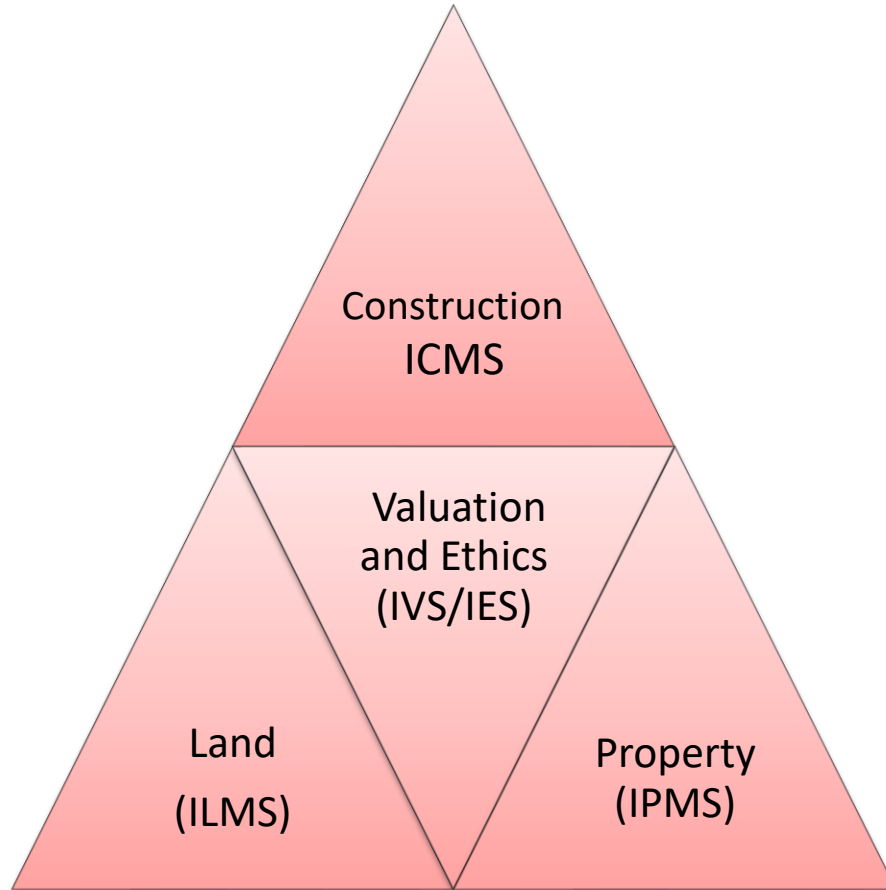


Measurement Matters

“Infrastructure project development takes time and risk, and investors will only commit the effort if the conditions are right. We want to encourage policymakers to build more capacity to **improve regulation** and institutions, and public-private partnerships that balance interests through appropriate risk sharing mechanisms.” (Source: World Bank 2015)



Measurement Matters



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Measurement Matters



IPMS

INTERNATIONAL
PROPERTY
MEASUREMENT
STANDARDS

www.ipmsc.org



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Marketing research

Although there are countries with quite complete cost related standards and information sources, there appear to be many more countries where the quality of published guidance and cost information falls short of what local professionals might wish.

(Source: BCIS)



2009 BCIS International Cost Elements Enquiry Report

October 2009

BCIS is the Building Cost Information Service of 



RICS 2011 Principles of Measurement (International) Survey Report

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Royal Institution of Chartered Surveyors
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BCIS is the Building Cost Information Service of 

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UNIVERSITY OF WESTMINSTER
RESEARCH AND INNOVATION

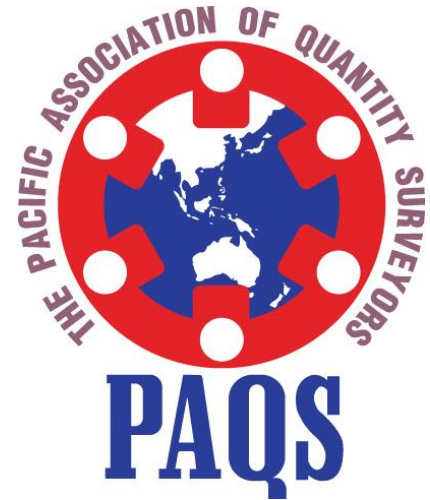
*A major source of inconsistency in international comparisons is the **variety of definitions used**, what is included and what is excluded from national measures of construction activity. As has been noted by Meikle and Grilli (1999), construction activity in the national accounts is not consistent either because some activities are included elsewhere in the national accounts, (for example, construction design and management services are usually included in professional services) or because they are not included at all, or because they are only partially included.*

***Consistent approaches are required as to what is included in, or excluded from, construction activity**, and how variables should be measured and presented. This needs to take account of the data requirements of statisticians, policy makers, international bodies, industry, researchers and others. It is an international issue and needs to be addressed at an international level; construction is too important a sector of the economy to be measured so poorly.*

Marketing research



- ▶ Feedback from others
- ▶ Teleconferences
- ▶ IPMA Dubrovnik 2014
- ▶ ICEC Milan 2014
- ▶ CEEC Prague 2015
- ▶ PAQS Yokohama 2015



Conseil Européen des Economistes de la Construction
The European Council of Construction Economists

IPMA

international
project
management
association

ICMS

Marketing Feedback



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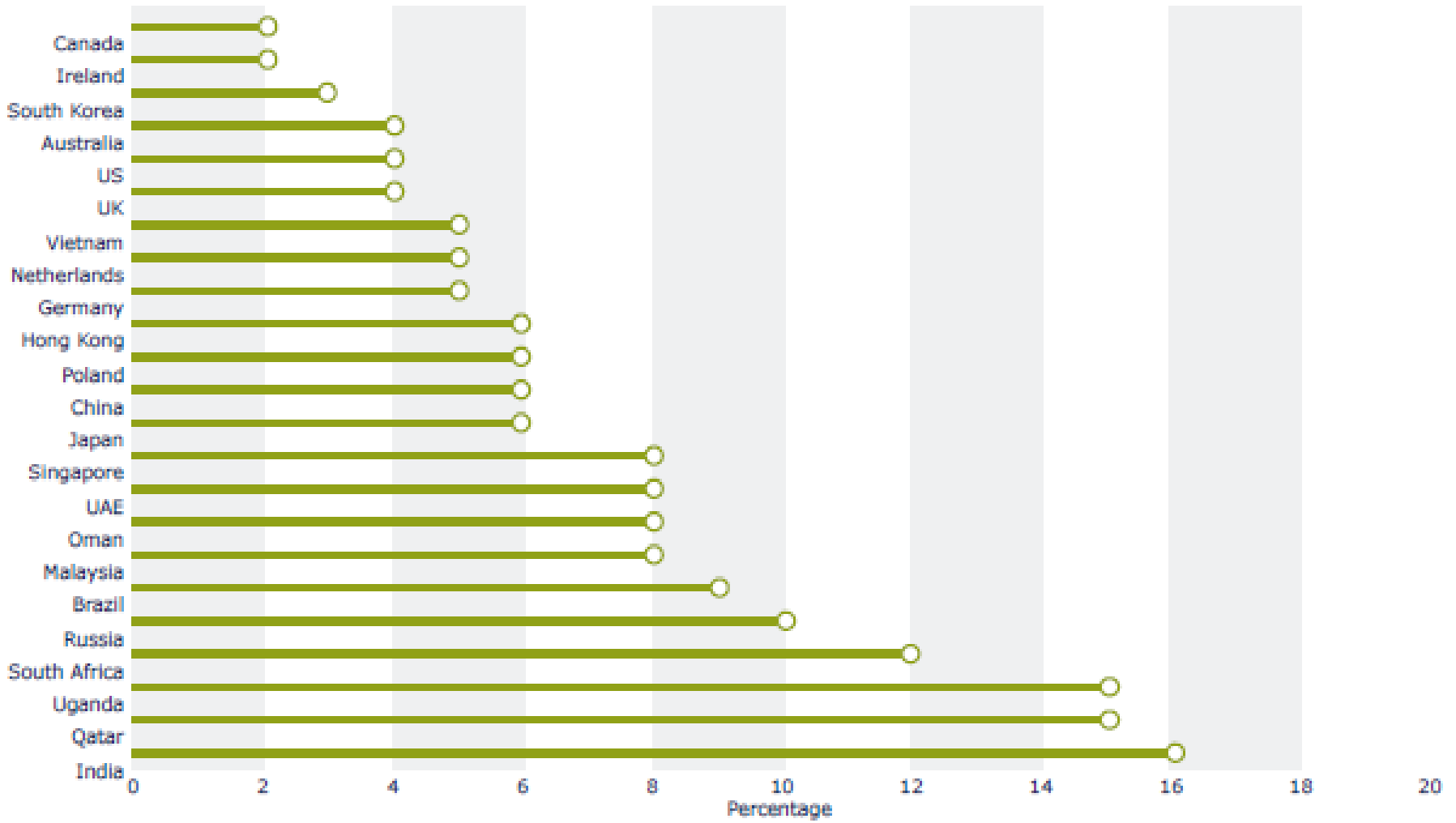


Solution Options





Solution Options



ICMS Partners will help to lead market adoption of ICMS



AECOM

 **ARCADIS**

ARUP

 **EY**

FAITHFUL + GOULD

gleeds^G

 **Global
Infrastructure
Hub**

 **GT**
gardiner&theobald

 **Turner & Townsend**

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Governments and clients demand ICMS



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International Bodies	World Bank IMF G20 Infrastructure Hub World Economic Forum European Commission
Governments	USA-GAO UK – DfT, Cabinet Office, National Audit Office, MHCLG UAE Qatar Ireland South Africa Vietnam
Major Clients	Network Rail, UK Highways England Infrastructure Ontario, Canada WAMTA, USA Irish Housing Agency BAM, Netherlands IATA China National Aviation Fuel Group State Grid Corporation of China China Harbour Engineering China Railway Construction Group IBM Hong Kong Jockey Club

QSRBN/NIQS proposals



ICMS



Accelerate **adoption** with NGO's and governments

Make **nationally** relevant

Embrace a **whole life cycle** approach

Integrate into **digital** construction

Gather, share and enable the **data**

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Conclusion



- ▶ Need
- ▶ Evidence
- ▶ Collaborative Solution

‘We cannot solve our problems with the same level of thinking that created them.’ – Albert Einstein

But, it’s not rocket science!

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**THANK YOU
for
Listening**

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