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Cover: The Gateway Western Australian project in Perth, Australia by Consult Australia members AECOM, BG&E and GHD

To register simply visit: www.consultaustralia.com.au/leaders-conference
Capacity Building

The last few years has seen an unprecedented movement of senior people in our industry. CEOs and MDs have moved sideways, upwards and overseas with surprising rapidity, and it is becoming harder than ever to keep track of who’s who and where! This movement is great for career advancement for some, but it also brings with it a number of challenges that the industry must face.

Issues to do with knowledge management, stakeholder relationships, capability depth and resilience must all be faced by firms who are seeking to implement robust systems and frameworks to protect against key person risks.

Developing the next generation of leaders against this backdrop has never been more critical. Yet when time seems to be such a scarce commodity in this era of tighter timeframes and never ending private and professional demands, the challenge is to make time to ensure this development occurs.

Consult Australia’s FutureNet Business Leaders program, which recently kicked off in NSW, is a great example of such professional development. This intense program not only teaches key business skills, but also challenges participants to work in cross-disciplinary collaborative teams on real world projects, all the while under the supervision of seasoned industry mentors. The feedback from course participants, as well as supervisors and mentors, is consistently fantastic—with many of the young professionals using the skills they hone through the course to take on key stretch roles on completion.

But whilst the focus on development for young professionals is important, it can be easy to forget that professional development needs to continue throughout the journey of one’s career. Recent studies have shown that mid-career professionals tend to miss out on PD opportunities, and formal PD can be particularly difficult for this cohort due to increased work and often family responsibilities coinciding at this stage of life. It is important therefore, that structured opportunities for development are embraced by firms seeking to retain this talent.

And then there’s the leaders of our industry, who are often so busy working in and worrying about their firm that they often don’t take the time to think about their own PD. Taking ‘time out’ to consider new market opportunities, best practice management ideas or the broader business environment as well as network with peers and potential partners is an important way to stay informed and energised.

It is with this in mind that Consult Australia forms the program for our ASPAC Leaders Conference (formerly the CEO Conference). The change in name reflects the differing titles and structures of our industry, but also gives a nod to the distributed leadership models that make our sector one of great depth and success.

This year, we will hear from politicians, journalists, economists, public and client sector clients, experts on diversity, mental health, governance and trade, and of course our own industry leaders. The program will both provide context for the ever-changing business environment in which we compete, as well as providing food for thought with regard to best practice in managing the complexities of our ‘people businesses’.

Issues to do with knowledge management, stakeholder relationships, capability depth and resilience must all be faced by firms who are seeking to implement robust systems and frameworks to protect against key person risks.
are prominently profiled to not only represent the diversity of views which engenders more sophisticated debate, but to profile senior women to inspire and engage the next generation of female talent.

Our Consult Australia Male Champions of Change have also been challenged to ensure a more diverse delegation of leaders, and we will be specifically asking all firms to consider inviting their female staff to network with the leadership of the sector at our Cocktail Reception on May 4.

Building capacity for our industry’s future has always been a core remit for Consult Australia, and we will continue to deliver a range of events and services to make sure there are opportunities for learning across all phases of the career life cycle. The challenge is for firms to continue to invest deeply in their people—not just for talent retention but for the broader betterment of our sector’s contribution as a whole.

Consult Australia’s Leaders Conference
FIDIC ASPAC Members (Directors and Secretaries) will receive a complimentary pass, provided they are accompanied by a paying registrant from their membership. For more information contact Consult Australia Communications and Events Manager Mark Rock on +61 2 8252 6717 or via email mark@consultaustralia.com.au.


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Consultancy Services in India have been going through transformation over the last three decades, after India started borrowing from the International funds like IMF, ADB, World Bank, JICA, DFID etc.

Before 1960, all project design and supervision work used to be handled by the Government Departments through their captive Engineering Sections and services of individual engineering experts used to be sought for complicated Design works only. Consultancy firms developed between 1960 to 1990, many of them specializing in specific areas like Power, Steel, Infrastructure etc, and procurement of their services was made by Public and Private clients through open invitation. Though capability was assessed informally before award of work, selection was mainly decided, based on value of fees. Often partly capable agencies got selected and Projects suffered as a result.

Consulting Engineering Association of India (CEAI), the MA for the country at FIDIC prepared a document titled ‘Client – Consultant Agreement’ in 1980s to provide some guideline for selection of Consultants and the level of fees for Consultancy services. The document was not used by major Government departments that were employers of Consultants and remained largely ineffective.

After India embarked on rapid development of Infrastructure and Industry, to achieve rapid economic growth, often with funding from International agencies, the scope of Consultancy services expanded and the value of Consultancy work grew rapidly. The Consultancy firms grew in size and number, and the client based enlarged beyond the Federal Government Departments to local agencies including State level departments and Municipalities.

There was no uniformity in the process of selection and the level of Fees payable to Consultants. While, for International funded projects, norms followed by Funding agencies were adopted with modifications, there were no standards or guidelines for locally funded projects.

Taking note of this situation, CEAI decided to prepare a comprehensive document titled “Guideline for Selection of Consultants and Professional Compensation Structure” by appointing a committee drawn from senior members, and the document has since been printed and widely circulated. For convenience of users the document has also been uploaded on CEAI website.

The document elaborates for users, the three common methods for selection, namely,
- Quality Based Selection (QBS)
- Quality and Cost Based Selection (QCBS)
- Least Cost Based Selection (LCBS)

The methodology, for evaluation of bids for the different methods and adoption of appropriate method, depending on type and scope of Services, has been explained for the benefit of new users of Consultancy Services.

LCBS has been recommended only for repetitive and routine nature of work.

An elaborate Guideline for Professional Consultancy Structure has been produced for easy understanding of Client bodies as also the Consultants.
Various sectors of development work requiring Consultancy Services have been listed, and the Categories of Consultancy Service,-- commencing with Initial Project Studies, Feasibility Studies, Preparation of Project Reports, Design Engineering, Project Management, Supervision,-- down to Trouble Shooting and Technical Services, identified.

For each category, adequate explanatory note has been included to guide the users.

Compensation Structure for different Categories has been broadly recommended following the four common accepted methods, namely,

- Percentage Cost of Project
- Cost plus Basis
- Unit Rate
- Lump-Sum

Cost for Consultancy Services has been defined and applicability of the different methods for various Categories identified.


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Procurement in Japan

In the followings are updated procurement information on CE industry in Japan:

1. Procurement of Public Works in Japan

Majority of project share for Consulting Engineering industry in Japan is concentrated in public works, both in domestic and overseas. Domestic projects are procured by national and local government while overseas projects are by Official Development Assistance procured by ministries in charge of overseas projects. Japan International Cooperation Agency (JICA) is an executing agency for ODA projects. Share of turnover in overseas projects has been about 10% of the domestic. (Source: Ministry of Land, Infrastructure, Transport and Tourism, 2016).

2. Type of Procurement in Domestic Projects

Type of procurement for consulting services is based on proposal (QBS), QCBS and designated competitive bidding (CBS). In the 2016 fiscal year, 43.1 %, 41.1% and 15.8% of public works projects were awarded to QBS, QCBS and CBS respectively.

![Breakdown of Turnover](image)

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<table>
<thead>
<tr>
<th>Type of Procurement</th>
<th>No. of Projects</th>
<th>Bidding Price x Million JPY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposal (QBS)</td>
<td>2,517 (43.1%)</td>
<td>57,966 (45.1%)</td>
</tr>
<tr>
<td>QCBS</td>
<td>2,403 (41.1%)</td>
<td>59,138 (46.0%)</td>
</tr>
<tr>
<td>CBS</td>
<td>924 (15.8%)</td>
<td>11,524 (9.0%)</td>
</tr>
<tr>
<td>Total</td>
<td>5,844 (100.0%)</td>
<td>128,658 (100.0%)</td>
</tr>
</tbody>
</table>
Government started employ QCBS in 2007. Since that time, share of procurement by QCBS has been increasing. In contrary, proposal competition (QBS) has been decreasing. The table below shows ratio of award winning with respect to technical evaluation in QCBS. Those who scored high technical evaluation won competition (Technical 70%: Cost 30%).

<table>
<thead>
<tr>
<th>Type of Procurement (% in Bidding Price)</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposal (QBS)</td>
<td>39.2%</td>
<td>46.6%</td>
<td>45.1%</td>
</tr>
<tr>
<td>QCBS</td>
<td>46.8%</td>
<td>44.8%</td>
<td>46.0%</td>
</tr>
<tr>
<td>CBS</td>
<td>14.0%</td>
<td>8.6%</td>
<td>9.0%</td>
</tr>
</tbody>
</table>


3. Type of Procurement in Official Development Assistance (ODA) projects

Majority of procurement in ODA projects for consulting service is based on QCBS. In 2013 and 2014, a total turnover of consulting service was 85 billion and 78 billion Japanese yen respectively (Source: Infrastructure Development Institute: Report of Fact-Finding Survey on Overseas Consulting Services, Aug., 2015).
Y’all Come Back Now!

In New Zealand, we are reminiscing of the fantastic conference we hosted in May 2016 in Queenstown when we welcomed delegates from over 11 ASPAC Member countries. In the spirit of international support and elevating the industry of consulting engineering, ACENZ would like to offer members of FIDIC ASPAC a special invitation…

Come back and visit us!

We are gearing up for the 2017 ACENZ Annual Conference and would like to extend a special rate to visit us again in New Zealand. ACENZ is offering any FIDIC ASPAC Member the same conference registration rates as ACENZ Members and we will extend the Early Bird Rates no matter when you register…so that’s $995 NZD for a Full Delegate registration!

2017 will whisk us to the North Island on the shores of beautiful Lake Taupo at the Wairakei Resort. You won’t want to miss this destination which boasts crystal clear lake water, some of the best trout fishing in NZ, and more adventure activities than you can name! We will name a few for you though: white water rafting, jetboats, mountain biking, scenic hikes, sky diving, Formula 1 or V8 racecar driving experiences and more!
That’s just for your downtime! Enjoy some dual stream programmes this year covering topics such as leadership culture, small to medium firm forums, risk and liability, contract issues, plus hear from our exciting keynotes! Daniel Batten is confirmed to speak on authentic influence or entrepreneurial leadership, and you won’t want to miss his stand up keynote.

We hope that those of you who joined us in 2016 will return and those who didn’t make it can feel welcome to join ACENZ at our 2017 Annual Conference with special member rates to entice you back.

Find more information on the conference programme as it is finalised as well as registration rates online at http://acenz.org.nz/Content_6.aspx
Taiwan’s government procurement follows the Government Procurement Act. Its responsible authority is Public Construction Commission (PCC), Executive Yuan, a ministry-level agency under the cabinet that is in charge of planning, reviewing, coordination, and supervision of public construction projects in Taiwan. PCC plays a communication platform on reforming the procurement system and dispute settlement mechanism. The characteristics of the government procurement are as follows.

1. The Government Procurement Act

The Act was effective on May 27, 1999, with its content in consistent with the World Trade Organization’s (WTO) Agreement on Government Procurement (GPA). Taiwan became the 41st member in the GPA on July 15, 2009, and has opened government procurement market mutually to other GPA members since then.

The Act prescribes the rules of invitation to tenders, award of contracts, administration of contract performance, inspection and acceptance, and dispute settlement for the responsible sectors to follow. It incorporates anti-corruption measures, including the ethics regulation for the procurement personnel. Various sample procuring documents have been issued by PCC as the reference.

2. Government E-Procurement System (GEPS)

A unified website e-procurement service has been provided for government agencies and suppliers to enhance the openness and transparency of procurement information. So far, an average total of more than 180 thousand cases were awarded through GEPS per year. In addition, more than 99% of government procurement provides e-tendering documents. Suppliers can download e-tendering documents from the website.
3. Auditing and Supervisory Functions in Government Procurement

PCC monitors and supervises abnormal procurement, and requests agencies to correct inappropriate procurement behavior.

There are currently 38 procurement supervision units in Taiwan – 15 units under central government ministries/commissions; 22 units under local government; and a Central Procurement Supervision Unit under PCC.

Looking into the future, PCC focuses on the following two major directions for the government procurement.

1. Keep enhancing GEPS to provide an open and transparent procurement environment
2. Promote most advantageous tender as awarding standards for critical projects to create a fair and rational infrastructure environment.

It is expected that by creating a healthy and integrated procurement system a quality-construction, sustainable-development, and eco-friendly environment can be achieved in Taiwan.

Reference: PCC website (https://www.pcc.gov.tw)
ACTIVITIES ON PROCUREMENT FIELD

Under ASPAC’s announcement about report on VECAS’s activities on procurement field, VEACS would like to inform ASPAC of some major activities of VECAS on this field as follow:

1. **To contribute comments on drafts legal documents relating to procurement:**
   - To contribute comments to Ministry of Construction on drafts of Decrees guiding Laws of Construction: Decree on detailed regulations on construction contract; Decree on construction project management; Decree on construction cost management; Decree on quality control and maintenance of construction works; To comments on draft of Circulars guiding contest and selection of architectural design and construction works; Circular about instruction capacity of organizations and individual involved in construction activities; Circular about regulation on construction quality awards; Circular guiding a number of contents on construction consultant contract; Circular about guidelines for engineering, procurement and construction contract; To comment on procedures on tests and issuance of construction practice certificate: questions, testing procedure; To comment on norms for cost management of investment construction work;
   - To contribute comments to Ministry of Planning and Investment on drafts of Decrees guiding Laws on Procurement and Contractor Selection; Circular guiding establishment of bidding documents and contractor selection EPC; Circular stipulating details of EPC contract/ turnkey contract; To comments on draft of report on determining contradictions between domestic regulations and form of construction contract – MDB edition; All contributed comments from VECAS were highly appreciated and acknowledged by editors.

2. **To conduct Workshops, seminars and training courses:**
   - To conduct conferences and seminars on legal regulations of Viet Nam on procurement with participation of Contractors and Clients.
   - To disseminate contents of FIDIC’s publications on procurement to related parties in Viet Nam.
     - VECAS is sole member of FIDIC in Viet Nam; VECAS has obtained the license of FIDIC to translate some FIDIC’s publications into Vietnamese and publish them ((under FIDIC’s copyright). These Vietnamese versions were released in Viet Nam and introduced on FIDIC website.
     - To support Contractor, Clients, Consultants and relating parties when involving into ODA project in Viet Nam in acknowledging contents in model of conditions of FIDIC’s contract, VECAS conducted 02 training courses on “FIDIC Contract – EPC/Turnkey Projects” and 02 training courses on “FIDIC Contract – Conditions of Contract for Construction - Red Book 1999 and Pink Book 2010” in Ha Noi and Ho Chi Minh with participation of more than 200 trainees from all over country.
     - To coordinate with World Bank for organizing conference on business opportunities for small and medium scale enterprises in Viet Nam, conferences relating to policies on domestic and international procurement.

In 2017, VECAS is going to continue contributing comments and recommendations on drafts and documents on procurement, translating and publishing Vietnamese versions of FIDIC’s publications as per FIDIC’s license and copyright. VECAS continues conducting training courses on FIDIC contract model so that parties could update revisions and amendments of the Silver Book, The Red Book, The Yellow Book and The White Book edition 2017.

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