



ELSEVIER



Available online at www.sciencedirect.com

ScienceDirect

Procedia - Social and Behavioral Sciences 226 (2016) 124 – 131

Procedia
Social and Behavioral Sciences

29th World Congress International Project Management Association (IPMA) 2015, IPMA WC 2015, 28-30 September – 1 October 2015, Westin Playa Bonita, Panama

Global professional standards for project cost management

Peter Smith*

University of Technology Sydney, PO Box 12, Broadway NSW 2007, Australia

Abstract

This paper explores the need for global professional standards in the project cost management field. A range of global standards and guides have been developed for the project management profession as a whole but there have not been any developed specifically for project cost management (other than as a subset of project management standards). It will be argued that project cost management (be it Quantity Surveying, Cost Engineering, Project Controls or cost management carried out by Project Managers) is a specialist technical field that requires its own specific standards. The paper will examine the various national and regional professional standards that have been developed for the Quantity Surveying, Cost Engineering and Project Controls professions by various countries and professional associations around the world. It then examines the issues surrounding the lack of global standards for these professions and explores the benefits of developing over-arching strategies to produce global standards/programs. The paper then describes current initiatives to develop these specific global standards. This will include the International Construction Measurement Standard (ICMS) that is in the early stages of development. The research methodology underpinning this study comprises a review of professional standards around the world and interviews with practitioners and members of professional cost management associations within the International Cost Engineering Council (ICEC). The paper concludes with a range of recommendations and strategies to help address these issues.

© 2016 The Authors. Published by Elsevier Ltd. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Peer-review under responsibility of the organizing committee of IPMA WC 2015.

Keywords: global standards, project cost management

* Corresponding author. Tel.: +612-9514 8732

E-mail address: peter.smith@uts.edu.au

1. Introduction

The professional fields of Quantity Surveying, Cost Engineering, Project Controls or cost management (herein referred to under the one descriptor of Project Cost Management) have developed a range of national and regional professional standards over many years. However, the professions lack over-arching global standards that have been typically been developed for most other professional disciplines in the construction industry such as Architecture, Engineering and Project Management. On a broader scale, most major professional disciplines have global standards (accounting, business and the like).

The lack of global standards inhibits the development and identity of the project cost management profession on a global scale. Given the increasingly global nature of construction activity with an increasing number of contracting and consulting firms and developers operating in multiple countries this problem continues to build.

2. The Challenge

The Royal Institution of Chartered Surveyors (RICS), the European Committee of Construction Economists (CEEC) and the International Cost Engineering Council (ICEC) have recently undertaken research investigating the problem of a lack of global standards for the profession. The author has been a part of this research investigation. The following is drawn from a six paper series developed by this working group (ICMS, 2015).

Surveys carried out by the RICS and CEEC of project cost management consultants in 40 countries have shown that:

- approximately 50% of countries did not claim any published standard elemental classification of building parts;
- in the absence of locally agreed standards, professionals frequently adopt 'foreign' standards or ad hoc in-house developed standards;
- there is no common way of expressing cost per m², both in terms of the cost definition and the floor area (IPMS addresses the latter); and
- here are many countries where the quality of cost information, and data classification, falls short of what local professionals might wish.

Construction is a large contributor to world GDP and has a significant 'multiplier' effect on national economies. It is also an increasingly globally mobile industry, where investments in, and the implementation of, projects is carried out on an international basis. At a macro level, there is no uniform way for governments and markets to calculate construction output. For example, the United Nations produces a list of standard activities which comprise construction output (the ISIC –or International Standard Industrial Classification). The categories, however, are not complete and there is a need to revise them to reflect modern needs and practice. Government statistical agencies and industry commentators require improvements in the official definitions of construction output and the way data is presented.

Significant variations in the definitions and measurement of construction output are not only a concern in global and national accounting, but also on the demand (investment) and supply (consultants and contractors) side of the industry. This lack of comparability and consistency affects certainty, and therefore investment in, construction.

Feedback from professional organisations around the world has identified particular problems relating to different terminologies in use. This is particularly the case between the United States and Europe and between buildings and infrastructure.

3. Global Standards in Comparative Fields

The International Organization for Standardization (ISO) is the leading authority on global standards. They describe a standard as "a document that provides requirements, specifications, guidelines or characteristics that can be used consistently to ensure that materials, products, processes and services are fit for their purpose". More pointedly they note that "for business, (standards) are strategic tools that reduce costs by minimizing waste and errors, and increasing productivity. They help companies to access new markets, level the playing field for

Download English Version:

<https://daneshyari.com/en/article/1107478>

Download Persian Version:

<https://daneshyari.com/article/1107478>

[Daneshyari.com](https://daneshyari.com)