

## MINUTES OF A COMMERCIAL COMMITTEE MEETING

**Date:** Wednesday 10<sup>th</sup> May 2017

**Time:** 10:00am

**Location:** Friends House, 173-177 Euston Road, London, NW1 2BJ

**PRESENT:**

Steve Wood	Balfour Beatty Ground Engineering
Nicholas Rogers	Bauer
Mike Parkes	Cementation Skanska
Gemma Richardson	Expanded Geotechnical
Paul Goodwin	Franki Foundations
Roger Barrett	Keller Limited
Greg Haynes	Keltbray
David Colven	Roger Bullivant

**Guest Attendees:**

Alex Walsh	Balfour Beatty Ground Engineering
Patrick Tolan	BAM Ritchies

**In the Chair:** Mark Sheridan      BAM Ritchies

**In Attendance:**

Ciaran Jennings	FPS Secretariat
Grace Hawkins	FPS Secretariat

No	TOPIC	ACTION
1.	<b>APOLOGIES FOR ABSENCE</b>	
	Apologies had been received from Andrew West (Bachy Soletanche), Simon Lyons (Central Piling), Barry McCormack (FK Lowry Piling), Ian Walker (Martello Piling), Terry Martin (Murphy Ground Engineering), Shane Ryan (Murphy Ground Engineering) and Andy Goddard (Rock and Alluvium).	
2.	<b>MINUTES OF THE LAST MEETING</b>	
	The minutes of the meeting held on 23 <sup>rd</sup> March 2017 were approved.	
3.	<b>MATTERS ARISING</b>	
	It was highlighted the Caps on Liability paper was finalised and will go on the website once the new FPS website is launched end of the month.	<b>FPS Secretariat</b>
4.	<b>MARKET TRENDS</b>	
a)	<p><b>FPS 1<sup>st</sup> Quarter Statistics</b></p> <p>Nick Rogers noted there had been not much movement; it was speculated this could be due to the high volume two quarters ago, he hopes to see the statistics rise in the next quarter. Mike Parkes suggested with the election being held in June, this may be a cause, however Nick replied with the political uncertainty he doesn't believe the statistics are being affected by political factors. Ciaran Jennings reminded the Committee this quarter incorporates new members statistics from Franki Foundations and Murphy Ground Engineering so this may be skew the accuracy of the statistics in comparison to previous meetings.</p> <p>Mark Sheridan noted the ground investigation side of the business with the HS2 should be considered, the HS2 is ending soon in terms of the first phase. There is not enough concrete produced in the UK to meet the needs of the project, which will create problems for the HS2 and the wider market that all will need to address.</p>	

	<p>The Secretary added he was contacted by HS2 who have asked for statistics on large bored piling rigs, however the FPS Executive have agreed not to provide this information. Instead the FPS is requesting a meeting with them in order to discuss the delivery programme so that Members will be able to resource appropriately.</p> <p>It was also commented that the industry is struggling to get good people, Steve Wood agreed across the industry there is a massive shortage. Ciaran reminded the Committee that the FPS is part of the Ground Forum through the CLC and CIC the FPS have been presenting the view that the industry needs to keep skilled workers coming in not just from Europe but from the wider world. Jim de Waele suggested at the FPS Quarterly putting site operatives on the skilled worker shortage of occupations list.</p>	
<b>5.</b>	<b>PROJECT BANK ACCOUNTS POSITION PAPER</b>	
	<p>Ciaran Jennings explained this position paper was raised at the FPS Quarterly for their view because the FPS Commercial Committee is ambivalent about their impact. It was reported the FPS Quarterly AGM was poorly attended; there was a brief discussion however it will be discussed more thoroughly at the next FPS Quarterly. The paper will be circulated around the company MDs for comment.</p> <p>Roger Barrett agreed the paper needs the backing of the FPS Executive; Steve Wood added if the FPS are going to recommend this then they need to include the issues that can occur with PBAs that main contractors and client need to be aware of.</p> <p>Roger was unsure whether to add the pitfalls seeing as the paper is intended to promote them. Nick Rogers stated the set-up time is one of the key pitfalls. The group agreed these pitfalls previously discussed should be added. Mark Sheridan asked Roger to add any comments received; the paper should go ahead to the Executive. Roger agreed he will adjust and then circulate for comment.</p>	<b>Roger Barrett</b>
<b>6.</b>	<b>FAIR CERTIFICATION POSITION PAPER</b>	
	<p>Mark Sheridan explained he has struggled with this paper, at the last meeting it was considered what is in it for customers and happy supply chain consequents a better outcome.</p> <p>It was noted HS2 are a short-term relationship type of client, so there is a question of what is in it for them to pay on time or have the job certified?</p> <p>Mike Parkes believed it important to have an escalation procedure should any problems arise with payment. Dave Colven added there is also a resultant problem with research and development, when payments are delayed as it reduces the available working capital for investment. Ciaran Jennings suggested utilising FPS PR Debbie Darling to put articles in the press to promote the issue. It was also suggested the FPS Commercial Committee should ask Alasdair Henderson to bring the issue to Build UK's attention.</p> <p>Mark agreed he will start to write some content, but acknowledged it is a difficult problem and will remain a difficult topic.</p>	<b>Mark Sheridan</b>
<b>7.</b>	<b>FPS WEBSITE REBUILD</b>	
	<p>Ciaran Jennings presented the new FPS website to the Committee, he pointed out the website is still in progress to completion. Ciaran demonstrated that the website can be altered to mobile compatible view. The home page presents a video with a message. Ciaran explained how the different pages would look before being launched, such as guidance, position paper, member page. There will be a careers page which will include formal information and promote the courses the FPS offers. This will be driven by the learning and development committee once convened. There will also be a jobs board; members can post vacancies including the apprenticeship opportunities.</p>	

	<p>Part of the website rebuild is that the logo will be updated and implemented on to stationary and guidance. Ciaran asked for input from the group and requested video content for the website to represent members on the site. The Members' area will be similar to the existing one, however will include accident and order statistics and documents which are unavailable for public viewing.</p> <p>There is no forum for discussion but he suggested this could implemented if necessary but the thought is the committee meetings perform this function currently.</p> <p>Nick Rogers stated he was impressed with how modern it is but does not like the white cloud stylising on the home page and is worried what it represents. It was explained the web developer agency took inspiration from extreme sports websites with this style but it does need some visual refinement. Greg Haynes believes the "Why use an FPS member" should be presented more at the forefront. The FPS Secretariat agreed to bring this to the front page.</p>	<b>FPS Secretariat</b>
<b>8.</b>	<b>FUTURE TOPICS FOR THE FPS COMMERCIAL COMMITTEE</b>	
	<p>Two junior colleagues' members of the FPS Commercial Committee attended the meeting; Patrick Tolan and Alex Walsh. Mark Sheridan separated the Committee into two groups to discuss the agenda going forward.</p> <p>It was discussed based on the current agenda the first two items are unnecessary to be included in the minutes unless there is an exception.</p> <ul style="list-style-type: none"> <li>• Market trends should be its own item.</li> <li>• Suggested topics included <ul style="list-style-type: none"> <li>○ People &amp; resources,</li> <li>○ Diversity &amp; inclusivity</li> <li>○ promotion of commercial function</li> <li>○ Digital construction.</li> </ul> </li> <li>• Position papers should be combined as one item.</li> <li>• The Committee agreed the junior colleagues should continue to be welcome to come along to meetings; Mike Parkes suggested they present a topic like Joanna Mikoda previously did as a graduate.</li> <li>• More participation from women should be encouraged in the meeting to make the Committee more representative</li> <li>• Participation from guests should be encouraged, such as quantity surveyors and others with a different background to those who sit on the Commercial Committee</li> <li>• Future Topics should be made a standing item</li> </ul> <p>Dave Colven suggested bringing along people who doubt the value of the FPS committee meetings. Alex Walsh explained he was happy to be invited as the opportunity has not been there previously.</p> <p>For the meeting in September majority of the FPS Commercial Committee committed to bringing along someone. The FPS Secretariat agreed to add Promotion of Commercial Function to the agenda for guests to contribute their thoughts.</p>	<b>All FPS Secretariat</b>
<b>9.</b>	<b>CONTRACTS AND TERMS</b>	
<b>a)</b>	<b>Build UK</b>	
<b>i)</b>	<p><b>Pre-Qualification</b></p> <p>It was reported there was a meeting last week in which Simon Jones from Keller attended, Build UK are trying to create a unified PQQ system, it is split into two sections</p>	

	<p>for high and low risk activities. They are intending it to work as a base set of questions across all trades then specific question sets for specialists. They are looking to approach trade associations for their audit schedules.</p> <p>The issue for FPS is the introduction of the FPS audit process into this PQQ process. This is potentially a major consideration for the FPS as currently the audit is carried out every three years, but this will be changed to every year under the Build UK proposals. It also means every piling company would be audited to FPS standard which may remove one of the key differentiators for FPS Members. Ciaran Jennings suggested on the other hand it may create an influx of new members, but there is a risk it may decrease the value of being a Member. Simon Jones is representing the FPS, he sits on the Health and Safety Committee, he is previously experienced in this field. Ciaran circulated Simon Jones report from the PQQ meeting.</p>	
ii)	<p><b>Payment Group</b></p> <p>It was reported there was a recent meeting on retention in which alternative forms of it are being considered as part of road map for phasing it out. This has no impact on fundamentally changing FPS position, however more pressure may be applied to piling to accept retentions.</p>	
b)	<p><b>JCT Report</b></p> <p>Nothing to report under this item.</p>	
10.	<p><b>NEXT GENERATION OF NEC CONTRACTS: NEC4</b></p>	
	<p>It was agreed this item would be discussed at the next meeting.</p>	
11.	<p><b>DIGITAL CONSTRUCTION</b></p>	
	<p>Ciaran Jennings reported John Chick put together a survey which was circulated to members with the intention to help shape an understanding of where the FPS is with Digital Construction at a strategic level, then to inform the strategy from there.</p> <p>John Chick has advised the survey results indicate 80% of participants are pro BIM and the remaining 20% feel the cost of adoption has not been worth it in terms of a tangible benefit to the company when competing for contracts. It was suggested the internal benefit has been greater than has been seen out on site. There are recognised issues such as PDFs interrupting the flow of data. The group agreed that their clients are not requesting or pushing for its use. It was noted the EFFC Members largely have the same view of the 20% of participants of the survey but generally have not started to adopt it yet.</p>	
12.	<p><b>EQUALITY, DIVERSITY AND INCLUSIVITY</b></p>	
	<p>The question was raised: how to improve the inclusivity and diversity of people in the commercial function of the industry. In discussion it was felt that getting into schools was important so that young people can be educated into what the job entails. It was felt this tends to be most successful when the company has a large local presence in the community.</p> <p>The Chair acknowledged that inviting new people to participate in the Committee was a good step. Item to be kept as a standing agenda item.</p>	
13.	<p><b>UNEXPLODED ORDNANCE</b></p>	
	<p>Nick Rogers reported he drafted some notes which was presented on screen to the group, Nick asked for initial thoughts. He explained UXO and UXB needs to remain</p>	

	separate as UXO can refer to other artillery items such as cannons. The FPS Secretariat agreed to circulate this to the Committee for comment.	<b>FPS Secretariat</b>
<b>14.</b>	<b>PROMOTION OF THE FPS</b>	
	<p>Nick Rogers commented the new FPS website should be considered promotional platform in and of itself; once launched the group should look at how to get the most from it.</p> <p>Ciaran Jennings explained Debbie Darling is the FPS PR; she will upload to the news section so there will be capability to do this on a regular basis and to digitally promote the FPS. She is also very active in planting articles into the trade press, her PR update will be circulated for consideration at the next meeting.</p>	<b>Secretary</b>
<b>15.</b>	<b>EFFC</b>	
	<p><u>Sustainability Charter</u> Ciaran Jennings reported that the EFFC is looking at the issue of sustainability with a view to updating its Sustainability Charter. This is substantially based on the FPS Charter and gives a schedule of areas and activities piling contractors should consider when looking at how to be more sustainable as a business.</p> <p>This document is very old and it has been requested that it is reviewed by the FPS (and other Members) to establish what sustainability practices are undertaken currently. In time, this may become a voluntary standard at EFFC level to help those committed to sustainability to differentiate themselves.</p> <p>All were asked to review the Charter and comment on what they currently do.</p>	<b>All</b>
<b>16.</b>	<b>SOCIAL EVENTS</b>	
a.)	<p><b>Summer Ball 2017</b> The FPS Secretariat reported the Summer Ball for 2017 will be taking place on the 24th June 2017; it will be held at Coombe Abbey in Coventry. The members' tournament will be a medieval theme.</p>	
b.)	<p><b>Annual Dinner 2017</b> The FPS Secretariat reported the Annual Dinner for 2017 will be taking place on the 20<sup>th</sup> October 2017; it will be held at the Sheraton Hotel.</p>	
<b>17</b>	<b>ANY OTHER BUSINESS</b>	
	<p><b>E-signing</b> Dave Colven asked the Committee with regards to ISG contract signing, has anyone had any problems with e-signing. Roger Barratt advised they have used it and have had no problems, although it was commented they need to nominate authorised signatories who can sign-off. It was agreed paper based contracts are preferred generally.</p>	
<b>18</b>	<b>DATES OF 2017 MEETINGS</b>	
	<p>Next meeting dates held at Friends House, 173-177 Euston Road, London, NW1 2BJ:</p> <p>28th September 2017 9th November 2017</p>	