**COMMERCIAL COMMITTEE REPORT FOR PRESENTATION AT THE QUARTERLY MEETING ON 20TH July 2017**

**Date of Reported Meeting:** 10th May 2017

**Date of Next Meeting:** 28th September 2017

**FPS 1st Quarter Statistics**

It was felt that there is still not much movement in the market. It is anticipated that HS2 there is not enough concrete produced in the UK to meet the needs of the project, which will create problems for HS2 and the wider market that all will need to be addressed.

**Project Bank Accounts Position Paper**

As previously reported the position paper has been produced, however the Commercial Committee is ambivalent about their use. At the last meeting, the Committee agreed to include the issues that need to be thought through for Project Bank Accounts if and when they are to be used.

Fair Certification Position Paper

The Committee is in the process of producing a position paper that sets out the issues and remedies, however it was acknowledged it is a difficult problem and remains a difficult topic as fundamentally there is no commercial imperative for the client to pay on time. Resolutions for the issue were discussed.

**Build UK/PQQ**

It was reported Simon Jones from Keller attended the last Build UK PQQ meeting. Discussion continued regarding how to incorporate the FPS audit into the Build UK PQQ system. It is unclear how this will be achieved or what is envisioned currently. There was speculation that the audit schedules could be incorporated into the PQQ system so that all piling contractors are being measured against FPS set criteria.

**JCT Report**

No updates were reported under this item.

**NEC 4**

The group are to review the NEC 4 contracts at the next meeting. All are reviewing them currently, though it is thought they have been significantly improved in their new iteration. Works information is now called scope and there is a provision to be paid what you can justify.

**Digital Construction (BIM)**

The FPS Secretary reported to the group the results of the survey John Chick put together which was circulated to members with the intention to help shape an understanding of where the FPS is with Digital Construction with a view to determining what collective strategy should be set. It was advised the survey results indicated 80% are pro BIM and the remaining 20% feel the cost of adoption has not been proven yet. Also, there are recognised issues such as PDFs interrupting the flow of data.

**Diversity**

Two guests were welcomed at the last meeting and the other Committee members have pledged to bring along a junior colleague to the next meeting; someone who would not normally get access to the level of commercial discussion that takes place. The intention is to widen participation in the group and seek out new perspectives on issues and to transfer knowledge. They will be asked to comment on the future direction of the industry, provide ideas on how they would like the industry to change and also ask questions that they would like answers to.

**Agenda**

The agenda topics for the group were looked at in order to determine what continues to have value to the Committee and what new issues should be introduced. It was agreed that there should be a focus on bringing in people to the Committee from different disciplines, e.g. quantity surveyors, procurement etc in order to widen the input and understanding into the issues.