

MINUTES OF MEETING No. 11 OF “FORUM OF QS PRACTICES”

HELD ON TUESDAY, 15 MAY 2010, AT 15h00 IN THE OFFICES OF THE ASSOCIATION OF SOUTH AFRICAN QUANTITY SURVEYORS, THORNHILL OFFICE PARK, MIDRAND

1 WELCOME

Mr Egon Wortmann, Executive Director of the ASAQS, welcomed everybody present at the meeting. He extended a special welcome to Messrs Stefan Fourie and Sogan Kallan, who were attending this meeting for the first time.

2 PRESENT

ASAQS	Mr Egon Wortmann (Chairman)	(EFW)
TMS	Mr Gert Meyer (ASAQS President)	(GHM)
Pentad	Mr Leon Cronje	(LC)
Quanpro	Mr Herlu Smith	(HS)
Quanticost	Mr Charles Sprong	(CS)
Davis Langdon	Mr Kevin Pickup	(KP)
Syscom	Mr Karl Heinrich	(KH)
Schoombie Hartmann	Mr Stefan Fourie	(SF)
Enyuka	Mr Sogan Kallan	(SK)

3 APOLOGIES

TUT	Mr Tjaart van der Walt	(TvdW)
MW&S	Mr Qinisani Mbatha	(QM)
ChrisChalmers	Mr Chris Chalmers	(CC)
De Leeuw Group	Mr Chris de Wet	(CdW)
deIQS	Dr Corne' de Leeuw	(CPdL)
T&T	Mr Ian Donaldson	(ID)
NNAQS	Mrs Nonku Ntshona	(NN)
MW&S	Mr Qinisani Mbatha	(QM)
SBDS	Mr Dennis Robinson	(DR)
Schoombie Hartmann	Prof Tinus Maritz	(TM)
SACQSP	Prof Gaye le Roux	(GLR)
MLC	Mr Peter Neep	(PN)
BTKM	Mr Hashim Bham	(HB)

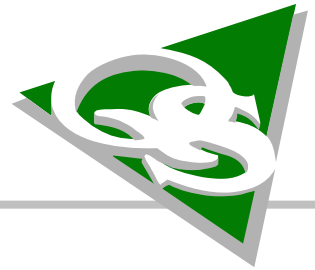
4 NOTICE OF MEETING

Notice of the meeting was taken as read. Notice for the meeting had been sent out per e-mail as well as a general invitation extended to all ASAQS members via the ASAQS website.

5 APPROVAL OF PREVIOUS MINUTES No. 10 – 23.02.2010

Minutes of the Forum of QS Practices (No. 10) meeting held on 23 February 2010 were adopted and approved with the following corrections :

- Item 7.14 – Sentence to be inserted: *Mr Smith also pointed out that an earlier letter of complaint written to the ASAQS in this regard had not been responded to.*



- Item 7.15 – Spelling of “Andrew Baird” corrected
- Item 7.17 – All references to Mr Pougnet should be to Mr Smith
- Item 8 – New item added.

6 CLARIFICATION OF PURPOSE OF THE MEETING

An open invitation had been extended to all ASAQS practitioners to attend the meeting and in an informal format to share their ideas and concerns, with a view to seeking solutions with the assistance of the ASAQS. All are welcome to attend the meeting, with representatives from both large and smaller practices.

It was reiterated that whilst Mr Wortmann offered to facilitate the process, it must be understood that the views expressed at this meeting do not necessarily represent the official views of the ASAQS per se, but rather the personal views expressed by the individual members in attendance at the meeting. This forum does not carry any formally elected standing of any kind and merely provides a platform for discussion between practising members of the ASAQS.

7 ITEMS FOR DISCUSSION

7.1 EDUCATION AT TERTIARY INSTITUTIONS

(a) Questionnaire to Practices

It was reported that the hard paper copies of the student questionnaire had already been posted to all registered practices. The electronic version would be placed on the ASAQS website this coming weekend.

EFW

It was recommended that the returns should be analysed by Mrs Elsie Snyman of Industry Insight, an independent analyst, where after it would be vetted by Prof Tinus Maritz and Mr Hedley Pougnet before final distribution.

7.2 JBCC EDITION 5.0 UPDATE

(a) JBCC (TM)

Although there were ongoing developments to update the current JBCC documentation, there was nothing specific to report here. The next JBCC revision is likely to be issued around October/November 2010, which will have a separate Addendum provided for State use.

(b) Preliminaries (CPdL)

It was reported that the latest version of the Preliminaries (Bill No. 1 of the Model Bills of Quantities) had been updated and is dated April 2009 (and not the earlier November 2007 version). It was confirmed that this correct version had been distributed to and properly publicised through the medium of the following:

- WinQS (Mike Applewhite)
- QSPlus (Martin Treadaway)
- ASAQS website.

The correct version had been confirmed with all the above.



(c) Practice Notes (EFW)

It was reported that the latest Practice Notes were placed on the ASAQS website and included in a newsletter to all practices.

Any additional and new Practices Notes should be considered and finalised by the Good Practice Committee. This should include the following:

- CPAP definitions of the “*base month*” and “*current month*”
- Welding of long steel beams
- Working space challenges
- Payment for materials on site
- Payment for unfixed materials
- Overpayments on valuations
- Underpayments on valuations
- Payment of deposits on appointments
- Unrealistic discounting of professional fees.

EFW

7.3 ASAQS SALARY SURVEY 2010

It was reported that the questionnaires for the ASAQS Salary Survey 2010 had been posted to all registered practices and also placed on the ASAQS website for electronic submissions.

Members were encouraged to kindly support this initiative to ensure that reliable results were forthcoming from the survey.

7.4 AFRICA ASSOCIATION OF QUANTITY SURVEYORS (AAQS)

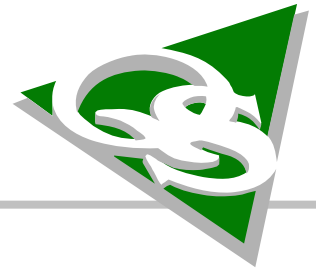
It was reported that the AAQS was nearing the position where it would be in a financial position to employ a part-time secretariat to concentrate on the affairs of the AAQS. This person would be based in the ASAQS offices in Midrand and would fall under the control of Mr Wortmann (Honorary Treasurer of the AAQS). A firm decision would be made in this regard during the AAQS Council meeting scheduled for Cape Town during October 2010. A general appeal was extended to all practices to support the AAQS financially.

It was reported that the Postgraduate Research Project (researching the different forms of contract currently in use in Africa) was progressing well (funded by the Education Support Fund of the ASAQS).

The next AAQS Council meeting was scheduled for Cape Town during October 2010. This event would be linked in with the ASAQS Conference hosted by the Western Cape Chapter of the ASAQS. ICEC would also be in attendance to hold their Region 3 meeting.

7.5 UNREALISTIC DISCOUNTS ON FEES

It was earlier reported with concern that during tendering for fees, some practices are offering unrealistically large discounts to secure appointments. This was not only restricted to State projects but also to private projects. It was believed that this practice may undermine good business practice for the profession and possibly lead to shortcutting of services and general poor service due to reduced fees.



It was nonetheless recognised that very little could be done to combat this problem as this was the manner in which some practices endeavoured to secure appointments during challenging times.

It was suggested that the ASAQS should issue a Practice Note in this regard to give guidance and to make some recommendations. Some members expressed their view that discounts should not exceed 15% off the gazetted Tariff of Feeds 2010 on projects in the private sector, but possibly a little higher for projects in the public sector. But it was recognised that such a Practice Note should not be too prescriptive, nor should it set a precedent by stating absolute percentages.

EFW

It was reported that this matter had also received attention at the recent meeting with the NDPW and BEP Grouping representatives. The problem was acknowledged but with little practical guidance offered.

It was suggested that this topic should possibly be debated at the ASAQS Conference in Cape Town during October 2010.

7.6 DEPARTMENT OF HOUSING

It was reported that at the last ASAQS Board meeting it was resolved that a renewed attempt be made to explain to influential and responsible persons in business and the public sector the value of appointing QS's to manage their financial affairs on projects. This would be done in a friendly and non-confrontational manner at the following levels:

- National level (through the formal structures of the ASAQS)
- Regional level (with the assistance of the regional Chapters, Presidential tours, etc)

A number of initiatives had already been undertaken, but much more needs to be done on an ongoing basis. It was acknowledged that it was important that QS's need to get involved and employed by the banking institutions, where the profession needs to be marketed on an ongoing basis.

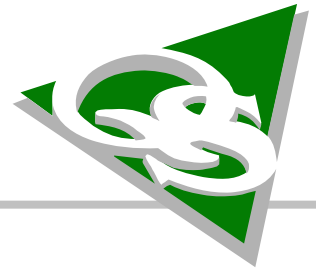
Mr Smith also added that he believed that special attention should be given to the following institutions:

- Banking institutions
- Department of Housing.

7.7 NEW ENGINEERING CONTRACT (NEC)

Mr Gert Meyer distributed a letter of concern to the meeting from Mr Fred van der Lith (refer attached Appendix A) in terms of certain aspects surrounding the NEC suite of contracts, and recent seminars that had been held in this regard. The expressed concern is that it was generally advocated by the NEC presenters that activity based contracts are the way of the future, rather than the traditional Bills of Quantities type contracts. Clearly there were inherent dangers in that for the QS profession.

It was resolved that a meeting should be set up with Messrs Andrew Baird and Ron Watermeyer to discuss this concern. Thereafter a decision could be taken as to the way forward.



7.8 BEE CONSTRUCTION CHARTER

Mr Smith had expressed his concerns at the previous meeting about the detail contained in the signed BEE Construction Charter. For full details of his written, and requested certain action to be taken by the ASAQS in this regard.

It was reported that at the last ASAQS Board meeting it was resolved that the matter would be approached in a structured and orderly manner. It was resolved that the process to be undertaken would be as follows:

- The concern would be shared with the other participating associations involved with the BEP Grouping forum to gauge whether they shared our sentiment in this regard
- If they agreed, then a joint submission would be made to the Charter Council to have those concerns formally expressed, with a request for change
- If the Charter Council agreed with the submission, then action will be taken to have the already gazetted statutes in this regard reversed and amended.

It was however pointed out that even if successful, this requested change would be a long and tedious one.

It was also reported that Mr Deon Vermeulen, a Board member, had offered to prepare a full report on the process that was followed prior to the Charter having been gazetted. This would offer deeper insight as to what process was followed to bring us to the current point.

DV

In addition to that, Mr Herlu Smith further requested that Mr Wortmann should also prepare a report on what involvement by the ASAQS and processes were followed that lead to the promulgation of the Charter.

EFW

7.9 HEALTH & SAFETY OFFICERS (SACPCMP)

The meeting was informed that there was a proposal under consideration that formal registrations of the Health & Safety profession be introduced under the auspices of the SACPCMP.

Whilst this had allegedly not yet been discussed with or approved by the other statutory councils, this is what the SACPCMP is currently proposing. No further details were available on any developments in this regard.

7.10 REPRESENTATION OF BOARDS OF ADVISORY COMMITTEES

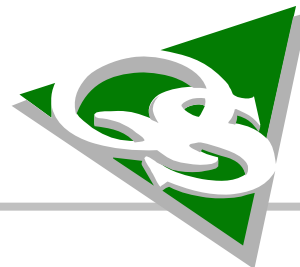
HS

Concern was expressed that there appeared to be a general lack of QS representation on the Boards of various Advisory Committees. Although it had been agreed at the previous that Mr Herlu Smith would draw up a complete list of such committees that should ideally have some QS representation on their Boards, this action had not yet been attended to.

7.11 TOOLS OF INDUSTRY

There was nothing further to report on this matter.

This item to be removed from the next Agenda.



8. GENERAL

(a) Assistance for WITS

Mr Kevin Pickup appealed to all members present to kindly assist with providing work places for the students of the University of Witwatersrand. The students were desperately in need of work experience and the profession was requested to assist wherever possible.

(b) Involvement at Chapter Level

Mr Kevin Pickup reported that it had been resolved that members of this forum would henceforth participate at Chapter level as well, as was earlier requested. He personally would be attending the Chapter committee meeting scheduled for the next day. He was thanked for rising to the call or more members to get involved at Chapter level.

(c) EduTech Centre Manager

It was reported that the ASAQS Exco had resolved to appoint one of the applicants to the position of EduTech Centre Manager with effect from 1 July 2010. An announcement would be made in this regard in the near future.

9. DATES OF NEXT MEETING

The meeting agreed on the following:

- Dates of meeting for the rest of this year:
 - **Meeting 12 – Tuesday 17 August 2010**
 - **Meeting 13 – Tuesday 16 November 2010**
- Due to traffic problems, all future meetings would start at 15h00 (to around 18h00 latest)
- All meetings will be scheduled at the ASAQS offices (Suite G6, Building 27, Thornhill Office Park, Bekker Road, Midrand).

10. CLOSURE

The Chairperson closed the meeting at 17h40 and thanked everybody for their attendance.

Minutes approved and signed off by:

.....
CHAIRMAN

.....
DATE