

THE LIAISON COMMITTEE
of
The Royal Institute of Architects of Ireland,
the Society of Chartered Surveyors,
the Institution of Engineers of Ireland and
the Association of Consulting Engineers of Ireland and
the Construction Industry Federation.

CHAIRMAN'S REPORT adopted at the AGM, 25th January 2011

I conclude writing this Report on Monday morning, 24th January, for circulation to Committee Members in advance of our AGM on Tuesday 25th January 2011. We live in *interesting times* - sadly, our times are interesting for the wrong reasons.

We are in the 10th year of the operation of our *LC Constitution and Standing Orders*. These ten years have seen an unprecedented three to four fold increase in annual output – measured in money terms – followed by an even larger rate of decrease in annual output. And the short to medium term outlook is not good.

A stable functioning society needs a stable functioning *Built Environment Industry*. 2010 has not been a good year for our country - as the singularly excessive financial leveraging of the property sector has caused a painful downturn in Engineering and Building activity - and in the financial stability of our country. A downturn all the more frustrating because it seems that we in the industry itself can do so little to affect its course.

That said, all of us in the Built Environment Industry can, with justification, be regarded as *eternal optimists*, we need to be. We *will* refocus and adapt – as has been done before.

I re-read the *Constitution and Standing Orders*, redrafted in August 2000. It is a tribute to the draughtsmen of that time and their LC predecessors. It reaffirms my conviction as to the importance of Liaison between representatives of those who *design, manage and deliver the goods* so as to achieve continued improvement in the smooth flow of transactional business between Employers and Contractors. We elected to do this by attending to our functions as summarised in Articles 1(a), (b) and (c) of this founding document.

We will remain relevant if we continue to improve and innovate. We must keep Society and the Client Employers that we all serve foremost in our minds - as the ultimate payers and beneficiaries of our collective industry. We will be rewarded for so doing – or punished if our endeavours are ever perceived as self-serving. It is all about efficiency – to include a fair balance between the interests of Client Employers and Contractors.

Thankfully, the underlying economic indicators in Irish exports; agriculture, information technology and intellectual property, are actually on the rise.

So as 2011 kicks off, I am confident that we will, as *eternal optimists*, continue with our functions; essentially to improve the smooth flow of transactional business - as improvers and innovators - by the terms of our Constitution.

The Liaison Committee met for nine well attended meetings in 2010. Approximately twelve subcommittee meetings took place, along with dozens of informal conferrals. I summarise progress under these headings:

- *Collateral Warranty Agreements*: The updating work on this commenced in mid 2008 under the Chairmanship of Jerry Collins working with Martin Lang and Toal O'Muire. Contributions were

made by Paul Walshe. The *Working Draft* is near finalisation and the plan is to finalise it approval early in the course of the 2011.

- *Dispute Resolution:* Subcommittee Chairman Martin Lang welcomed Ciarán Fahy to this Committee to join with Gerry O'Sullivan, Jim Doyle and James O'Donoghue in this crucial area. Good progress was made in the course of the year with excellent contributions. The primary task is that of developing a modernised contract-based dispute resolution mechanism with a strong emphasis on dispute avoidance - likely to be a leader by international standards.
- *New Form of Contract:* Following on the circulation of "wish lists" in the early part of 2008, this Subcommittee, under the able Chairmanship of Michael O'Reilly, brought the new form to *Draft 6* in February 2009. Formal written commentaries have been circulated by most of the constituent bodies, last of which was the RIAI commentary presented at the November 2010 meeting. An open, healthy and frank discussion ensued with a commitment from each of the constituent body representatives to reflect on the various viewpoints and renew discussion at the January 2011 meeting.
- *RIAI Contract Forms and Percentage Additions Document – New Edition 2011:* This Subcommittee was chaired by Joseph Miller with the participation of Ciaran MacIntyre, William Hourie, Liam Boylan and Michael Mulryan. They completed their task successfully and the new Edition is now with the printers for issue in early 2011.

Related Business:

2010 saw further developments in the *GCCC* suite of documents. The anecdotal feedback to our committee; from Employers, Design Teams, Contractors and Subcontractors is consistent. There are many laudable aspects to the *GCCC*'s work. The *GCCC* would benefit if Industry participants were liaised with more meaningfully. The lack of effective liaison; exclusion of design teams to assist in brief writing; unnecessarily complex and bureaucratic contractual provisions; unsuitability of the existing forms to projects involving alterations & additions, works on Heritage structures, etc., remain a matter of concern.

The *Construction Contracts Bill 2010*, a Private Bill, was tabled by Senator Feargal Quinn in May 2010 in the Seanad. The stated purpose of the Bill and its broad provisions, including adjudication, have been welcomed by all of the constituent bodies. Little open debate took place and (at today's date) it seems likely that the Bill will not receive further attention from our minority Government. The constituent bodies will, no doubt, individually advocate for vital legislation of this kind. I express the personal hope that a new kind of collaboration will emerge in 2011 on the subject.

In closing, I have many people to thank; firstly, to Liam Boylan who, as Chair, handed over to me in January '10 with LC in a good healthy state. I thank representatives from the Constituent Bodies for continued enthusiasm and good contributions in the course of the year. I thank Michael O'Reilly of McCann Fitzgerald for his work on our brief to him on a New Form of building agreement. I thank Don O'Sullivan and Martin Lang of the CIF for the continued "*use of the hall*" for meetings and for affording the services of Alison Irving to act as Secretary to the Committee under Article 6 of our Constitution. Alison's attention to detail and efficiency is appreciated by all of us. I thank Liam Boylan and Jude O'Loughlin, our joint Hon. Treasurers, we are in good financial shape. And I thank Ciaran MacIntyre, my Vice Chairman and Chairman-Elect for his wise counsel in the course of the year.

James O'Donoghue.

RIAI

Joseph Miller
Jude O'Loughlin
Toal O'Muire
James O'Donoghue

SCS

Gerry O'Sullivan
Liam Boylan
Michael Mulryan
Joseph Boyle

EI / ACEI

Ciaran MacIntyre
Brian O'Brien
John Egan
Ciarán Fahy

CIF

William Hourie
John Curtin
Martin Lang
Jerry Collins

Secretary to the Committee: Alison Irving.