

FEDERATION OF PILING SPECIALISTS MINUTES OF A COMMERCIAL COMMITTEE MEETING

Date: Thursday 26th September 2019

Time: 10:00am

Location: Hallam Conference, 44 Hallam Street, London, W1 6JJ

Present:

Simon Lyons	Central Piling
Michael Parkes	Cementation Skanska
Gemma Richardson	Expanded Geotechnical
Greg Haynes	Keltbray
Andrew Waghorn	Murphy
Ian Alcorn	Roger Bullivant Limited

Guest Attendees:

Louise Anderson	BAM Ritchies
Danny Bates	Keltbray

In the Chair: Mark Sheridan BAM Ritchies

In Attendance: Grace Hawkins FPS Secretariat

No	TOPIC	ACTION
1.	APOLOGIES FOR ABSENCE	
	Apologies had been received from Matt Rastall (Aarsleff), Mike Johnson (Abbey Pynford), Damien Kilkenny (Bachy Soletanche), Andy West (Bachy Soletanche), Steve Wood (Balfour Beatty Ground Engineering), Dan Cairney (Keller) and Andy Goddard (Rock and Alluvium).	
2.	MINUTES OF THE LAST MEETING	
	The minutes of the meeting held on 13 th June 2019 were approved.	
3.	MATTERS ARISING	
	There were no matters arising to discuss.	
4.	MARKET TRENDS: FPS 2nd QUARTER STATISTICS	
	<p>The Commercial Committee reviewed the order statistics for the second quarter of 2019; Mark Sheridan stated they are finding the market suppressed, especially the geotechnical and quarrying. He added there are fewer aggregate requirements through the country. Mark suggested there is some uncertainty around Brexit causing this.</p> <p>It was noted there has been an increase in ground investigation, however the margin is poor. The Committee felt there was a lot of non- FPS member companies prepared to cut their prices very low.</p> <p>Ian Alcorn advised he has been untrusting of whether jobs will start, with many permissions not being in place, Greg Hayes agreed they had numerous jobs even from tier one contractors that have been held back. Michael Parkes agreed the margins are tough.</p> <p>Mark advised they had lost a tender, but they would not even be able to buy the materials for the other companies' price. He added BAM Ritchies can give a £10million warranty which competitors cannot do, but procurement will go for the lowest price despite increased risks. Ciaran Jennings reported the AGS GI Procurement Group are looking at how to tackle this issue. He noted the FPS has been contributing to the group.</p>	

	<p>Mark stated they are operating in a broken industry which does not value specialism. Ian agreed it is a fight to the bottom and buyers are not looking at risk. Ciaran suggested Build UK should be putting a message out, that this way of working is not sustainable for the industry. It was acknowledged they need to target procurement to engage and be targeting those who instruct procurement.</p> <p>Ciaran presented the leaflet on why use an FPS member, which has been printed and can be used in tenders. Mark suggested <i>peace of mind</i> should be hyphenated.</p> <p>Ciaran reported that the FPS has been discussing putting on client seminars, to present the benefits of using an FPS member. Ian suggested targeting association such as RIBA, ICE and ICS.</p>	
5.	FAIR CERTIFICATION STANDARD FOR EVIDENCE AND ESCALATION	
	<p>At the last meeting the Commercial Committee looked at how to tackle the problem, it was agreed to introduce an escalation policy to say to clients this is what the standard for evidence is and what is the acceptable standard to tackle certification.</p> <p>Mark Sheridan asked the Commercial Committee to think about what records should be presented.</p> <p>The Commercial Committee agreed records should include the following;</p> <ul style="list-style-type: none"> • Pile logs • Cube test • Materials • Resources • Labour • Plant • The scope agreed <p>Mark asked if the Committee still felt that the FPS should promote a standard for information. The Committee confirmed they agree, and Andrew Waghorn added he thinks it is a good idea to proceed with. Ciaran Jennings suggested if it is transferable to the other parts of the industry, it could be taken to Build UK to be endorsed.</p> <p>Greg Haynes agreed to draft the first page of guidance and Ian Alcorn agreed to write a piece on the escalation processes.</p> <p>Danny Bates suggested it would be worthwhile to read the delay and disruption protocol.</p>	<p>Greg Haynes Ian Alcorn</p>
6.	PROMOTION OF THE FPS	
	<p style="text-align: center;">i. Fair Certification Editorial</p> <p>Mark Sheridan advised he spoke with Debbie Darling regarding an editorial piece on Fair Certification, he added it is difficult to articulate the FPS' position on why fair certification matters. Companies want to be paid quicker; the FPS needs to look at a better solution.</p>	
7.	POSITION PAPERS	
	<p>i. Early Payment Funding Schemes</p> <p>Mark Sheridan reported he wrote something on the issues surrounding Early Payment Schemes. Ian Alcorn other than Kier, he has not seen these, he added Kier have recently relaxed their position on it.</p>	<p>Mark Sheridan</p>
8.	FPS WEBSITE	
	<p>Ciaran Jennings advised there is no update, but he did ask for the marketing contacts within FPS member companies. Ciaran added that John Chick is currently working on a skills document to be placed on the career section of the website.</p>	<p>All</p>
9.	PRE-QUALIFICATION	

	<p>It was previously explained that Build UK want to establish a common assessment standard (CAS). The intention is to only to use a single accreditation body to be certificated against the common standard and do away with the need for multiple subscriptions. It was noted that it could be possible for the FPS to have CAS Plus to differentiate FPS members. Ciaran Jennings reported that at the FPS Quarterly meeting it was agreed not to proceed with it over concerns non-member companies could claim they are of FPS standard. Another barrier being the cost of being ISO accredited.</p>	
10.	HS2 UPDATES	
	<p>Michael Parkes advised one of the buyers at Cementation Skanska contacted the FPS Secretariat enquiring on the size of the market for steel pipes. Ciaran Jennings replied that the FPS does not have that data so they advised him to contact Cleveland Steel who are the biggest provider in the industry, they may have some market information. Mark Sheridan advised Cleveland steel and other associate members should be invited to speak with the Commercial Committee.</p> <p>The Committee discussed possible shortages of resources ahead of HS2.</p>	FPS Secretariat
11.	CONTRACTS AND TERMS	
a)	<p>Build UK This item was covered under discussion on other items.</p>	
b)	<p>JCT Report There was no update given.</p>	
12.	DIGITAL CONSTRUCTION	
i)	<p>FIEC project</p> <p>Ciaran Jennings reported that he met with Sue Arundale, he advised she says there has been a big shift in European construction's attitude towards digital construction. There is now more engagement.</p> <p>It was noted that FIEC are interested in stopping technology companies taking over digital construction and want to ensure contractors and the supply-chain are driving development in the industry. Ciaran added that Domenico Campogrande will be taking over FIEC. His position in the EFFC means the FPS can influence towards FIEC.</p> <p>It was also noted that associate member of the EFFC Optimise are presenting on digital construction in Vienna at the EFFC AGM.</p>	
13.	EQUALITY, DIVERSITY AND INCLUSIVITY	
a.)	<p>Career Profiles on the Website</p> <p>This item was not discussed however it was previously agreed to add career profiles onto the website to promote the commercial aspects of the industry to young people and to promote diversity.</p>	
b.)	<p>Early Career Professional Group</p> <p>The FPS Secretariat reported that the first Early Career Group event is being held on the 16th December in London. Phil Hines has volunteered to provide a presentation. It was noted the group is open to anyone who considers themselves early in their career.</p>	
14.	EFFC	
	<p>i. Sustainability WG</p> <p>Ciaran Jennings advised that the EFFC Sustainability Working Group has been discussing climate change and climate breakdown.</p>	

	<p>He advised a carbon reduction will be seen in the industry, the first focus being cement, he stated the use of concrete creates more global emissions than air travel.</p> <p>It was noted the EFFC are looking at the use of green concrete, looking at whether they are suitable for foundations work and how to drive their availability and uptake at the scale required. They also aim to create a roadmap to help foundation contractors become sustainable. This shall highlight the key areas that need to be addressed such as use of materials, but also employment practices and looking at flexible working to enable more people to work in the industry.</p> <p>Ian Alcorn advised he had an environmentally sensitive project, which looked at using green concrete, however they saw it increases alkaline levels which attacks the ground. It also has a very slow initial setting time; they could not get early strength out of it. He suggested using slag or PFA as an alternative.</p> <p>It was noted that in the Netherlands, if a contractor can reduce their carbon emission, this can favour the tender.</p> <p>Ciaran suggested the use of electric rigs was also an area for action, noting that Liebherr have a rig prototype with a 14-hour charge time. Ian agreed stating that RBL have an electric rig which is very effective. It was noted there may be challenges with getting power out to remote sites.</p>	
15.	FUTURE TOPICS FOR THE FPS COMMERCIAL COMMITTEE	
	The Commercial Committee agreed that presentations should be held and agreed to invite speakers on commercial topics.	All
16.	LEGAL AND STANDARDS UPDATE	
	At the last meeting it was noted that reverse VAT from October will be outsourced, the VAT will be paid by first contractor. It was reported that the reverse VAT has been temporarily placed on hold for a year.	
17.	SOCIAL EVENTS	
i.	Annual Awards Dinner – 25th October, Intercontinental Park Lane	
18.	ANY OTHER BUSINESS	
	<p>Effects of Brexit</p> <p>Greg Haynes advised he has received a lot of enquires on what the effect of Brexit will be and what are Keltbray doing to prepare. The Committee agreed it was hard to answer as what the effects of Brexit will be speculation, no one knows what will happen.</p> <p>Integrity Tests</p> <p>Gemma Richardson explained they always goes over the estimated number of visits, she asked if members price per minimum number of integrity tests. Greg Haynes advised they regularly experience the same thing.</p>	
19.	DATES OF 2019 MEETINGS	
	Next meeting dates held at Hallam Conference Centre, 44 Hallam Street, London W1 6JJ on; 28 th November 2019	