



Peer Review

INVOLVEMENT OF QUANTITY SURVEYOR IN OVERSEAS CONSTRUCTION CONTRACT ADMINISTRATION: **DOWN STREAM CHANNEL CONSTRUCTION FOR NAM THEUN 2 HYDRO ELECTRIC PROJECT, LAO PDR**

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Contrary to the provisions of upstream services by a typical consultant quantity surveyor Sr Saravanan Subramaniam relates and shares some experiences in providing construction contract administration services to a Japanese contractor for the construction and completion of the downstream channel and headrace tunnel construction for a hydroelectric project in Khammouane Province, Lao PDR. This article highlights the challenges faced in providing quantity surveying services in an economically challenged country where the quantity surveying profession appears to be foreign and non-existent.

1.0 INTRODUCTION

THIS ARTICLE MAINLY ARTICULATES THE experience of the professional quantity surveyor in providing the services for a construction contractor in the aspect of contract and claim management in Lao PDR which result in considerable success in obtaining the rightful and fair reimbursement for the work done by the contractor and completion of the project within a reasonable period.

Based on my personal observation and related literature review, there are mainly two levels of quantity surveying services performed by consultant quantity surveyor firms in local and abroad:

(a) Upstream services

The first level would be upstream services towards the project client which are usually performed by local consultant firms in Malaysia such as feasibility studies, estimating, tender procurement advice, tender documentation, Bill of Quantities preparation, financial management during post contract etc. The exporter in this category may require substantial amount of financial support (most probably when setting up offices abroad and management expenses). Even then, commercial success may not be guaranteed, alluding to the high risk when adopting a certain mode of market entry. Setting up an office abroad and staffing with suitable professionals is the most costly and risky way of maintaining market share. However, the exporter may expect higher return in term of professional fees and continuation of operation in the particular host country on a long term basis.

(b) Downstream services

The second level is downstream services which are generally centred to actual construction process and working with a contractor (a completely separate field of services from the concept of advising the client on or participating in the project procurement). This area of services tends to be rather foreign to a quantity surveyor who tends not to go deeper into the construction process than the unit price in the Bill of Quantities. The assignment of services is probably on an ad-hoc basis and upon completion of the mission; there would be no continuation of services in the host countries. The exporter adopting low-cost low-risk 'piggybacking' this entailed no costs and no risks at all. The firms may not really have any unique competitive assets that would have given them a superior advantage over the others in the international arena. Normally by having a good relationship with local clients, the exporter will receive an invitation to follow their clients abroad.

Thus, my initial market entry to overseas market was made by 'piggybacking' on Malaysian clients and the nature of service is more on the second level. Therefore, contrary to the belief of majority industry players, the start up of my practice commenced with an involvement as a downstream quantity surveying services provider to a Japanese contractor at Lao PDR and subsequently, piggybacking to other countries such as Saudi Arabia, Sri

Lanka including some project proposals to Kenya, Algeria, India and Dubai.

In addition to the contract management fees on monthly basis, the other perks include some pleasant overseas trips, fully guided inland tour by local client's representatives at the host countries and all the out-of-pocket expenses were reimbursed by the clients.

The motivation in writing these articles arises while I was attending a recent forum organised by the PSDC in Penang on the liberalisation of services sector in Malaysia.

The PSDC's president's address during the opening of forum provoked me, that "albeit the great strength we had in terms of quality and capability of professionals in Malaysia, it was regretted that the Malaysian technical professionals are reluctant to venture to the overseas market particularly in southeast Asian region where Malaysia has positioned itself as a leading and matured services provider".

These somehow had driven me to share my past experiences in providing downstream quantity surveying services in Lao PDR.

It is an undeniable fact that Malaysian professionals are highly valued abroad due to the forefront and cutting edge technology we are in possession. There would be no doubt that we have world class professionals at par with developed countries and I firmly believe that the strength we have would stem us for greater success in overseas venture especially to the nearest southeast region, India and Middle East.

Based on the recent Professional Service Development Corporation (PSDC) Registry of Professionals, 48% of the firms in the registry intends to export their services and surveyors comprised 16% of the total registry. In my opinion, among the basic traits we should possess are global attitude, a liking for travel, situational leadership qualities and to think laterally.

The primary decision to be taken by service providers is the willingness to venture into overseas market or to remain comfortable and be contented with the current work portfolio locally in Malaysia. In my case at that particular point of time, it was the former that pushed me to venture into overseas projects.

The main objective of this article is to share some experience gained by exploring overseas projects wide offering of downstream services without any firsthand knowledge of the target countries and nature of services.

Secondly, to describe and provide some facts and information on the construction market environment for the purpose of construction project costing or potential project bidding in Lao PDR.

Last but not least, to give some introduction on this beautiful landlocked country that welcomes visitors with smiling faces and greetings of "Saba idée".

The satisfactions of this writer are not limited to financial rewards gained but also the exposure to the Laotian's way of life and culture. In addition, the cross border

exposure provided me with an opportunity to cultivate the values of tolerance, accommodation, make adjustments and develop soft skills in handling different types of people. I opined that these values and skills are most vital for inspiring a service provider to penetrate overseas markets.

2.0 BASIC PROJECT INFORMATION

This article explains the role of a quantity surveyor in managing the financial and contractual aspects of a project in the post contract period i.e. the construction stage.

The services provided involve the administration of construction contract with a Japanese construction company which includes commercial and technical aspects from early 2006 until end of 2008. The project is a civil engineering construction project which involved the construction of downstream channel (approximately 150m x 40m deep x 20 Km long) and related reinforced concrete structure works such as Agriculture Bridge, weir, control culvert etc.

The project is known as the Nam Theun 2 Hydroelectric Project (NT2), a long term collaborative project between Lao PDR and Thailand which enables Laos to export 3,300 MW of energy to Thailand.

The Project will utilise water collected from the Nam Theun watershed and impound behind a dam on the Nakay plateau. A dam with a maximum height of 48m and a crest length of 325m will create the Nakay reservoir. A headrace channel will conduct water for power generation from Nakay reservoir to an intake structure, thereafter into a tunnel and onto the power station which will be located at the base of the plateau pond created behind a regulating dam and then discharge into a 27 km long downstream channel which will carry the water to the Xe Bang Fai River.

The Project was developed by a private company, the Nam Theun 2 Power Company Limited (NTPC), which is owned by a consortium comprising:

- Electricité de France International (EdFI) of France (35%),
- Electricity Generating Public Company (EGCO) of Thailand (25%),
- Italian Thai Development Public Company Limited (ITD) of Thailand (15%), and
- Government of the Lao PDR (25%).

The Project is structured as a build-own-operate-transfer project and has a concession period of 31 years, of which the operating period is 25 years. At the end of the concession period, the project facilities will be transferred to the Government free of charge.



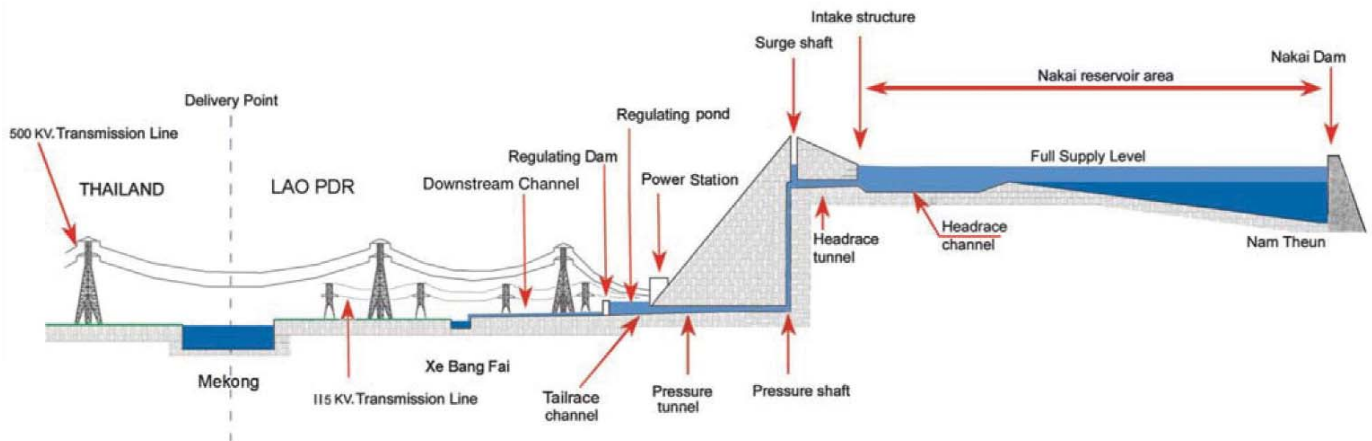
2.1 Country and Project Introduction

Many would ask where Lao PDR is located in the world map. I had the same question when the opportunity to get involved in a Laotian project surfaced.

The Lao PDR is a landlocked Southeast Asian nation bordering the People's Republic of China and Myanmar to the north, Vietnam to the east, Cambodia to the south, and Thailand to the west. The Project site is in the central provinces of Khammuane and Bolikhamxay, about 250 km southeast of Vientiane, the capital of the Lao PDR.



Lao PDR has an average income level of less than US\$2 dollar per day, with income considerably lower in rural areas and few options for generating income. According to the World Bank

Figure 1: Schematic diagram of the Nam Theun 2 Hydroelectric Project

report, the project is expected to generate an estimated \$1.9 billion in foreign exchange earnings over a 25-year period through the export of electricity to Thailand. The project will also produce 75 MW of power for domestic consumption. It is expected that NT2 revenues will account for between three and five percent of total revenues to Lao PDR from 2005 to 2020, equivalent to about 60 percent of domestically financed expenditures on education and health.

Currently, AirAsia has a direct flight from Kuala Lumpur to Vientiane (thrice a week). During 2006, the only way to reach project site is to transit at Bangkok and take the domestic connecting flight to the Thai border town Nakhon Phanom. Thereafter one needs to cross the Mekong River to a Laos Border town called Thakek. From there it will take about an hour's drive on laterite roads to the project site.

3.0 EXPERIENCES IN THE PROJECT

3.1 Background of the Writer

Upon graduation, the writer was trained in Juru Ukur Bahan Malaysia (a quantity surveying consultancy firm in Malaysia) for approximately 10 years. During the above period, the writer's experiences were mainly in upstream quantity surveying services for medium to large scale projects such as hotels, port construction, factories, residential, office buildings, government building and miscellaneous categories of jobs.

Being trained with consulting background for almost 10 years in the traditional core services and upstream consultancy, it was a challenging task for me to accept the invitation to be involved in an assignment involving a mega hydroelectric project which I had little or no experience at all.

Furthermore, the nature of the service is more downstream towards construction works. Thus, being in the infant stage of setting up my own practice in 2005 and with promise of regular monthly basis fee; the offer appeared to be attractive.

3.2 Project Fact

The Japanese contractor was awarded a contract for construction of downstream channel construction for

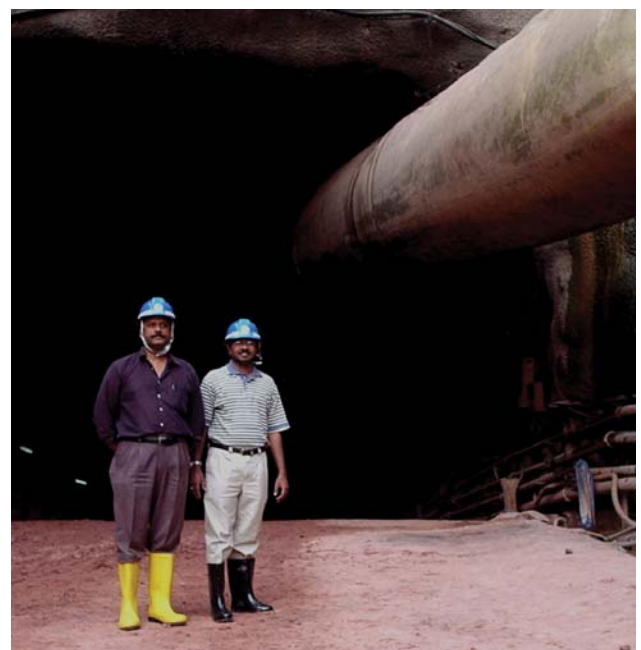
Reach 3 (approximately 12 km long) of the project and subsequently, was awarded with the remaining channel construction (Reach 2; 8 km long) complete with related infrastructure works.

The employer is ITD-NCC JV which was responsible for the Nakai Dam, tunnel, power house and downstream channel construction. The employer comprised of a full fledge team of designers from Japan and Thailand. The procurement and contract administration was headed by an English professional QS and supporting graduate quantity surveyors from Australia, Thailand and Vietnam.

Therefore, the need arise in that particular Japanese contractor's organisation for a professional QS to be involved in the day-to-day administration of the construction contract.

The contractor, being the second largest earthwork contractor in Japan, had more than 40 years of experience in overseas operation and yet no qualified QS have been employed in their organisation. The basic contract and claim management were performed by engineers and accounts section.

Headrace tunnel construction, Nam Theun 2, Lao PDR



By introducing my firm and services (Professional QS) to their organisation:

- i. It allowed the Japanese contractor to anticipate and communicate with the employer's QS on the project in a similar professional manner.
- ii. The employer's QS will recognise when a contractor's professional QS has asserted a contractual entitlement that cannot be denied and this should lead to easier settlement of issues.

That was the pulling factors which roped my services in the Construction Contract Management. It appeared to be a wise decision for the Japanese contractor which benefitted immensely through my firm's involvement.

The nature of service required is basically on the construction contract administration for the contractor's organisation (as a completely separate field of services from the concept of advising the client on or participating in the project procurement). This would require the quantity surveyor to be able to perform services currently inside the activities of construction. This area of services tends to be rather foreign to quantity surveyors who tend not to go deeper into the construction process than the unit price in the Bill of Quantities.

My post graduate qualification in construction management had also significantly and immensely contributed towards the successful accomplishment of the above assignment and facilitated project planning and control.

While being engaged in the above project, the writer was also involved in other cross border projects (in quantity surveying aspects such as BQ preparation and bid estimate) with an in house Japanese design team in Tokyo for Nam Ngiap hydro power electric project in Paksan, Lao PDR and construction of highway project in Algeria.

4.0 QUANTITY SURVEYING SERVICES OFFERED IN CONSTRUCTION CONTRACT MANAGEMENT FOR CONTRACTORS IN LAO PDR

4.1 Working with Japanese Contractor in Laos

Any undertaking of overseas construction ventures would definitely expose any firms to various risks and constraints, be it experienced contractor or new. The Japanese contractor which I was working with had almost more than 40 years experience in various countries.

The project process and QS services offered were mainly:

- Pre-award negotiation stage
- Post contract stage
- Dispute resolution and final account settlement stage

At each stage, our primary concern was to protect a contractor's commercial and contractual interest on the construction project and to ensure an acceptable financial outcome of the project. By appointing QS to carry out the above roles, the client being a contractor could act in a proactive and preventive manner rather than remedial role, therefore minimising the contractor's exposure to commercial risk from the outset of the project.

The roles carried out for the above services include:

- Estimator
- Contract drafting
- Contract negotiator
- Contract administrator
- Document controller
- Sub-contract and supplier controls
- Claims advisor

Very often in overseas projects, the Japanese contractor wishes to place their Japanese origin lead project manager and key site engineers. The major obstacles in explaining the contractual matter to them is the language barrier. Most of them are communicate in Japanese language and even the computer and laptop operations were loaded in Japanese language.

4.2 Laos Experience

The initial encounter on the local culture, language barrier, human issues, communication line, mode of transportation and even food appear to be troubling factors. These create barriers for further continuation of the agreed construction contract management tasks and even the mutual termination of services was considered.

Thereafter, there came a point where I have to learn how to accept the above constraints and switch my mindset to a more flexible mode in

Typical downstream channel construction



adapting to the system as it is. It was an undeniable truth that in Malaysia, we have more systematic and organised way of managing contract and absolute reference to the standards such as Standard form of Contract, accepted specification standard which largely referred to British Standard or ASTM.

The site organisation of the contractor at the downstream channel construction comprises of project manager, site engineers, supervisors, document controller, CAD operators, clerical staff and civil engineers assigned for quantity surveying works and records compilation on claim matters.

The resident engineers assigned on full time basis on site will be acting as an interface coordinator and compiler of record, claim documents, progress claim and contractual letters etc. with us.

The working on quantity measurement and back up details were largely performed at the Lao site office. The Malaysian office ensured the use of correct format and assisted in the preparation of proper claims documents.

Most of the construction contract administration processes were conducted via electronic mail communication. As a general rule, we must provide the service to the project management team to enable them to make informed commercial decisions on site and carry out the project successfully. The important factor in Japanese organisation is that the QS must work as a team. Without good working relationship among the project team members and accounting department, the ability of the QS to function effectively is very limited.

We must be able to interact and explain respectfully the importance of contractual awareness to the "Socho" (the project manager in the Japanese language) and other project team members.

On the practical aspects of managing contract in Lao, I believe from my contract administration experience in Malaysia, the contract document is an important tool in managing the post contract phase and it would be a single reference material which binds all necessary project information and its related specification, Standard Form of Contract, preambles, specifications, schedule of day work rate and contract drawings etc. However, it is not the case here (in this particular project in Lao PDR).

The contract agreement would be a maximum 20 to 30 pages which listed the basic information and intentions of parties in the contract and with the tender drawings. The use of Standard Form of Contract such as FIDIC, ICE etc. and Standard Method of Measurement were also not emphasised.

Discussions take place behind closed doors and project managers are rarely a party to their outcome which seems to completely avoid any formal dispute process. The contract in this project was mainly tailored based on the Thailand practice. The client's senior technical and administration personal in the above projects were mainly French, English and Thai nationals.

In my early days here, I experienced some instances where my administration of a contract attracted criticisms

due to my overzealousness in quoting of the contract agreement clauses and requirements. Verbal communications can be far more effective than written work where western terminology may be misconstrued, misunderstood or misinterpreted.

The contract for construction of downstream channel which the writer was involved with was let-based on unit price contract. The whole Bill of Quantities was presented in one page. The actual installed quantities shall be re-measured and value based on the unit rate inserted in the contract price breakdown / the schedule of work.

The above mentioned unit price contract has no reference to any standard method of measurement. No one is too sure as to which guidelines the measurement of installed quantities is to be based on and the resulting divergence of opinion in the matter of variation work, new unit rates and so on create confusion. When I am faced with the above confusion, I often rely upon a copy of the "Principle of International Measurement" and SMM 7 issued by the RICS. It is not an easy task convincing the project consultant and project manager on the foreign reference materials, particularly when the variation / change order are the subject of discussion.

Generally, my visit to the project site takes place once every two months with a maximum stay of three to four days at the project site. The project correspondences and updates were normally communicated via emails and 80% of our services in terms of contractual letter writing, measurement works and claim formulation were done in Malaysia office.

5.0 CONSTRUCTION CONTRACT AND COST ESTIMATE IN LAO PDR

5.1 General Overview

Generally, the construction of traditional houses, shop houses and other commercial buildings uses mostly local building materials and local labour, which mean lower costs, since transport cost among others are low.

On the other hand, foreign construction investments are generally involved in hotels, supermarkets, factories, heavy civil engineering work etc. Most of these larger scale buildings and civil engineering works were designed by foreign architects/engineers in partnership with local architect/engineering firm in Vientiane. Generally, the local consultants firm shall be involved in the post construction work such as supervision and follow up with the local authority's requirements.

Lao PDR is highly dependent on external support in the form of technical assistance and very often the mega projects in Lao PDR were funded by the Asian Development Bank (ADB), World Bank, and Australian Government's Overseas Aid Programme, Lao Japan Corporation etc. which aim to reduce poverty in the developing countries.

The National University of Lao produces civil and structural engineering graduates which cater to the needs of the local construction industries. The curriculum of the degrees is generally influenced by Russian and French syllabus.

Lately, more China based construction companies are getting involved in Vientiane municipality by undertaking commercial developments and infrastructure work construction contracts.

In Laos, there are no unified national codes for the design of buildings. Therefore, architects and engineers designed the buildings according to their experiences based on some foreign codes such as USA, France and Russia.

Many of the construction materials such as glazing components, steel, window sections, plant and equipment, electrical and hydraulic fixtures and fittings, joinery, high strength concrete, granite, stone and structural steelwork are imported overseas as they are not available in Laos or not of suitable quality.

5.2 Factors Effecting Construction Cost Estimates

Generally for large scale of projects, the machineries, site management staff and skilled labour could be procured from outside Laos.

Among the factors that need to be taken into consideration for pricing of construction contracts in Laos are:

- a. The availability of building materials and transportation; which appear to be major issues on construction material and delivery plan for commercial construction. Since the availability of certain building materials is often uncertain, it would be wise to purchase them early and store up.
- b. Import materials can take a long time to arrive and occasionally the required material is running out of stock and local suppliers are very small in nature. Additional time is required to order from abroad.
- c. The annual monsoon cycles gives Laos two distinct seasons: May to October is wet and November to April is dry. Generally, the construction activities during the wet season will be paralysed due to frequent and heavy rainfall. The roads are often impassable during rainy season for construction sites located in the rural areas.
- d. Allow for minimal salary for expatriates and supervisory staff (local and expatriates) during the non-working period of raining season (minimum four months per year).
- e. Selection of material transport vehicles. Most of the roads and bridges to the rural construction cannot support the heavy trucks. Therefore careful material planning is vital.
- f. Take note on the UXO (unexploded ordinance) existence and clearance before construction works in certain provinces in Lao such as Xieng Khuang, Khamoune and border area of Vietnam. The Lao PDR was heavily bombed during the Second World War and unexploded ordinances (UXO) are still apparent. Normally, an item will be allowed in the BQ for UXO clearance before the commencement of site clearing or excavation work and if this was not stated; then

necessary clarification need to be raised during the bidding stage.

- g. Tariff and import tax (average 10%). Import duties clearance for material imported need to be considered. The Lao PDR is a land locked country and construction materials may be crossing the land from neighbouring countries.
- h. Consideration of setting up a procurement liaison office in Thailand to facilitate the import and export of machineries and construction material procurement for construction.
- i. Import and export permit/licenses for heavy or extraordinary machineries.
- j. Allow for high turnover on unskilled labour (high absenteeism among the Laotian workers) and "Bhor Phen Yang" (take it easy) attitude.
- k. In the case of infrastructure work, the handover of the completed work would be advisable before the commencement of rainy season. The disaster and repercussion caused by wet season would be very severe.
- l. Possible extra insurance coverage against the flood damages to the completed work and machineries during the monsoon season (generally during the month of July to November).
- m. Liaison with the authority in regards with labour permits, import and export of materials and machineries. This matter needs to be negotiated with the Client and if possible, the task shall be parked under Clients responsibilities.

5.3 Material Price

The material available locally can be restricted to wood, sand, gravel, bricks, some cement and steel and some of these materials have low physical mechanical properties and manufactured woods may have wrong sizes.

Most of the materials for structure rarely come with satisfactory quality when compared with international standards such as ASTM. Therefore, most of the construction materials for commercial projects are imported from abroad such as Thailand, Vietnam, China, Singapore etc.

Generally, the material costs such as concrete and reinforcement would be priced higher compared to Malaysia (approximately 20% to 30% higher than Malaysia).

The higher fuel rate in Laos (almost double the Malaysia rate) and additional cost related to imported materials such as structural steel and other essential construction materials, machine parts, instrumentation, fit out items etc. are amongst the factors attributed to higher construction cost here.

According to the Lao Business Construction Group, the price of steel in Thailand is now about 7.2 million kip (RM 2,800) per tonne and the wholesale price of steel from the Vientiane Steel Industry Company has reached 7.5 million kip per tonne and would fluctuate further.

While there are several other steel processing plants in Laos, only the Vientiane Company is capable of producing grade-A materials required for major construction projects. That has made it more popular with contractors because it meets international standards, but it has also allowed the company to develop a market monopoly on steel prices in Laos.

At present, the government does not allow any import of steel for sale in domestic markets as a measure to protect local firms. However, it does allow import of steel for use in large-scale development projects.

5.4 Labour and Site Management Staff

The skilled labour employed in this Nam Theun 2 project were mainly from Vietnam, Thailand and Nepal (tunnel work) whilst the supervisory staffs were mainly expatriates from Philippines, Malaysia and Japan.

Generally, the Laos nationals were employed on lower categories such as drivers, unskilled labour and general workers, which generally comprises of 70% of work force in the project.

The indicative site management staff and skilled labour rate during 2007- 2008 would be in the following range:

NO	JOB TITLE	SALARY (USD)
		Basic Wage – 280 Hrs
1	Team Leader (Malaysian)	3500(Fixed)
2	Supervisor (Malaysian)	3000(Fixed)
3	Supervisor (Vietnam)	650
4	Supervisor (Laos)	350
5	Bar bender (Vietnam)	500
6	Bartender (Thai)	500
7	Carpenter (Vietnam)	500
8	Carpenter (Thai)	500
9	Mason (Vietnam)	500
10	Mason (Thai)	500
11	Skilled Workers (Laos)	200
12	General Workers (Laos)	80
13	Driver Small Car (Laos)	100
14	Operator (Vietnam)	500
15	Operator (Laos)	200

It is a general practice here that the workers' quarter and food are provided by the contractor and this is important to keep the locals continually engaged in the projects.

6.0 CONCLUDING THOUGHTS AND WRITER'S FUTURE DIRECTION

The writer's intention is not to promote or export the rigid and traditional form of quantity surveying service to Laos or to any other economically challenged countries, but to try to explore how the qualified quantity surveyor could

adapt to the situational requirement by not compromising on the level of professionalism.

The potential of this new area of services by professional quantity surveyors is by moving towards the actual management of construction work which is different from hiring a quantity surveyor who only specialises in traditional core services as mentioned in upstream services.

As opposed to the scope of upstream services, the writer's view is that, in construction contract management the type of services offered may not be consistent and similar with other projects and usually of an "ad hoc" nature. It is the nature and demands of the specific projects that could dictate what kind of expertise is required to meet the end product.

The services would require the quantity surveyor to be able to perform services currently inside the activities of construction contractors and could be sought as new market niches for quantity surveyors at entry level to export their services overseas.

The writer believes that such niches of service opportunity in each of the many contractors' organisations which expands their wings overseas, could provide a critical mass potential for future evolutions of quantity surveyors.

Lastly, allow me to pen out some of the potential improvements or conditions to be made among us prior to undertaking any task in a particular host country, especially in the less developed countries such as South East Asia, India, Sri Lanka etc. which may otherwise end up in frustration and demotivation.

A. We tend to have an attitude of comparing;

comparing with our local Malaysia practice, system, procedure, cultural diversity, legal framework, regulatory and fiscal policies, currency regime, language etc. No doubt that comparatively, Malaysia is highly positioned and developed with various established standards, well-documented processes and well-documented database in quantity surveying and other fields of engineering. Furthermore the professional bodies in Malaysia are well regulated and each profession has their own Act and legislation.

My recent study trip as an ISM delegation to India, I found that engineers are dominating the profession of surveying (be it land surveyor, valuer, town planner or quantity surveyor) and there is no regulated law or act to govern the profession of surveying. The engineer or architects have a liberty to practice surveying work by taking one-year short advance course in the surveying fields. As such by making pressure and suggestion to that big continent (India) that the surveying profession to be regulated in order for us to practice would probably ended up to nowhere and futile exercise. Therefore alternative ways such as merger or partnering, forming consortium with local practitioner may be considered and would provide some advancement in exporting our services.

B. Some of us are very rigid and not adaptive to host countries work culture, people attitude etc. (we often grumble that *"In Malaysia we do things like this and like*

that" (e.g. we may notice that the Tender document prepared by host countries client / their appointed consultant does not comprise enough ingredients such as preambles, detailed specification, detailed briefing of works, incomplete tender drawing and lacking of other contractual requirement in preliminaries and general conditions). The usual immediate response from us is that *"we are unable to undertake the task because of the incomplete set of tender document etc"*. Rather than positioning our mindset to a denial mode, we may consider the adaptive approach by not compromising one's professionalism for anything and qualify separately in the cover letter the assumption we have made, terms of contract, condition of tendering, the method of measurement, specification and preambles which we have based in our bid submissions.

C. Nothing comes easy. We need to do a few researches and fact finding exercise such as:

- literature review using information media, MATRADE library at Jalan Duta (which provides a lot of business review report, statistics, rules and statutory requirement etc. of any selected host countries) and meeting up other technical professionals which currently export their services abroad (the list published by PSDC would be great help to identify those firms),
- visit the potential host countries' embassies in Kuala Lumpur,
- discussion with the Malaysian Embassy in the host countries (the Malaysia Embassy may provide some insight information on forming business or partnership and may introduce us to fellow Malaysians who are residing there and who have similar interests with us),
- making trips to the host countries and familiarise with the local practice, system etc. (arrange an appointment or meeting with the local practitioner, consultant, academician etc.),
- language barrier (it is essential to have a local representative to bring us along at an early stage of market research),
- understanding the local tax system, banking etc., method of progress payment. (There would be a business consultant, accountancy firm which we can provide some advice and guidelines. In some host countries, we may find some Malaysian based audit firms such as KPMG which are normally headed by a Malaysian Manager)

D. In less developed countries, exposing the potential client to rigid traditional quantity surveying core services may not be convincing

and appealing. In the less developed countries, the quantity surveyor shall be expected to perform some overlapping or cross over works which are normally performed by other professions such as mechanical & electrical work costing, method statement preparation, project scheduling, resource scheduling, tax advice etc. The scope of QS services may be wider and diversified as compared to Malaysia's nature of well structured and protected list of services as enshrined on QS Act and Memorandum of Agreement for Professional Quantity Surveying services. As such, we may need to equip ourselves with those supplementary, adds on knowledge and scope enrichment.

E. The client in less developed countries tend to have a mentality and preference to the international professional qualifications affiliated with established professional bodies such as RICS and AIQS. As such having these additional affiliations and titles behind our names would contribute some advantage in performing and discharging our duties as a contract and cost adviser.

F. I opine that, we should compete in niche projects for which we have track records and valid experiences. There were many areas of expertise in which Malaysian professionals surpassed the global competition and could therefore excel in. Our experiences in mass housing development, healthcare services and building, infrastructure development etc. would be some areas to be given priority. (Note: my involvement in two hospital projects in Saudi Arabia some years ago had driven me to other similar projects in developing countries).

G. Contractor and consultants should collaborate when venturing overseas for a better success rate of securing projects. (My involvement in providing quantity surveying services for mass housing development at Nairobi, Kenya was in conjunction with a local Malaysia contractor. The contractor exporting their technologies on light weight construction material, system formwork for repetitive units and precast panels which lowered the construction cost and shorten the construction period drastically to 12 months for constructing 300 units of house at Phase 1 as compared to

"As such, we may need to equip ourselves with those supplementary, adds on knowledge and scope enrichment."

the norm of three to four years in Kenya of similar projects).

H. Despite the trade liberalisation regime that is currently being negotiated among countries either on a multi-lateral or bilateral basis, the domestic regulations in most cases require registration of practitioners. It is therefore expedient that we get local registered architects/engineers/quantity surveyor to be our partners

for the project. The local partner who is more familiar with the local business conditions and regulations can be an asset to our venture in the host country.

Nevertheless, the above exposure and experience provided a stepping stone for the writer to further explore the upstream market segment which definitely requires greater commitment, capacity building, qualified human resources and financial strength. ■

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The 2nd International Building Control Conference (IBCC) 2011

Date: 11 - 12 July 2011

Venue: G Hotel, Gurney Drive, Penang

Further info: <http://perak.uitm.edu.my/ibcc2011>



10th International Symposium & Exhibition on Geoinformation (ISG 2011)

Date: 27 - 29 September 2011

Venue: Shah Alam Convention Centre, Selangor

Further info: <http://www.isg.org.my/2011.html>



The Pacific Association of Quantity Surveyors 15th Annual Congress (PAQS) 2011

Date: 23 - 26 July 2011

Venue: Colombo, Sri Lanka

Further info: <http://www.paqs2011.lk/>

Quantity Surveying International Convention (QSIC) 2011

Date: 11 - 12 October 2011

Venue: Hard Rock Hotel, Penang

Further info: http://www.bqsm.gov.my/bqsm/a_public/index_news2.asp?fid=110

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