



Ci3 India - **CONSULTANTS' ROUNDTABLE - October 18, 2016**

Action Item 6A - CONSTRUCTION CLIENT'S CHARTER ACTION TEAM 6 MEMBERS

Action Team 6A

- Construction Client's Charter:

Dr. Ashwin Mahalingam (IITM)

Mr. Kekoo Colah (SP Real Estate)

Mr. Venugopal (SP Real Estate)

Mr. Srimanikandan Ramamoorthy (CTS)

Mr. Ganesh (CTS)

Mr. Santhosh Loganathan (IITM)

Prof. Mohan Kumaraswamy (IITM)

Action Team 6 Leader: Mr. Sanjay Ubale

Note: Action Team 6B

- Contractor Rating System:

Dr. Gangadar Mahesh (NIT Surathkal)

Dr. Venkata Santhosh - Sub-Team Mentor (IITB)

Mr. Prakash Patil (TRIL)

Mr. Kishore Bhateja (Raheja Group)

Mr. Shabbir Kanchwala (Raheja Group)

Mr. Hrishikesh Joshi (TRIL)

Mr. Santhosh Jayarajan (TRIL)

Note – some members from 6B
have contributed to 6A and vice versa

BASIS - of 'Construction Clients 'Charter' _



- **Why?** – To compile a 'Charter' (or **manifesto** or **code of practice**)
 - that leading-edge Construction Clients in India **would voluntarily agree upon**,
 - setting the scene for required **significant industry improvements** through *Ci3 India*

- **How?** - Relevant **good practices and progressive targets** based on the above Charter, would be **embedded in Clients' strategic and operational processes**
e.g. ... feed into proactive conditions/ requirements in bidding/tendering/vendor selection processes and protocols
e.g. in prequalification/ tender requirements and selection criteria/ ratings.

- **What?** - could be a 5 page (or so) document setting **out basic principles & targeted good practices** by lead clients.
 - expected to be progressively accepted by other construction clients too
 - signatories may also seek **image boosts** through **publicising** their signatory status

ANY EXAMPLES (from overseas or other industries)?



- Presently no such “Construction Clients’ Charter” that we know of,
But there was one before - in the UK.
- **-Initially** issued in 2001 by the Confederation of Construction Clients in UK
 - in response to a challenge in 2000, by the then Deputy Prime Minister
 - to set out minimum standards that clients should adopt in construction procurement
- **Now a “Clients’ Commitments – Best Practice Guide”**, published by the Construction Clients Group,
- UK Clients’ Commitments *focus on six areas* aiming at “a positive difference to enable better value”:
 - **Client leadership**
 - **Procurement and integration**
 - **Health and safety**
 - **Design quality**
 - **Sustainability**
 - **Commitment to people**

Objectives of Action Item 6A



GOAL: India-specific Construction Clients' Charter
- to suit **our** Industry context, aspirations and priorities

OBJECTIVE:

To develop 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.**

DEVELOPMENT of DRAFT CHARTER

- and relevance to Other Action Teams



- **Note 1** – Action Sub-Team 6A focused further on developing the above Charter that was brainstormed by the whole Team 6 from the outset. Others from Action Sub-Team 6B (also including some from 6A), later focused more on developing a CONTRACTOR RATING SYSTEM - so that signatories to the Clients' Charter could eventually choose to declare that they would only employ Contractors who have achieved a certain 'rating'.
- **Note 2** - Action Team 6A outputs will be **pivotal** to the success of Ci3 India, since **all other Action Teams** will **feed us their own relevant critical inputs** that they think **should be enshrined in the 'Charter'** So we now invite their inputs - **to prioritize and incorporate the needful**, before finalising a **consolidated charter**.
- **This Draft Charter – was so far developed in stages by Action Team 6 with Literature Review and ConCalls, followed by Focus Group Meetings within Sub-Team 6A**

DRAFT CHARTER with FRAMEWORK for EXPANSION (1)



➤ PRIORITIES – (A) 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*

➤ ...

DRAFT CHARTER with FRAMEWORK for EXPANSION (2)

- **PRIORITIES – (B) 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



** Note – THESE Expectations could eventually LINK and feed into a proposed CONTRACTOR RATING SYSTEM (and also subsequently a CONSULTANT RATING SYSTEM and other VENDORS RATING SYSTEM(S))*

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- Continual improvement of services with quick response times and high quality

DRAFT CHARTER with FRAMEWORK for EXPANSION (3)



- PRIORITIES – (C) *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

FRAMEWORK for EXPANSION - CORE PRINCIPLES & KEY PROTOCOLS (1):



The following items ARE INDICATIVE ONLY. Suggestions are NOW INVITED

➤ **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;

.....???

➤ **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; (B4) Productivity upgrades through synergies; (B5) Life-cycle Analysis, overall resilience and long-term stakeholder benefits; (B6) Timely payments to all supply chain members;

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FRAMEWORK for EXPANSION - CORE PRINCIPLES & KEY PROTOCOLS (2):

The following items ARE INDICATIVE ONLY. Suggestions are NOW INVITED



➤ **Design Management**

- *Core Principles* to Include: (C1) Encourage & facilitate consideration of 'adequate/ optimal no. of' Conceptual Alternatives; (C2) proactive Health & Safety and Environmental considerations; (C3) 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 (C6) Encourage new technologies, including BIM, new materials and construction processes, innovative building systems, low energy, low carbon solutions; (C7) Early Accessibility (transparency) of designed components to other design team-members;

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➤ **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.;

.....???

FRAMEWORK for EXPANSION - CORE PRINCIPLES & KEY PROTOCOLS (3):



The following items ARE INDICATIVE ONLY. Suggestions are NOW INVITED

➤ **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;

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➤ **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;

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1. Structure & Expected Contents of Construction Clients' Charter - due 10 Dec. 2016



- *Based on Working Paper +?*
- *Suggestions solicited TODAY + any more before 25 Oct. 2016 please*

2. Looking ahead, to:

(a) IMPLEMENTATION:

(b) MONITORING & CONTINUOUS IMPROVEMENT

(c) Potential COMPLEMENTARY COMMITMENTS FROM INDUSTRY PARTNERS:

- *Please refer the WORKING PAPER – APPENDIX on the: WAY FORWARD*

THANK YOU - for your patience

+ for your feedback !!!

Action Team 6A