

## ANNUAL REPORT OF CHAIRMAN OF THE LIAISON COMMITTEE, 2013

	Item	Action
<b>1.0</b>	<b>INTRODUCTION</b>	
	<p>At the beginning of the year , the committee set itself a number of tasks, some of which were a continuation of previous projects and others new projects arising from the need to keep up to date with the development in the industry. Sadly I have to report that no project has as yet been completed, though been the optimist, I can report work has progressed on most. Therefore I hope that my successor will be in a position to oversee the conclusion of most of these projects.</p> <p>I set out in this report a brief comment on each of the projects. It will be clear from those comments that some projects should be near closure, others in delay but should conclude quickly, others have just begun and some have been on our agenda for a number of years and clearly are in danger of remaining permanently on that agenda or need to be sent back to the drawing board.</p> <p>The committee held 8 meetings in the year, 29th January, 26th February, 26th March, 30<sup>th</sup> April, 25<sup>th</sup> June, 27<sup>th</sup> August, 15th October and 26<sup>th</sup> November.</p> <p>During my tenure, one project, the new form of contract, has dominated the agenda and mainly due to the failure to get agreement on the process by which this project was to move forward. Underlying that may also be a complete disagreement within Liaison on the fundamental approach to the contract itself, a matter which was already evident when the meetings on the 6<sup>th</sup> Edition draft were brought to a conclusion some 3 years ago. Despite much talk, finding common ground for an agreed process for co-operation between the RIAI, and the other members of Liaison has proved difficult.</p> <p>In order to find a way around the impasse, a small working party was formed at the end of the year under my chairmanship to deal with the following issues,</p> <ol style="list-style-type: none"> <li>1) Review, revise and redraft the Wish List</li> <li>2) Agree an overall structure and format for the new contract</li> <li>3) Propose agreed actions/ process/method /programme time table going forward for drafting and completing the contract taking cognisance of the methodology and work already completed by RIAI</li> </ol>	

	<p>4) Make recommendation re involvement of independent facilitator/chair.</p> <p>Further meetings of this group are due but I expect a report will be tabled to the committee on the outcome of those meetings within the next two months.</p>	
<b>2.0</b>	<b>WORKING PARTIES</b>	
	<p><b>(A) Review Constitution Sub-committee</b>  This working party was set up during the year to review the current constitution under the chair of Liam Boylan. Liam has forwarded a draft report to be tabled at the meeting of the 4<sup>th</sup> February which he reports has not received the agreement of all members of the working party. It is proposed that the draft report be issued to the constituent bodies and comments returned to Liaison for further action.</p> <p><b>(B) Review of Form of Collateral Warranty Agreements</b>  Unfortunately this project which was near completion at the beginning of my term has been delayed due to a series of changes of the chair of this group. At the meeting in November Jerry Collins was noted to be ready to issue the finalised collateral warranty. I now gather John Kelly is dealing with it.</p> <p><b>(C) Dispute Resolution Sub-Committee</b>  This sub-committee has not met over the year and agreement of the revised dispute resolution clause remains elusive. Given the introduction of adjudication under the Construction Contracts Act, the group is to meet to make recommendations on how the current contract is to cater for the new statutory right and make recommendations. It would be expected that other outstanding issues should be addressed at that meeting.</p> <p><b>(D) Liaison Committee Code of Practice</b>  This group was set up to revise the current code which is out of date in respect to statutory changes , amendments to guides on level of bonds and to address the lack of a guide on dealing with ALTs.</p> <p>Joe Miller reported in November it would be completed soon. Anne Costello replaced Kevin Murphy as the SCSI rep in December. John Curtin's draft on ALTs is ready for review.</p>	

### **(E) New Contract**

At the beginning of the year Niall Meagher set out a programme for finalizing the new contract by the end of 2013. The outline draft of the format was issued (July 2012 draft) and comments were requested by March 2013. As chairman I proposed the constituent bodies form contract groups to respond and interact with the RIAI on their draft programme/proposals. These sub groups met and whilst welcoming the progress on the drafting of the contract these sub groups had serious issues with the process for interaction as proposed by RIAI and requests for an independent chair were made.

What became apparent was that the RIAI drafting committee continued to progress their draft without direct involvement from the other bodies whilst the other bodies insisted on agreement on process first before direct engagement. As chairman I had a direct meeting with the representatives of all the bodies during the Summer. The issues remained unresolved. In October, RIAI presented their case for the process they had tabled and by November the other constituent bodies had responded and remained unconvinced that the process /draft being proposed by RIAI was acceptable.

In order to resolve the impasse, the chair proposed that a working party comprising two representatives from each constituent body hold a number of meetings over the next 2/3 months to address some issues (see my Introduction). The grouping has met once and it would be noted that there are serious differences in approach to a new contract in evidence, though the representatives are in clear agreement that a “modern” contract is required. It would be noted that a further meeting will be arranged to conclude and prepare a report for Liaison.

### **F) REVIEW OF EFFECT OF NEW BUILDING REGULATIONS AND CONSTRUCTION CONTRACT ACT ON THE CURRENT RIAI FORM OF CONTRACT**

The working party set up in December, has met under the chair of Liam Boylan to carry out a review of the effects on the current RIAI clauses and terms of these recent far reaching changes in legislation. This working party needs to complete its work as a matter of urgency as the effective dates for both is eminent.

<b>3.0</b>	<b>ADJUDICATION CODES OF PRACTICE AND THE MINISTERS PANEL</b>	
	<p>The Chairman noted that the constituent bodies under CIC had initially engaged with the GCC concerning the drafting of the Code of Practice for Adjudication and the setting up of the Ministers Panel. Currently CIF have withdrawn from working through CIC on that process and submissions re the draft code of practice were made separately by CIF whilst the other bodies made a joint submission. SCSl also submitted a separate line by line comment on the draft code issued by the GCC. The GCC's response to submissions is awaited. No proposals re the panels have been issued. The anticipated date for issue of the SI remains April 2014, but Government have been known to miss deadlines before.</p>	
<b>4.0</b>	<b>OTHER ISSUES</b>	
	<p>Tendering practice and abuses remained on the agenda under AOB. These are matters which might be developed in more detail during the forthcoming year.</p> <p>The web site was updated to announce the new chair and our current programme. It would be suggested that more regular updates are arranged and an appropriate budget set aside for same. It should be possible , for example, to place the code of tender updates on the web site in addition to republishing the document</p>	

Signed: .....

Date: Tuesday 4<sup>th</sup> February 2014

Gerry O'Sullivan, Chairman.