



BERITA QS

For Internal Circulation Only

Session 2009/2010

October 2009

INTRODUCING....

The newly appointed QS divisional Committee (Session 2009/2010)

Chairman:	Sr Chew Nane Cheong
Deputy :	Sr Jailani Jasmani
Secretary:	Sr Ang Fuey Lin
Treasurer:	Sr Yeap Soon Kiat
Committee:	Sr Lim Meng Heok
	Sr Oh Chin Choo
	Sr Ringo Chan Pak Kuan
	Sr Fadilah Mohamad Camaludin
	Sr Mohamad Shazali Sulaiman
	Sr Amnah Mohammed Salleh
Immediate.Past Chair:	Sr K. Sri Kandan
Advisor:	Sr Eddie Wong
Chair SMM subcommittee:	Assoc. Prof. Sr. Sabaria Hassan



FUTURE EVENTS COMING.....

Mergers and Acquisitions in the Services Sector Seminar 28th October 2009.

Malaysian Construction Summit on 10th November 2009 at Sunway Pyramid Convention Centre.

5 to Thrive Corporate Executive Development Programme on 13th - 17th November 2009 in Sutera Harbour Pacific, Sabah.

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NEWS FROM MEMBERS OVERSEAS

DO YOU KNOW??

Acknowledgement :

Special thanks to Maldivian student **Hussain Hameem**, a first year Degree student in Taylor's University College for designing the layout of this issue of Berita QS.

FROM THE EDITOR'S DESK

The new session 2009/2010 has brought in many new faces in the QS Divisional Committee and being new myself, we anticipate to bring some new changes in the division starting with this newsletter. We hope to have a successful year to move our profession forward.



Lately the QS profession has seen a sudden influx of female in this profession taking a fair share in their role as Quantity Surveyors in the construction industry. From what seems to be a male dominated profession thirty years ago, the fairer sex has now proven to be a force to be dealt with. We have created history by having a lady President of ISM this session 2009/2010. Congratulations to Assoc. Prof. Sr Wan Maimun binti Wan Abdullah!!

There have been numerous events and activities since the new committee took over and everyone has been very busy ever since e.g. The 11th International Surveyor's Congress, 13th PAQS Congress, ISM.ISO Quality Group Scheme, KL Pact etc.

Please be well assured that the BERITA QS will keep everyone informed of all happenings. Any comments or feedback is greatly appreciated.

For those working overseas, please do contribute your valuable experience through writing to us and giving encouragement to all our young graduates here. I want to personally thank Sr Noushad Ali Naseem Ameer Ali for sharing his thoughts with us and also with Sr John Wong Weng Long for sharing his article on "Novations Demystified"

Last but not least, we would like to thank the ISM Secretariat headed by our super efficient Ms Katherine Thiang for their untiring contribution to ISM in its administration, financial growth and management over the past years.

EDITOR

Sr Ang Fuey Lin, MISM.

MESSAGE FROM THE CHAIR, ISM QS DIVISION

Hi Everyone,

First and foremost, I would like to congratulate our President, Associate Professor Sr Wan Maimun Wan Abdullah who has created history by being our first Lady President of ISM and most importantly she is a Quantity Surveyor. Under her leadership, I am very sure there will be major and significant changes in ISM for the betterment of our profession and members. I also wish to take this opportunity to thank our immediate past Chairman Sr Sri Kandan and his team for a great session under his steady leadership.

Luckily or unluckily, I have taken over the chair of the QS Division during very challenging times, not just because of the economy but also the pace of change has gone up a few notches, chal-

lenging us to change or be left behind. Now is not the time to sit back and relax, it is time to take stock of our situation and take action to rejuvenate and modernize and be more efficient in servicing our members and moving our profession forward. In the last few months, ISM was very busy with many issues such as:-

1. Prepare proposal and application for MIDA grant to obtain extra funds to upgrade our Secretariat, IT hardware and software, facilities and services. When successful, we will be very busy implementing the various proposals which will be immensely beneficial to all members.

2. Possibility of setting up overseas chapters maybe starting with the UK chapter. Looks promising but a lot of preparatory work need to be done first, starting with amendments to the constitution which will require members approval at the AGM

3. Co-organizing the PAQS conference with BQSM from 16-18 August 2009. Congratulations to the organizing committee headed by Sr Kwan Hock Hai and all those involved for a job well done. I am very pleased to inform you that we have signed two more reciprocity agreements during the conference, one with CIQS Canada and the other with PUJA Brunei. A few more are in the pipeline. This is wonderful for our members who are now more mobile with many working all over the world.

4. During the conference, the first world summit of leaders representing the major organizations (PAQS, ICEC, CEEC, RICS, FIG and AAQS) involved in Quantity Surveying, Cost Engineering and Cost Management with members all over the world, was held resulting in a KL PACT Declaration being signed. This was indeed a historic event and will usher in a new era of integration and growth for the allied professions.

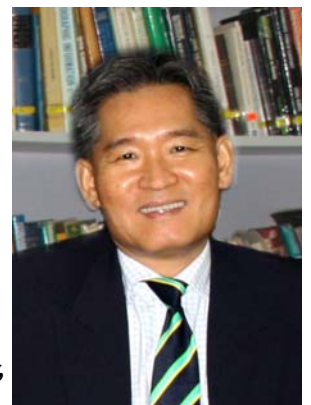
5. In synergy with our President's spirit of being "inclusive" rather than "exclusive", discussions were held with the Board last session to offer a "special route" for ISM members and graduate members with many years working experience to become registered with the Board without going through the TPC. I am pleased to inform you that an announcement on this matter will be made soon.

The Board is going ahead with the 2-tier registration scheme and we at the QS Division committee will seek to be involved to ensure a smooth transition.

The QS Division committee will be kept very busy with many other issues requiring our attention such as CIDB's NCCC (National Construction Cost Centre), IBS (Industrialized Building System), Malaysian Standard for Demolition works; PAM's GBI (Green Building Index), KL PACT's CPC code (Central Products Classification) and many more.

No matter what else happens, you can be assured that it will be an exciting time for ISM in the session 2009/2010, so get ready to participate and be pleasantly surprised.

My Best Wishes to each and everyone of you and to all our Muslim members, Selamat Hari Raya Puasa Aidil Fitri ! Maaf Zahir dan Batin.



CHAIRMAN,
Sr Chew Nane Cheong,
FISM

Getting to know our ISM President..... on a personal note.....

An Interview with Assoc. Prof. Sr Wan Maimun Binti Wan Abdullah, ISM President

(Interviewed and reported by Sr Ang Fuey Lin)

Congratulations Associate Professor Sr Wan Maimun Binti Wan Abdullah for creating history in the surveying profession by becoming the first lady President of the Institution of Surveyors Malaysia (ISM). We are very proud of you especially all the lady members of the surveying fraternity.

Why do you think it took 49 years for ISM to have a lady President?

I don't know why it took one year short of half a century to get a lady to say yes to the Presidency. It is not that all these years there is no lady surveyor who has been identified to take up that post but I guess our demeanor is such that we do not like attention and prominence. We always give way to others and by nature that does not bother us. Thus it took 49 years to come out of the shadows.

How does being the ISM President enhance your standing in the construction industry?

Wow that is a difficult question to answer. I put it this way – I have been in the construction industry for nearly 30 years in both the public and private sectors. Prior to this appointment I have been representing my company, ISM and the Board of Quantity Surveyors nationally and internationally. So it is not that being the President of ISM pushes me into the lime-light. But it does stand out being the President and not representative of ISM.

Why did you choose to enter the Quantity Surveying profession since the construction industry is a male dominated industry?

Pure elimination process by the family. My only decision back then was not to go for my form six. My seven brothers, after eliminating courses that were “undesirable” for their youngest sister decided for me to take up Quantity Sur-

veying locally as my eldest brother who was working in JKR put it to me “ no piece of wood could be paid to the contractor without the QS signing for it”. So I end up in UTM taking up QS course without knowing what it was all about save for that piece of advice.

Have you encountered any problems working in a male dominated industry?

No – should there be? In fact I savor the environment as I felt it gave me an added advantage.

Who amongst the QSs are your role model and whom you felt shape you in one way or another?

There are so many of them. But the first that come to mind is of course one of the stalwart of quantity surveying – Datuk Sr Abdul Rahman Abdullah. I was lucky enough to have him as my first boss. He guided me and showed me patience, leadership and perseverance. Others include Allahyarham Kamaruddin Alias for his compassion, Dato' Nik Farid for his giving nature, Ong for his drive, Chua for his determination, Shahariah for her positive energy, Datuk Isahak for his tenacity, Faiz for his kindness, Dr Maizon for her enthusiasm, Rohani Kendut for her calmness, Latifah Salleh for her directness, Hj Alias for his endearing ways, Sri Kandan for his diplomacy, Kwan for his humbleness, Datuk Zakaria for his patriotism, Dato' Mohamad Gading for his technical capability and Dato' Manaf for his openness and willingness to try new ideas. And of course I owe it to Roznita, Ratna, Norshimmah and Hashimah to always keep me down to earth. These are the people that I have worked with but there are many other friends who may have shaped me directly or indirectly.



Are there any regrets in choosing this career?

Definitely not – in fact I thank my brothers for their wisdom. Being QS trains you to be meticulous, organized, articulate, but down to earth and not to mind working behind the scene yet able to perform when pushed into prominence.

On a lighter note, would you mind sharing your hobbies with us?

Oh gosh, my hobbies change every now and then. It used to be stamp collection and crochet during my younger days, then I was into sports i.e. squash, badminton and table tennis, that changed to making and collecting beautifully crafted boxes, beading and cross stitch, then the knitting bug hit me when I saw Mrs May Ong buying bundles of wool when we went to New Zealand. Now my hobby is travelling and shopping – my husband said ‘chopping’ as he said that is a more accurate definition.

What is your favorite food?

I love food so there are many favorites - Masak asam pedas, salted fish, budu with all its condiments, nasi lemak, roti canai, fish and chips, all sorts of sandwiches, Victoria station chilli spare rib, and Subway BMT and not to forget ‘chakueh’. My favorite fruits are rambutan, mangosteen, durian, mango, and persimmon.

One of our motivational speakers Mr. Billie Lim commented that a successful man is one who can earn as much as the wife can spend and a successful woman is one who can find such a man! Any comments? Are you a successful woman?

Oh yes, if that is the definition of successful!! I remember my then fiancé nearly fell off his chair upon being informed of the amount of dowry set by my family. I told him not to worry as the ‘initial cost’ maybe expensive but the ‘maintenance cost’ is cheap as such the value of ‘cost-in-use’ is to his advantage. Now after nearly 25 years of marriage he said I lied as the maintenance cost is not cheap. I told him that it is his fault as I spend what he earned. It is like a reciprocity agreement and mutual recognition of capacity. If he earns less then I will spend less and vice versa!! But seriously, what he earns is just enough for a comfortable living for our family – we are not extravagant.

What advice would you like to impart to all the lady members of ISM?

Don't sell yourself short. It is about time the ladies come to the forefront and be of prominence. Every QS, lady or man is equally capable with different areas of expertise. In ISM I would like to see more ladies as Fellows, Vice Presidents, Councilors, Chairmen of committees etc. Maybe we should form the "Ladies Brigade" to unleash the girl power within.

Thank you very much Associate Professor Sr Wan Maimun for spending time with us and we hope you will have a successful and enjoyable term in ISM. We look forward to work under a lady President for a change!



FUTURE EVENTS COMING.....

- **Mergers and Acquisitions in the Services Sector Seminar 28th October 2009**

This is a seminar for those in the services sector to understand the advantages and disadvantages of merging and acquiring other firms in the services sector. This seminar will clarify the financial, legal and operational issues in a merger and acquisition. It will also highlight useful case studies on successful mergers in the services sector.

- **Malaysian Construction Summit on 10th November 2009 in Sunway Pyramid Convention Centre.**

This Summit is organized in response to the construction Industry's demand to interact, debate and brainstorm on the crucial issues and challenging opportunities in projects delivery, in particular the construction sector under the 9MP, 10MP, Stimulus Packages & Corridors Development.

- **5 to Thrive Corporate Executive Development Programme on 13th - 17th November 2009 in Sabah.**

This programme is organized to develop delegate's understanding of the global construction market and business in a rapidly changing world.

CURRENT NEWS

Proposed Construction Industry Payment and Adjudication Act (CIPAA)

Construction Industry Development Board (CIDB) under the working group chaired by ISM past President Sr Noushad Ali Naseem Ameer Ali, is moving forward to gazette the proposed Construction Industry Payment and Adjudication Act (CIPAA).

This Act will address issues or payment disputes (e.g. default payment, delayed payment and under payment) and act as a dispute resolution mechanism.

On 15th October 2009, CIDB invited the industry for a final consultation (provide viewpoints and feedback) to review and refine the proposed Act before it is tabled to Parliament.



BERITA QS

11TH ISM INTERNATIONAL SURVEYORS' CONGRESS 2009 18TH – 19TH JUNE 2009



The ISM 11th Surveyors' Congress (2009) was held at the Crowne Plaza Mutiara Hotel, Kuala Lumpur with an official opening ceremony and keynote address by YABhg. Tun Dr. Mahathir Mohamad.

The main theme of the Congress is "Smart Growth Thru' Smart Partnership". The theme is chosen in line with the current scenario of the delicate partnership and balance between individual, race, religion, organization and parties for capacity building to face the onslaught of globalization and liberalization. The core principle of smart growth is progress and development that serves not only oneself but the economy, community and environment whilst the concept of smart partnership is a fair equitable sharing to maximize and balance the benefits for the partners. Success demands on smart work with perseverance in effective management of any project supported and substantiated with appropriate procedures, realistic time frame, commitment, integrity, accountability, transparency and good govern-

ance which would undoubtedly enhance delivery to the level of excellence.

In line with the theme, experts from within and outside Malaysia presented many papers on the subject and the speakers invited for the QS parallel session include Sr Chin Keh Liang on "Smart Tendering", Ms Foo See Yee on "Coating- Its Roles in Sustainability" and Ms Eugenie Lip on "Collaborative Working- Key Contract Administration Watch points"

A total of 25 papers were presented in the two days. This is an annual event that precedes the QS Division and ISM Annual General Meeting as well as celebrating ISM's 48th Anniversary with a gala dinner with Guest of Honour: Y.B. Datuk Douglas Uggah Embas, Minister of Natural Resources & Environment





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13TH Pacific Association of Quantity Surveyors (PAQS) Congress 2009 17TH – 18TH August 2009



The 13th Pacific Association of Quantity Surveyors (PAQS) Congress 2009 was held at the Crowne Plaza Mutiara Hotel, Kuala Lumpur.

Kuala Lumpur was host to the 3rd PAQS Congress on 26-28th August 1999 and 10 years later we are proud to be hoisting this prestigious event again under the

chairmanship of Sr Kwan Hock Hai.

PAQS comprises of 12 countries and provides a global platform linking QS and Cost Engineers from the Asia Pacific region to look into the challenges and to upgrade professional development. This event is not only for capacity building but to make new friends, renew old friendships and build symbiotic networking.

The theme is “Building the Future Together” with the sub theme of “Global Integration”, “Professional Development” and “Global Integration-The Way Forward” Internationally renowned keynote speakers share their experiences, vision and conclusions with delegates. The keynote address at the plenary sessions offered new insights to the future of cost management and fostering business values through global integration. The parallel sessions offered many sub-themes related to professional development towards “building the future together.”

Theme 1- Professional Integration

Theme 2- Project Management

Theme 3- Sustainable Development

Theme 4- Rethinking Contract Management & Dispute Resolution

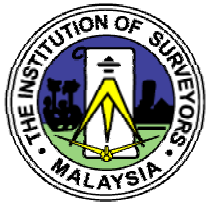
The Reciprocity and Co-Operation Agreement between ISM and the Canadian Institute of Quantity Surveyors (CIQS) and PUJA (Brunei) Surveying Division were signed in this Congress. Institutions which are affiliated with PAQS are RICS and AIQS. In future the Singapore Institute of Surveyors and Valuers (SISV) will also sign the agreement with ISM. A PAQS Accreditation Scheme was also signed on 18th August 2009.

The forthcoming 14th PAQS will be held in Furama Riverfront Hotel, Singapore on 17th to 21st September 2010. The Congress theme is Sustainable Cost Management: Borderless Innovation. This conference touches on the development and contribution of the Cost Engineer and Quantity Surveyor (CEQS) in the realm of Sustainable Construction, knowledge management, advancement in Construction Law and Alternate Dispute Resolution as well as innovation in Construction Cost Management. All members are welcomed to participate in Singapore.

The Congress closed with a gala dinner which brings together members, allied professionals and friends to enjoy an evening of entertainment as well as establish friendly networking in an ambient atmosphere.



BERITA QS



ISM.ISO Quality Group Scheme

*Workshop Photos on ISM.ISO
Quality Group Scheme on 1 Au-
gust 09 & 20 August 09*



Opening speech and words of encouragement by the Chairman of ISM QS Division, Sr Chew Nane Cheong during the opening of ISM.ISO 1st Workshop



ISM.ISO course facilitator Sr Ong Hock Tek departing his knowledge



ISM.ISO course facilitator Ms Lam Li Lih sharing her knowledge.



ISM.ISO participants seating in groups during Value Management session.



ISM.ISO

ISM.ISO = ISO 9001:2008 + Value Added Scheme + SMEDEC Matching Grant*

* to participating firms that apply and qualify under the scheme and depending on fund levels



BERITA QS

TOTAL MEMBERSHIP APPLICATION UNDER QUANTITY SURVEYING DIVISION WITHOUT DEFAULTERS AS AT 10 OCTOBER 2009

Division/ Class	Month		Overall Total
	August	September	
<i>Fellow</i>	0	1	1
<i>Member</i>	7	5	12
<i>Graduate</i>	16	17	33
<i>Probationer</i>	4	0	4
<i>Student</i>	7	0	7
	34	23	57

Conference on Transforming Construction Justice

7th August 2009

The Bar Council organized the above conference in Impiana KLCC Hotel & Spa, Kuala Lumpur on 7th August 2009. Sir Vivian Ramsey, chief judge of the UK Technology & Construction Court was the keynote speaker. The other prominent speakers were Mr. Quentin Loh, Mr. Vinayak Pradhan, Mr. Chow Kok Fong, Sr Noushad Ali Naseem Ameer Ali and Dato' WSW Davidson.

The topics at this Conference explored a wide range of issues from the need for a Construction Court to ensure the specialized, speedy and economical resolution of construction disputes to the introduction of disputes resolution techniques that may be more suitable to deal with changing times.

LIBERALIZATION OF PROFESSIONAL SERVICES

The liberalization of services has been brought forward from 2015 to 2012 by the Cabinet Committee on Services Liberalization (CCSL). Hence the QS has to address the impact of liberalization on local services providers and to encourage mergers and acquisitions. The QS division will keep all QS up-to-date with new knowledge in response to the challenges of new business requirements. They have to keep up with the pace of innovation and development in the construction industry. It is recommended that consolidation and liberalization should be optimized in the industry to improve firm's competitiveness and knowledge transfer across stratified fragments of the service industry in construction. Training is hence an important tool.

Through the introduction of Continuing Professional Development (CPD) programme for the members of the QS division, they will be able to better perceive the profession's activity in a wider context and to expand their skills and knowledge. The QS needs to continually learn and re-learn to sustain in this rapidly changing business environment. CPD is the means to the end and that the end is improved performance. The aim of professional education is to promote competence to practice and CPD promotes continuing competence to practice. CPD is stated as the systematic updating and enhancement of skills, knowledge and competence which takes place throughout working life. Performance is assessed through competence and this is measured by the client procuring the services. Hence by giving training in the form of in-house trainings, workshops, courses, seminars and talks, the QS is constantly up-dated with professional knowledge and skills including technical skills which will enhance performance. The Malaysian QS needs to be at par with the foreigners when liberalization sets in. Please refer to the list of proposed CPD talks by the division.





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Joint TPC

The first joint TPC meeting with the BQSM for this session was held on 6th August 2009. The results for the JTPC written examination and professional interview conducted on 27th April 2009 were officially released. The overall passing rate is 30 % (i.e. 18 sat and 6 passed). BQSM has implemented three alternative routes without taking the full JTPC for JKR/Government QS and public universities lecturers to join BQSM as Registered QS. QS Division had submitted a proposal to BQSM in May 2009 for a special route for private sector QS without taking the full JTPC to become a Registered QS and was approved in principle by BQSM in August 2009. An announcement will be made once the details and procedures are sorted out.

Two Tier Registration

The QS Act 1967 requires that any person who practise or carry on business or take up employment as a QS must be registered with the Board of QS Malaysia (BQSM). To date, BQSM does not make any distinction or have different requirements or criteria for registration between those who wish to set up practice as a Consultant QS (CQS) from those who merely want to take up employment as QS.

Consequently, the 'bar' or requirement for registration has tradi-



tionally been set at a relatively high standard as those who obtained registration with the Board are deemed to be entitled to practise as a CQS, subject to any other requirements by the Board to practice.

It is timely to refine and further improve the registration procedure by differentiating between those who merely wish to be employed as QS from those who may wish to be CQS. Existing system can be viewed as onerous for those merely seeking employment as a QS but inadequate or lax for those intending to

practise as CQS. A significant portion, if not majority of QS graduates now work in contracting firms, many in relatively small set ups. The revised system should be able to cater for them to the extent that they will be eligible and be able to qualified as registered QS, as required by the Act rather than be excluded, for failure or inability to comply with the requirements of the TPC leading to registration.

The solution is to have Two-Tier registration system, one for those merely to work or be employed as a QS, the other for those intending to practise as CQS. If adopted, the changes may require amendments to BQSM's Rules and Rules and Guide to the Joint TPC. It is proposed that in order to differentiate between those who have passed the first and second tier of registration, different designations would be considered, probably to be consistent with the system adopted by the Board of Engineers i.e. Registered QS and Professional QS for first tier and second tier registration respectively.

The Board has decided to implement the Two Tier registration for the TPC and had formed sub-committees to study its implementation and prepare the syllabus for the second tier examination. The actual date to start and the details have yet to be finalized.

Standard Method of Measurement (SMM)

The QS Division discussed in detail about SMM2 and agreed to proceed to revise and tabulate SMM2 .

Revisions would mainly be corrections and amendments to unsuitable clauses. A tabulated SMM2 would allow for easier computerization and incorporation into QS softwares.

Qualifications & Registration (BQSM)

Two meetings were held at BQSM on 17th July 2009 and 21st August 2009. Some universities conducting QS course were visited and the sub- committee will continue to do so until all the universities are visited. Career talks were held with the undergraduates and lecturers to promote the registration of Registered QS with the BQSM. BQSM encourages sole proprietor firms to have partnerships or become body corporate firms and to obtain ISO certification. In 2011, all branches of consultant QS firms MUST be managed by a Registered QS. Currently registered graduate QS are allowed to manage branches of consultant QS firms. All principals, partners and directors of new firms or newly admitted partners and directors MUST attend a one day compulsory course conducted by BQSM.



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LIBRARY BOOKS PURCHASED AS FROM AUGUST 2009.

Law of Malaysia-Street Drainage & Building Act	MDC Publishers Sdn.Bhd
Law of Malaysia-Architects Act & Rules	MDC Publishers Sdn.Bhd
Law of Malaysia-Registration of Engineers Act	MDC Publishers Sdn.Bhd.
Law of Malaysia-Housing Development (Control & Licensing Act)	MDC Publishers Sdn.Bhd.
Law of Malaysia-Building & Common Property (Maintenance & Management) Act	MDC Publishers Sdn.Bhd.
Law of Malaysia-Strata Titles Act with Strata Titles (Federal Territory of Kuala Lumpur & Putra Jaya)	MDC Publishers Sdn.Bhd.
Nota MC: Joint & Tolerance for Building Components	CIDB
Sizing Guide for Precast Concrete Building Components	CIDB
Building Material Cost Index	CIDB
Average Price of Building Materials	CIDB
Guide on the CIDB Standard Form of Contract for Nominated Sub-Contractor	CIDB
Guide on the CIDB Standard Form of Contract for Building Works	CIDB
Standard Proforma for Contract Administration of CIDB Standard Form of Contract for Building Works	CIDB
Mediation Rule	CIDB
Modular Design Guide	CIDB
Akta 520	CIDB

LIST OF PROPOSED CPD TALK FOR SESSION 2009/2010

1) PAM Form – Workshop by Mr Low Khian Seng and Mr Harbans Singh (if available)

The workshop comprises critical analysis about PAM Form uses and suggested amendments where appropriate and the applications of the various clauses and will be conducted in modules, with each module concentrating on a few clauses at a time.

2) IBS by CIDB

Five (5) modules but excludes the QS services i.e. costing, specifications and suppliers and contractual aspects

3) Seminar or talk on Safety - DOSH (Department of Safety and Health) by DOSH / CIDB

Awareness talk and as a guideline for QS; to include topic on safety guidelines for Demolition Work

4) GREEN BUILDING INDEX

a) Introductory CPD on Green Rating of Buildings by Ar Chan Seong Aun (PAM)

Global environmental issues and challenges and local issues and challenges. How is Malaysia addressing them?

Why Green Buildings, what are the benefits and cost. What are the criteria they are based on? What is GBI and why have it when we can use LEED. How does it compare with LEED, Green Mark and Green Star?

b) The GBI Tools in Detail by Ar Chan Seong Aun (PAM)

This will be a point by point explanation on how the points were developed, what are the reasons for the points and how to rate and score them for a project. The structure and framework of GBI and how it is administered and the application and evaluation process. How to apply for a green rating for your building. Where to go for further information and GBI Facilitator courses for Building Professionals.

c) Economics of Green Buildings by Eugene Seah (Davis Langdon and Seah)

This is part of the GBI Facilitator course. Topics will be looked at are Life Cycle Cost, Triple Bottom Line, Reinstatement Costs, Equator Principles, Total Building Performance, etc

5) Back-2-Basics by Sr Jailani Jasmani

Going back to basic on BQ, contract etc.

6) Product talk from UAC Berhad & Boustead Bhd on UCO solidwall system, paint, steel roofing and ceramic tiles

Talk on: a) Solid Wall System, the latest product and application .b) UAC Steel Roof Truss & various applications costing c) Johan Ceramics d) Sissons Paints



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Stamp Duty Update

The 2009 amendment on the stamp duty chargeable on service agreement has created heated debates. Prior to the amendment, duty levied on service agreement with security was RM 10. From Jan 1, 2009, all service agreements are chargeable with an ad valorem duty of RM5 for every RM1, 000; essentially 0.5% duty on the contract value. Responding to the appeals of various industries, the Ministry of Finance (MOF) announced the following new rules on July 15.

- a) for a contract awarded by the Govt, the first tier of contract agreement between the Govt. and the main contractor is exempted from duty whilst the second tier of contract between the main contractor and subcontractor is subject to ad valorem of 0.5%. Any subsequent tiers of contract agreement attract RM50 flat duty.
- b) For a non-government contract, the first tier of contract agreement is levied with ad valorem duty and any subsequent tiers of contract agreement are subject to RM50 flat duty.

The MOF announced further changes on Sept 9 to defer the imposition of ad valorem duty of 0.5% to Jan 1, 2011. Thus service agreements that are executed during the period from Sept 15, 2009 to Dec 31, 2010 will be subject to a flat duty of RM 50. The changes that limit and defer the application of 0.5% stamp duty to merely one tier of the supply chain are greatly applauded and well received by the construction industry.

Memorandum of Reciprocity and Co-Operation Update

The following Memorandum of Reciprocity and Co-operation had been signed between the Institution of Surveyors Malaysia (ISM) and the following bodies to date:

- (a) The Hong Kong Institute of Surveyors (HKIS)
- (b) The Royal Institution of Chartered Surveyors (RICS)
- (c) The Australian Institute of Quantity Surveyors (AIQS)
- (d) Canadian Institute of Quantity Surveyors (CIQS)
- (e) PUJA(Brunei) Surveying Division
- (f) Singapore Institute of Surveyors and Valuers (SISV)

Affiliated bodies are:

- (a) Pacific Association of Quantity Surveyors (PAQS)
- (b) Commonwealth Association of Surveying and Land Economy (CASLE)
- (c) Balai Ikhtisas Malaysia (BIM)
- (d) Surveyors' Alliance Asia (SAA)

ISM 50 Year Anniversary Celebrations

Having been formed in 1961, ISM will be 50 years of age in 2011. A special Committee under the Chairmanship of Sr Elvin Fernandez has been formed to celebrate the successes of the Institution. We will also take this opportunity to look into the future, rebrand our services and be in the service of the Malaysian public. The Special Committee has met twice since its formation with various sub-committees being formed including one to secure sponsorships. Suggestions include charity and sports, family events and gotong-royong, merchandise and souvenir items including a commemorative book and video, logo design, first day cover/stamp, branch activities all year round, golf tournaments and international seminars and conferences. ISM members are invited to contribute suggestions and come forward with sponsorship proposals to make 2011 a very special anniversary celebration!

ISM Forum

Members are encouraged to participate in the online forum to exchange news, ideas, information related to the surveying community.

Please login your member ID and password, and then click on the Forum icon.

Kindly read the guidelines (in Announcement area in the Forum) before you post your topic and please be reminded that postings which are constructive and beneficial to our profession are appreciated and valued.

Please help keep the ISM Forums a clean and friendly community and above all, have fun!

The President's Corner

We have created the "President's Corner" in ISM's website to disseminate information and feedback as well as to encourage open discussions with the President on current issues.

Read the President's blog postings at <http://ism-president.blogspot.com>





BERITA QS

KL PACT/ Declaration

Historically the Quantity Surveying profession was first started by the British and prevalent in the commonwealth countries. In the USA and countries aligned to her, the professionals offering similar services are called cost engineers or cost economists and in Europe, they are called cost management consultants or cost managers. At the recent PAQS (Pacific Association of Quantity Surveyors) Congress which was held on 17-18 August 2009, Malaysia took the initiative to propose the KL PACT/Declaration which sought to integrate the quantity surveying, cost engineering, and cost economist professions for common benefits and future growth of the construction and property industry globally.

Objectives of the KL PACT/Declaration:

- To further develop and foster a global community of leaders in the profession.
- To foster global cooperation in area of significance for global policy for the profession.
- To shape the agenda for a global forum in terms of economic trends, climate change, energy and water management; and.
- To provide a platform, underpinned by knowledge and technology, to ensure the achievement of excellence, in terms of service delivery, competence and education.

The KL PACT was signed during the closing of the PAQS Congress with the following international bodies:-

African Association of Quantity Surveyors (AAQS) - Cape Town based group comprising representatives from Angola, South Africa, Botswana, Ghana, Namibia, Tanzania, Kenya, Zimbabwe, Mozambique, Nigeria, Mauritius and Swaziland.

International Cost Engineering Council (ICEC) - A confederation of project management, cost engineering and quantity surveying societies from 40 countries. ICEC has access to members operating from 120 nations.

The European Council for Construction Economists (CEEC) - comprising representatives from Belgium, Czech Republic, Netherlands, Denmark, Portugal, Finland, Spain, France, Poland, Romania, Switzerland, Ireland and the UK

Pacific Association of Quantity Surveyors (PAQS) - comprising national associations of quantity surveyors and cost engineers from Australia, Brunei, Canada, China (including Hong Kong), Fiji, Japan, Malaysia, New Zealand, Singapore, Sri Lanka, and the United States of America. South Africa has observer status

International Federation of Surveyors (FIG) - an international grouping of surveyors whose purpose is to support international collaboration for the purpose of surveying in all fields and application. Founded in 1878, FIG has member associations from over 100 countries.

The Royal Institution of Chartered Surveyors (RICS) - The RICS has chartered surveyor members operating out from 146 countries.

NEWS FROM MEMBERS OVERSEAS **Borderless Quantity Surveying**

by Sr Noushad Ali Naseem Ameer Ali, PPISM

1. The persuasive request

I received an email from the QS divisional secretary Sr Ang FL who is compiling and editing this issue of Berita QS. The e-mail came at 11.30pm Malaysian time 10.09.09 (3.30 am, New Zealand time, 11.09.09).

She was soliciting for news from members overseas. After a few suggestions of what I might write, she penned off:

'Please help me as I believe you are the one that will write something for me'.

She persisted after that through several emails when she thought I might not have received the earlier one when yahoo sent her an erroneous message. This piece is the result of her persistence. It also shows the power of effective communication – one that is so persuasive that you get a response.

So what should I write about? Let me share the power of modern communication. One that can create a borderless quantity surveying (and any other business) environment

2. Current bases

My family is for now based in Dunedin, South Island, New Zealand. I am attached to a quantity surveying practice in Petaling Jaya – CIC-QS Services Sdn Bhd. I now spend more time in Dunedin than Petaling Jaya. I commute between Dunedin and Petaling Jaya – but of course not every day. That would be physically impossible. Nor do I commute every week or month. That would not be financially feasible. The last time I was in KL was in August 2009 and October 2009.

3. Commuting to work

Every day I 'go' to work. I put 'go' in inverted commas because I just have to walk to my study-office upstairs. I do certain aspects of quantity surveying work (mainly the non-traditional aspects), whilst my colleagues in Petaling Jaya do both traditional quantity surveying work and non-traditional work. Like in most other quantity surveying practices, I communicate with them every day, talk to them nearly every day, and 'meet' them very frequently. But I am often physically over 8,500 km away. And if, as a QS, you insist on exact distance - 8,641 km away. So, how do I regularly 'meet' my colleagues? Answer-virtually.



BERITA QS

4. Communicating with the office and clients

How do my colleagues and I communicate? Apart from e-mail, we communicate either by phone (if you know the right numbers to dial, it costs between about 10 and 20 sen per minute to call a land line in Malaysia from New Zealand) or Skype video or audio conference. Since our office in Petaling Jaya and I have broadband facilities, Skype calls, chats, and video conference calls don't cost anything extra.

Anyone can download Skype for free. Just google: 'Skype for windows'. If you are on a Mac then google: 'Skype for mac' and follow the instructions.

We exchange documents by email. Sometimes we drag and drop files onto Skype. This is often quicker. Documents could be a word, excel, or powerpoint file, or it could be a photo or even music file. My next target is to store data offsite like the Mac's i-disk, which can be retrieved from anywhere in the world.

My colleague Sr Amnah has a laptop with a built-in camera and speakers. If clients want to meet up, we meet up at our client's place or our office— nearly everyone has broadband access these days. I attend the meeting 'virtually' via Skype.

Documents are often scanned into pdf and sent to me. How extraordinarily light it is to carry thousands of files and documents in a sub 2.5 kg laptop!

5. Other non-office professional work

I still do other non-office professional work. I am doing some research on the effectiveness of adjudication under the New Zealand Construction Contracts Act (which is the base model adopted and modified in the proposed Malaysian Construction Industry Payment and Adjudication Act). And I am re-drafting industry standard terms of construction contracts into plainer language.

On 09.09.09 Deputy President of ISM, Sr Elvin Fernandez, held a meeting at his office to discuss ISM's dispute resolution strategies. Following e-mail exchanges and discussions among the committee members, I attended the meeting via Skype. On this occasion, it was an audio conference with me. I was happy to have a video conference, but given the time difference Sr Elvin probably thought (wrongly) that I might have been in my sarong. It is too cold for sarongs in Dunedin! He probably also thought (again wrongly) that as it was a meeting over lunch, it might offend me to have them eating whilst I was fasting.

It was a fruitful meeting – just like the many other Skype meetings I have had. I have even had three-way meetings between a plain language expert in some town in the Lake District, UK, the design and build drafting committee and CIDB in KL, and me in Dunedin. How economical! Imagine the savings compared to us

all meeting in one physical venue. And that is without adding the opportunity costs of the travel times. An added benefit of Skype meetings is there is less digression beyond the key topics. There are fewer chances of discussions into speculations on the latest political scenarios or who is doing what to whom.

6. Legal professionals and construction industry professionals

Construction industry professionals are 'supposed' to be technologically advanced. The legal professionals are supposed to be advanced in literary and oral skills.

Yet I read several years ago that the Bar Council or the courts regularly conference call between KL and Kuching adopting technology for greater efficiency. I also understand the new courts in KL are well equipped to record witnesses both audio and visual without the judge having to take down full notes verbatim. Are the council meetings of the various construction professionals bodies conducted as efficiently?

7. Face-to-face meetings

There are occasions though that a face-to-face meeting is inevitable. I attended one such prolonged intensive session (from 8.30am through to 11pm for several days) with about ten others when developing competency standards for future adjudicators in anticipation of the proposed Construction Industry Payment and Adjudication Act becoming a Bill in Parliament next year.

The other example of the necessity for face-to-face meetings would be when food is involved— like Hari Raya (21st September 2009 which happens to be the same day as the United Nations' International Day of Peace and my wife Nazimah's birthday) or other festive gatherings. It was a usual workday for me, Nazimah, and the four kids at school in Dunedin. Open homes were all pushed to the weekends.

Perhaps one day we may be able to have live virtual open houses and have meetings using holography with 3-D re-constructed light images. I wonder if we will ever have the technology to teleport food without any time lapse. I would not want to eat re-constructed food that is more than a day old!





BERITA QS

DO YOU KNOW??

NOVATION DEMYSTIFIED

Sr John Wong Weng Long
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Abstract

Novation of contracts is commonly practised in the construction industry, in particular, when building or civil engineering work is commissioned via the 'design and build' method of procurement. It is a convenient method by which on party to a contract may be replaced by another without changing the content of the contract. The only change therefore is to the contracting parties. However, the procedures necessary to effect a novation must be executed correctly so as to distinguish from mere assignment of rights under the contract.

What is a Novation? Novation is a transaction by which, with the consent of all the parties concerned, a new contract is substituted for one that has already been made. Hence, the original contract need not be performed. The new contract may be between the original parties, eg where a written agreement is later incorporated in a deed; or between different parties, eg where a new person is substituted for the original debtor or creditor. The effectiveness of the latter form, the substitution of one creditor for another, was concisely illustrated by Buller J: "*Suppose A owes B £100, and B owes C £100, and the three meet, and it is agreed between them that A shall pay C the £100; B's debt is extinguished, and C may recover the sum against A.*"

In this case, a contract is made between A, B and C, by which the original liability of A to B is discharged in consideration of his promise to perform the same obligation in favour of C, the other party to the new contract. In other words, the rights and liabilities of one of the original contracting parties are extinguished altogether and new obligations are created in their place.

The next question that arises is what are the benefits of a 'Novation of Contracts'? Novation allows an employer to divest himself of the liability to pay for the work, or allows a contractor to divest himself of his responsibilities for completing the work and of his liabilities for delay caused to the work.

Novation is also used where the Employer desires to 'novate' the Employer's sub-

contractor, with whom the Employer had earlier contracted, to the Main Contractor so as to ensure a single point of responsibility undertaken by the Main Contractor.

In a 'design and build' procurement, the Employer may also 'novate' his Architect, with whom the Employer had earlier engaged to produce a schematic and conceptual design of the building work, to the Design and Build Contractor who has been awarded with the contract to design and construct the building for the Employer. Such an arrangement ensures the continuity of the early conceptual design developed by the Architect during the tender stage with the design stage undertaken by the Design and Build Contractor who now employs the Architect.

How does a 'Novation of Contracts' take place? Novation may take the form of a tripartite agreement as seen in Buller J's example above – where an original contracting party is released from, and the third party assumes the original contracting party's obligations under the contract. Of course the consent of all three parties will have to be obtained prior to entering into such agreement. Alternatively, a simpler bilateral agreement between a third party and one of the original contracting parties, for example, where the owner undertakes to pay the third party in consideration of the third party assuming the responsibilities of the original contractor. It is noted that the terms on which the new contractor drops out or is released form no part of the new bilateral agreement. It is noted that not only the substitution of the original contract with a new contract may be by express agreement, but also it may be implied from the conduct of the parties though such an implication will be comparatively rare. However, care must be taken when exercising a novation.

What are the practical steps to ensure a successful novation?

A contract of novation has to be distinguished from an assignment. Unlike assignment, a novation does not involve the transfer of any property or rights. In the absence of a novation, the owner will be unable to divest himself of the liability to pay for the work, or the contractor of his responsibility for duly completing the work. This is illustrated in *Young v Kitchen* (1878) 3 Ex.D. 127 where a contractor validly assigned his right to payment under the contract and his assignee sued upon the contract. The Employer was permitted to set off damages due to delay by the contractor to the extent of the assignee's claim

as an equitable set-off (or defence), but not to recover any excess for which the contractor remains liable.

What is the distinction between assignment and novation? Before we can draw a distinction, we must first establish what an assignment is. An assignment is the substitution of a relationship between the assignee and the other original contracting party for the relationship between the two original parties. For this purpose, contractual relationships are classified as contractual rights – the right to receive the performance of the other party, or the right to enforce remedies for his breach, and as contractual obligations – the necessity to perform. Standard forms such as the PAM form of contract prohibit the Contractor from assigning the vicarious performance of the Contractor's functions under the Contract to any other person without the consent of the Employer. The PAM form also prohibits the Contractor to assign the right to receive monies due under the Contract to any person without the prior consent of the Employer. Hence, the Contractor cannot freely assign contractual obligations and contractual rights as by doing so would prejudice the other party. The distinction between assignment and novation is that assignment merely deals with part or whole contractual rights or contractual obligations whilst novation deals with the entire contract as a whole. In the example given by Buller J above, the transaction of this nature is not effective as a novation unless an intention is clearly shown that the debt due from A to B is to be extinguished. Otherwise, the novation fails for want of consideration. Therefore, novation is unlike assignment because it comprises the annulment of one debt or contract and then the creation of a substituted debt or contract in its place. It is also important for the parties to define clearly the responsibilities or liabilities of the original contractor to be assumed by his substitute. For example, any current liability for liquidated damages for delay. It may not be in the interest of the new contractor to assume the liability for delay caused by the original contractor unless the original contractor agrees to indemnify the new contractor.

Note: This article forms a personal opinion of the author and does not reflect the views of the company to which the author is attached.