

A. BASIS & BACKGROUND

PURPOSE: This Charter is a joint manifesto declaring the common values, relevant aims, policies and broad strategies of forward-looking Construction Clients in India, in order to provide a platform for launching and driving significant and continuous industry improvements that would benefit all construction industry stakeholders including the end-users of the constructed products. Signatories to the charter are expected to be soon recognised by end-users and supply chains as socially and environmentally responsible and caring construction clients whose processes and products can be expected to be of a correspondingly higher standard and of greater value than others.

B. COVERAGE, DRIVERS & THRUSTS

Towards an India-specific Charter to suit our Construction Industry context, aspirations and priorities:

PRIORITIES:

(1) Overall

Stakeholder (including End-User) satisfaction
Supply Chain selection & management to ensure Value for Money
Time and Cost Performance
Design Process & Outputs optimisation
Technology adoption to improve reliability, productivity etc.
Human Capital & Skills Development (for Labour, Technical & Managerial personnel)
Productivity
Health & Safety
Environmental performance optimisation & adverse impacts minimisation (in energy, carbon footprint etc.)
Sustainable Client Profitability (short-term, medium-term & long-term), Reputation, Continuity
Performance-oriented (*to improve above*) Governance, Procurement & Operational systems
KPIs (*Key Performance Indicators*) for benchmarking and continuously improving above
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(2) What do we, as Construction Clients, expect from our Supply Chain?

- Built Asset Delivery within promised time, cost, quality and end-user satisfaction
- Commitment to project goals and meeting client objectives with a ‘beyond-project’ (long-term) view
- Zero harm to the construction workers, supervisors, neighbours and end-users
- Minimal environmental impact during construction
- Optimal sustainability
- Full statutory compliance
- 100% Trained labor (achieved in stages) particularly in skilled jobs and working at heights
- Hygienic, comfortable and healthy labor camps with crèches, medical, and recreational facilities
- Sharing of risk on account of delays not attributable to client, nor respective supply chain member
- Internationally acceptable good practices in procurement, sub-contracting and supply chain management
- Timely, Open, Transparent & Direct communication
- Adoption of latest innovative ‘value for money’ technologies
- Continual improvement of services with quick response times and high quality
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NOTE – above could eventually LINK and feed into a proposed CONTRACTOR RATING SYSTEM (and also subsequently a CONSULTANT RATING SYSTEM and other VENDORS RATING SYSTEM(S))

(3) What do we, as Construction Clients, promise in return to our Supply Chain

- Internationally acceptable good practices in procurement, contracting and supply chain management
- Clear, Fair & Performance-oriented supply chain selection criteria (and where needed incentives) that recognize/reward (a) performance on previous projects with particular attention to how they helped meet client objectives and responded to special needs; and (b) special performance e.g. on safety, sustainability ...
- Timely supply of design information, designs and drawings
- Timely response to Requests for Information
- Timely agreements on details and value of any extra works
- Timely payments
- Reasonable Payments (no unreasonable cuts in bills, ethical practices)
- Payment of interest on account of delays attributable to clients
- Amicable and expeditious Settlement of any disputes
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(4) What do we, as Construction Clients promise to End-Users of our Built Assets?

- Delivery of built assets on time and within budget to agreed specification
- Fitness for purpose
- Value for Money over long term/ life cycle
- Reasonable initial and life cycle costs
- Sustainable built asset
- Early involvement of end-user representatives/ focus groups to facilitate above
- Amicable and expeditious Settlement of any disputes

C. CORE PRINCIPLES & KEY PROTOCOLS:

NOTE – The following items ARE INDICATIVE ONLY. Suggestions are INVITED at the Oct. 2016 Roundtable

1. Procurement & Contracting Strategy

Core Principles to Include: (A1) 'Proactive & Performance-oriented' & 'Responsible & Ethical' Procurement; (A2) shift from adversarial to 'Collaborative' Contracts & Working arrangements – with early Stakeholder (including end-user) engagement, sound Stakeholder Management, Relationship Management and 'Joint Risk Management'; (A3) Incentivising Innovations, Technology upgrades & Longer-term perspective; (A4) Transparency; (A6) optimising Project Time Cost Trade-off; (A5) ; Realistic & Proactive Overall (Baseline Project) Scheduling; (A6) Whole-Life Value and Sustainability;

2. Overall Project Implementation & Delivery Strategy

Core Principles to Include: (B1) Joint Risk Management, Joint Decision-making & Empowerment; (B2) proactive Health & Safety and Environmental considerations; (B3) Intelligent Fast-track Scheduling; (B3) Productivity upgrades through synergies; (B4) Life-cycle Analysis, overall resilience and long-term stakeholder benefits; (B5) Timely payments to all supply chain members;

3. Design Management

Core Principles to Include: (C1) Encourage & facilitate consideration of 'adequate/ optimal no. of Conceptual Alternatives; (C2) proactive Health & Safety and Environmental considerations; (B3) facilitate efficient design process towards Optimal & Fit-for-Purpose Design Products; (C4) Signing-off on Design at milestones, e.g. at end of brief, conceptual design, schematics, detailed designs in each function (such as plumbing) (C5) Flexibility to accommodate essential downstream changes with minimal disruptions (B5)

Encourage new technologies, including BIM, new materials and construction processes, innovative building systems, low energy, low carbon solutions; (C6) Early Accessibility (transparency) of designed components to other design team-members;

4. Construction Management

Key Protocols to Include: (D1) Smart Planning and Scheduling; (D2) ... continuous upskilling and incentivisation of appropriately trained manpower (D3) Innovative construction technologies (D4) efficient equipment utilisation and optimizing labour-equipment mix; (D5) continuous Productivity upgrades;(D6) Reduced waste and rework, lean-type practices etc.;

5. Supply Chain Management

Core Principles to Include: (E1) 'Performance-oriented' & "Responsible & Ethical' selection criteria; (E2) reasonable order sizes and/or 'work order' continuity subject to agreed performance levels; (E3) Best practice relationship management and joint risk management; (E4) Fast communication and response times;

6. Overall Project Monitoring & Control

Key Protocols to Include: (F1) Benchmarking with KPIs – [i] internally (against past & parallel projects), [ii] with Benchmarking partners where possible, [iii] industry wide; (F2) extending to **post-construction** i.e. built asset usage-operation phase; (F3) Rapid responses to changes and/or disruptions, also revisiting optimal Project Time Cost Trade-off;

Please see page 4 for APPENDIX

APPENDIX: WAY FORWARD

IMPLEMENTATION: Sound principles, good practices and progressive targets based on the above Charter, would (a) be integrated in stages (the first stage being based on demonstration projects) into *Clients' strategic and operational processes* (with a later stage leading to relevant industry-wide, as well as organisation-specific codes of practice; as well as (b) trigger complementary improvements in *supply chain priorities and practices*, by being injected into proactive conditions/ requirements in bidding/tendering/vendor selection processes and protocols e.g. in prequalification/ tender requirements and selection criteria/ ratings.

MONITORING & CONTINUOUS IMPROVEMENT: The joint signatories to this charter should set up a monitoring and continuous improvements core group to track and recommend updates and upgrades.

Potential COMPLEMENTARY COMMITMENTS FROM INDUSTRY PARTNERS:

It is hoped that principal Industry Partners, such as Consultants and Contractors, will develop and commit their own groups voluntarily to complementary Charters, Credos or Codes of Practice, with a view to an inter-locking or integrated Construction Industry Manifesto that will underpin the joint pursuit of the Ci3 *India* goals to develop our construction industry together.

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