

FEDERATION OF PILING SPECIALISTS MINUTES OF A COMMERCIAL COMMITTEE MEETING

Date: Thursday 20th September 2018

Time: 10:00am

Location: Hamilton House, Mabledon Place, London, WC1H 9BD

Present:

Matt Rastall	Aarsleff
Andy West	Bachy Soletanche
Steve Wood	Balfour Beatty Ground Engineering
Nicholas Rogers	Bauer
Simon Lyons	Central Piling
Michael Parkes	Cementation Skanska
Paul Kelly	Dawson-Wam
Gemma Richardson	Expanded Geotechnical
Barry McCormack	FK Lowry
Melissa Hooper	Franki Foundations
Roger Barratt	Keller Limited
Shane Ryan	Murphy Ground Engineering
David Colven	Roger Bullivant Limited

Guest Attendees:

Alex Walsh	Balfour Beatty Ground Engineering
Tom Wright	Expanded Geotechnical

Guest Speaker: Mark Owen Cemex UK

In the Chair: Mark Sheridan BAM Ritchies

In Attendance: Ciaran Jennings FPS Secretariat
Grace Hawkins FPS Secretariat

No	TOPIC	ACTION
1.	APOLOGIES FOR ABSENCE	
	Apologies had been received from Steve Hadley (Central Piling), Greg Haynes (Keltbray), Ian Walker (Martello Piling) and Andy Goddard (Rock and Alluvium).	
2.	MINUTES OF THE LAST MEETING	
	The minutes of the meeting held on 19 th June 2018 were approved.	
3.	MATTERS ARISING	
a)	<p>Presentation by Cemex Concrete Suppliers: Industry challenges both immediate and in the future</p> <p>Roger Barratt invited Mark Owen from Cemex UK to the meeting to discuss the issues in the industry both immediate and in the future. Mark introduced himself, he advised he works on their national commercial development and central region operational business, he added the concrete is ready mixed by Cemex. He recognised the supply and demand in the industry as an issue.</p> <p>Mark Owen advised from a cement perspective, the piling market is fairly consistent at around 6% of their business. He stated that concrete suppliers struggle with the piling industry. The feedback from their business is that there is a learning curve for every project around specification and performance which early involvement could solve. Cemex price to the specification they are sent, but mostly the customer wants something</p>	

	<p>different from the specification, the industry will want to engage to solve this. Cemex use laboratories in the UK and in Switzerland, Mark explained there are also issues around supply and demand, to produce materials to a requested time and interval. When times start changing around, it can become problematic, the timing slots affect the programmed trucks, Cemex will try to cater for the customer but this can cause problems across the next orders. He also commented that there are health and safety issues involved with being the first on site that need better management between contractors and suppliers.</p> <p>Mark advised there should be engagement between procurement and commercial teams early on in the process, however there does not appear to be a relationship beyond that stage. The onsite people and operational people need to also have a relationship to ensure what has been ordered is appropriate and the site is ready for it. Andy West agreed with the value of engaging earlier and the benefit of getting a technical solution early on.</p> <p>Ciaran Jennings asked Mark if he had looked at the EFFC Concrete Tremie Guide, Mark advised the Technical people would have seen it. Ciaran advised there are new acceptability criteria in the Concrete Tremie Guide that cover how it needs to perform.</p> <p>Tom Wright asked if the Technical people are encouraged to ask questions when a specification is submitted, Mark advised this is where earlier engagement is required.</p> <p>Mark Owen also stated he thought a step-change is needed in the industry generally with people working more collaboratively. He noted that Cemex are working with Apple and IBM to fit cameras and trackers on their trucks, that allow orders to be tracked and managed from placement through to final delivery.</p> <p>He added HS2 have not yet engaged with aggregate suppliers, but need to engage now or the concrete will come from abroad</p> <p>Nicholas Rogers asked Mark what his view is on the current market; Mark noted it has declined and there is some bad behaviour, everyone is fighting on price with a race to the bottom, he thinks it will be soft until the second quarter next year and he predicts the market will increase in the fourth quarter next year. He advised the industry to take responsibility for concrete becoming a commodity.</p>	
4.	MARKET TRENDS: FPS 2nd QUARTER STATISTICS	
	<p>Ciaran Jennings presented the order statistics for the 2nd quarter of 2018; Michael Parkes noted the market is still difficult. Mark Sheridan added the customer does not seem to be doing enough to help, Companies are waiting for the works with HS2 to commence. Steve Wood felt there is some uncertainty in the market due to Brexit negotiations.</p> <p>Ciaran reminded the group the quarterly order statistics now include Dawson-Wam so the figures look slightly better. Steve replied the figures do not look bad subjectively. Mark agreed there is a lot of volume but there are no orders of quality. The group agreed more unreasonable contract terms are being seen.</p>	
5.	PROMOTION OF THE FPS	
	<p>i. 'Why use an FPS Member?' Leaflet</p> <p>Mark Sheridan reported that Debbie Darling has drafted a leaflet on 'Why use an FPS member?' which can be used when engaging with customers and talking about the benefits of using an FPS member.</p> <p>Paul Kelly explained as a new member Dawson-Wam are not sure many jobs that have been lost due to not being a Member, however he hoped it will attract customers attention to their quality assurance credentials as a result of being an FPS Member.</p>	

	<p>Mark noted he has seen some companies using unguarded drill rigs, he has reported these to HSE, however there are still some customers who accept this compromise on safety for a cheaper price. Steve Wood advised the customers who appreciate the safety assured by the FPS, have this in their procurement.</p> <p>Ciaran Jennings reported that Build UK are focused on championing quality rather than a race to the bottom on cost. The FPS needs to communicate that they are value for money rather than the cheapest. Steve agreed there is a pressure on main Contractors to consider cheaper options, however the FPS need to highlight cheap does not mean cheap in the long run.</p> <p>Mark added this is a cost-based industry and it needs to be value based; Steve asked if there are statistics available on what defects and poor safety costs. This type of information could be used to highlight how using an FPS member will save Companies further expense. Ciaran advised there is no information on this, but the FPS Secretariat can look into collecting this data, he also noted Build UK may have some statistics. Tom Wright suggested to collect this data, non-FPS member Companies would need to be included; Mark noted the FPS would not be able to collect this information.</p> <p>Tom suggested instead of selling the benefits, the FPS should sell the concept that the FPS has fewer quality issues and less safety issues.</p> <p>Ciaran added the tragedy of the Grenfell fire highlights procurement issues; they saved on the cladding, but did not ultimately understand what they were buying and the risk it posed.</p> <p>Mark asked how the FPS reach tier one contractors; Michael noted the leaflet should sell the time aspect and design innovation benefits of the FPS.</p> <p>Paul Kelly asked how much business members lose to non-FPS member Companies, it was noted the percentage of the industry the FPS has is around 85%. Although Mark added members do not see who they are tendering against. Ciaran advised the FPS Secretariat is seeing more application queries, currently Foundation Piling are going through the audit process.</p> <p>Ciaran suggested the PQQ reform system will place an onus on Build UK to ensure main contractors use Build UK members such as the FPS. Steve asked if the FPS Associate Members can be influenced; Ciaran replied Arup and Atkins tend to use FPS members.</p> <p>It was noted the leaflet will be a one-page PDF leaflet to send out with tenders, which highlights what an FPS member can provide and that the FPS is market leading on technical and safety issues.</p> <p>Nicholas Rogers felt the leaflet was light on reference to the people of the FPS, which is an important part, Steve asked for more health and safety rather than just safety, as occupational health is becoming more important to customers.</p> <p>David Colven noted the informality and grammar of the phrase “a job done right” made the style quite chatty which the group agreed was not appropriate.</p> <p>With the sentiment of quality, peace of mind and low risk in mind the Committee asked for the idea of value for money to be highlighted more.</p> <p>Matt Rastall advised the Aarsleff marketing department produced a copy of the leaflet; the Committee agreed with the design by Aarsleff. Matt agreed to send a copy across to the FPS Secretariat. Ciaran confirmed the suggested amendments will be sent to Debbie Darling to consider in a final draft.</p>	<p>Matt Rastall FPS Secretariat</p>
6.	POSITION PAPERS	

	<p>Ciaran Jennings asked if someone can attend a meeting on the 6th November regarding prequalification.</p> <p>Ciaran reported that the Pre-Qualification reform group have been working towards redefining the current model where Achilles and Builders Profile etc charge subscriptions to supply PQQ information to clients. He explained that under the scheme organisations such as Achilles will be the data collection/accreditation body and will put this into a central database for Tier 1s etc to access. There is an option for the FPS to become an accreditation body, so that the PQQ data registration is covered in the cost of Membership. However, how the FPS audit relates to the PQQ process needs to be addressed.</p> <p>Roger Barratt agreed to ask someone to attend the meeting.</p>	Roger Barratt
ii)	<p>Payment Group It was reported the Payment Group has disbanded, as the Government is focussed on other issues. The FPS Secretariat agreed to remove this item from the agenda.</p> <p>Ciaran Jennings presented the Build UK league table which highlights the average time Companies take to pay invoices and the percentage of invoices which have not been paid in the agreed terms of payment. Mark Sheridan suggested this is viewed under the quarterly order statistics item during the commercial meetings.</p>	FPS Secretariat
b)	<p>JCT Report</p> <p>David Colven stated the FPS meeting and JCT meeting conflicted therefore he sent his apologies to the JCT Group and attended the FPS Commercial Committee.</p>	
9.	DIGITAL CONSTRUCTION	
i)	<p>FIEC project</p> <p>FIEC have been looking at the issues between contractors and plant manufacturers in relation to BIM. 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.</p> <p>Mark Sheridan reported that FIEC have issued a draft position, which seems mostly trying to agree a common data platform.</p> <p>Ciaran Jennings stated there is an EFFC Contracts meeting in October in which Sue Arundale will be attending. He advised any comments can be relayed at the meeting. Mark commented there is slow, but positive progress.</p>	
10.	EQUALITY, DIVERSITY AND INCLUSIVITY	
a.)	<p>Career Profiles on the Website</p> <p>It was previously noted the Commercial Committee have been discussing how to improve the inclusivity and diversity of people in the commercial function of the industry. It has been agreed that the Committee intend to place career profiles onto the website that explain what the role is, what progression is available and how to qualify for them to promote the commercial aspects of the industry.</p> <p>This item was discussed under item 7 of the minutes.</p>	
11.	EFFC	

	<p>Ciaran Jennings reported the EFFC have been working on mutual recognition of rig qualifications, he explained the EFFC has decided to create their own driving license scheme, the regulatory bodies are different in each country which is causing problems.</p> <p>They aim to implement one standard across the EU countries that is aligned with the local standards that are already in place. The UK equivalent would be CPCS recognising this qualification. This will help UK workers going overseas and helps people from Europe to come to work in the UK.</p> <p>Jim De Wale has been looking at the Working Platform Certificate, working with EFFC Members and the DFI aiming for a global uptake of the Working Platform Certificate.</p> <p>It was reported the FPS is looking at improving Site Investigation, the FPS needs to lobby the EFFC to accept the idea and support the changes. They also need to be compliant with the Eurocodes. Chris Raison is working on the revision of EN1997-3 Clause 6 Pile Design; the FPS are being asked to input to its revision. Andrew Bond is working on the progress on the 2nd generation of Eurocode 7 on structural designs.</p>	
12.	SUSTAINABILITY	
	<p>Ciaran Jennings previously explained that the EFFC are creating a Sustainability Working Group, in which the FPS should feed into the group when it is established. He reported the working group next week, the EFFC need to work out the European approach and will be looking at different things such as having a positive cash flow in the industry.</p>	
13.	FUTURE TOPICS FOR THE FPS COMMERCIAL COMMITTEE	
	Mark Sheridan asked for topics to be sent to the FPS Secretariat.	All
14.	LEGAL AND STANDARDS UPDATE	
	<p>Steve Wood stated an update regarding the risk of accepting a contract clause that waives rights to an extension of time in the event of concurrent delay; any the ruling that it's not possible to use the prevention principle as an argument to overrule the clause.</p>	
15.	SOCIAL EVENTS	
	<p>FPS Annual Dinner 2018 The FPS Awards Dinner will be taking place on the 19th October 2018, at the Intercontinental Hotel.</p>	
16.	ANY OTHER BUSINESS	
	No other business was reported.	
17.	DATES OF 2018 MEETINGS	
	Next meeting dates held at Hamilton House (Mabledon Place, London, WC1H 9BD): 29 th November 2018	