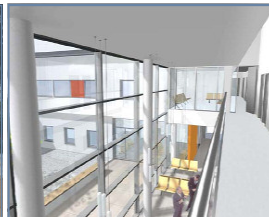


**AKC-Work in Progress****Tralee Healthcare Headquarters & Health Centre**

The new Tralee healthcare headquarters and health centre is well under construction at Tralee General Hospital. Work commenced on site in November 2004 and is due for completion in February 2006. The €10.50 million contract for the HSE is designed by Avanti Architects from London and the main contractor is Bowen Construction.

**AKC Appoint New Directors**

Nadine Scallan BSc ASCS MRICS and Kevin Fennessy BSc ASCS MRICS have recently been appointed associate directors of AKC Chartered Surveyors

They have been with AKC since 1999 and 2000 respectively.

**New Government Construction Contracts**

The Government Construction Contracts Committee (GCCC) have recently issued draft new forms of contract for Civil Engineering and Building contracts including Design & Build Contracts. They have also issued documents in relation to the engagement of professional advisors and for the amendment of the price variation clauses in the existing GDLA and IEI 3 forms of contract. The new contract forms are being examined by the constituent members of the Forum for the Construction Industry (FCI) and consultations and discussions with the Department of Finance will be ongoing over the coming months. These new Public Works Contracts are a significant change from the present GDLA and IEI 3 contracts and the Department of Finance's proposed implementation date of January 1st next is probably optimistic. SCS and CIF members may download these proposed new contracts from their respective websites. [www.scs.ie](http://www.scs.ie) and [www.cif.ie](http://www.cif.ie).

**Public Sector Contract Awards**

Following our piece in Q1 2005 concerning Public Sector Contracts, we are pleased to see that from 18 April 2005 a new Contract Award Notice 'reminder' facility has been introduced by the Department of Finance eProcurement Unit. This reminder will be sent to Awarding Authorities to remind them to publish the results of the Contract Procurement process. Information on Contract Awards can be seen on [http://www.e-tenders.gov.ie/news/news\\_article.aspx?ID=422](http://www.e-tenders.gov.ie/news/news_article.aspx?ID=422)

**In Brief****Architecture at UL**

The University of Limerick is commencing in September next a Level 8, 5 year B.Arch degree in Architecture. The new school of Architecture will be headed by 38 year old Chicago born Merrit Bucholz, a partner in Bucholz McEvoy Architects.

**Architecture in secondary schools**

We warmly applaud the initiative of Galway City & County Councils in appointing an architect in residence to work with 5th & 6th year students at three Galway secondary schools. The architect appointed was Hugh Kelly, a director of Murray O'Laoire and the aim of the residency was to foster an appreciation and awareness of architecture as an art form. It would be great if we had more such Councils in Ireland to expand our children's broader education.

**Population in the year 2021 (source CSO)**

The population of the Greater Dublin Area (GDA) is projected to increase by 528,000 to 2,063,000 in the period to 2021. The total population of the republic is projected to grow from a 2002 level of 3,917,000 to 5,070,000 by the year 2021. This increase of 1,153,000 will consist of a natural increase of 633,000 and immigration of 520,000.

**Romania and Bulgaria sign up for EU entry**

The existing 25 Member States in the last week of April signed the Accession Treaty with Bulgaria and Romania. The ceremony, jointly organised by the Luxembourg Presidency, Bulgaria and Romania, was held at the Neumünster Abbey in Luxembourg. Providing they implement certain reforms including tackling corruption and wide ranging environmental improvements, Romania and Bulgaria will accede to the EU on 1 January 2007.

**SCS Comments on Infrastructure Projects Cost Over-runs**

The President of the Society of Chartered Surveyors issued a statement on behalf of the SCS on 10 May 2005 regarding the RTE TV Prime Time (9 May) broadcast and subsequent discussions on RTE Radio's Morning Ireland on cost over-runs on large infrastructure projects:

1. The SCS believes that the functions of the design and cost management of all infrastructural projects, including civil engineering projects such as roads, bridges and motorways, should be separated. At present, both these functions are invariably carried out by the project engineer, whose primary role is design and supervision of the project. Cost management should not be part of that role and a separate appointment should be made of an independent cost manager with suitable expertise in the areas of preparation of realistic pre-contract estimates, risk assessment and control, procurement, preparation of tender documents, tender evaluation and post-contract cost control.
2. The SCS has made the above point in two separate detailed submissions to the then Minister for the Environment, Heritage & Local Government, Martin Cullen, T.D., in June 2003 and again in March 2004 and still await a detailed response from the Minister.
3. In contrast to civil engineering infrastructure projects, almost all major building projects within the State engage independent cost management expertise provided by Chartered Quantity Surveyors. This is particularly so where State funding is involved. The primary design and supervision roles remain with the designers, i.e. the architects and engineers, while the Quantity Surveyor has specific responsibility to the client for the successful cost management of the project.
4. The SCS has commissioned an independent survey of "cost out-turns" in building projects where State funding is involved. The preliminary results of this survey, due to be published shortly, will support the view that building projects are being successfully cost controlled. The SCS maintains that the reason for this is that these projects are being managed by design teams, which include a separate cost manager (the Quantity Surveyor), who is independent of the designers (architects and engineers).
5. It is the Society's repeated contention since the early 1980's that the country's single largest employer, the Government, should provide for a separation of the roles of design and cost control to help ensure that infrastructural projects provide value for money.

As a footnote to this statement the SCS published on 31 May last its "Survey of Cost Performance of Building Work under the GDLA Agreement and Conditions of Contract". The findings of the survey are that cost over-runs on building projects involving State funding are as low as 4%. This is in complete contrast to State funded infrastructure projects where cost over-runs have been in excess of 100% in some cases. The full report can be downloaded from the news section of our website [www.akc.ie](http://www.akc.ie) or from the Press and Publications area of [www.scs.ie](http://www.scs.ie)

**Minister Announces Publication of Construction Industry Indicators**

Mr Dick Roche, the Minister for the Environment announced, on 20 April 2005, the publication of Construction Industry Indicators, an electronic magazine (e-zine) designed to track activities and trends in the Irish Construction Industry. The value of the industry in 2004 was €28 billion or 24% of Irish GNP. The Department has agreed arrangements with DKM Economic Consultants to produce quarterly Construction Industry Indicators consisting of a consolidated series of useful indicators from a variety of sources. The first volume of Construction Industry Indicators highlights the record number of 101,653 residential planning permissions granted during 2004 suggesting that house building activity will continue to be strong during 2005. Employment in construction continued to grow during 2004 with the industry now employing 225,000 people or 12% of the total workforce. The publication can be downloaded from the publications sections of [www.enviro.ie](http://www.enviro.ie) or [www.dkmeconomics.ie](http://www.dkmeconomics.ie)



**SCS Construction Cost Index** (Source: Society of Chartered Surveyors)

Base Year 1985 = 100

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly %
1997	160.0	160.6	161.0	162.5	162.6	162.8	164.5	165.1	165.9	166.4	166.5	166.5	4.38%
1998	167.0	167.3	168.0	168.1	169.1	169.3	171.0	170.8	171.0	171.1	171.0	170.8	2.46%
1999	171.1	171.1	171.2	176.8	176.9	177.1	179.0	179.1	182.9	183.6	183.7	183.7	8.12%
2000	185.0	185.5	186.2	186.4	187.0	187.1	187.4	187.5	188.2	210.4	210.4	210.5	14.05%
2001	211.0	211.8	213.2	215.8	215.8	215.8	220.0	227.1	227.2	232.2	232.2	232.1	10.19%
2002	232.5	232.6	231.5	231.5	231.6	231.7	237.6	237.7	237.7	237.7	237.7	237.8	2.32%
2003	237.9	238.0	238.0	242.2	242.2	242.2	242.5	242.5	242.5	242.5	242.5	242.5	3.49%
2004	246.2	247.8	249.5	251.4	252.7	253.0	255.0	255.1	255.1	257.8	257.8	258.0	5.04%
2005	258.6	258.7	258.7	261.0	261.1	261.1							

Note: January to August 2004 - revised from previously published . The listing from 1987 for this index is available on our website [www.akc.ie](http://www.akc.ie) in the indices section.**DOE House Building Cost Index** (Source: Department of the Environment)

Base Year 1991 = 100

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly % Jan to Jan.
1997	118.0	118.5	118.8	119.8	119.8	119.8	120.8	121.0	121.5	122.0	122.6	122.6	4.15%
1998	122.9	123.1	123.8	123.8	124.5	124.5	125.7	125.7	126.0	126.2	126.2	126.1	2.77%
1999	126.3	126.4	126.5	130.5	130.5	130.5	131.5	131.5	134.1	134.7	134.8	134.9	7.52%
2000	135.8	136.1	136.4	136.5	136.8	136.9	137.2	137.2	137.7	153.8	153.8	153.9	13.62%
2001	154.3	154.7	155.6	157.4	157.6	157.7	161.1	165.9	166.0	169.3	169.4	169.3	10.11%
2002	169.9	170.0	169.5	169.5	169.5	167.7	173.8	173.9	173.9	173.9	174.0	174.1	2.53%
2003	174.2	174.5	174.5	177.3	177.3	177.4	177.1	177.2	177.2	177.2	177.2	177.2	2.76%
2004	179.6	179.7	179.9	179.9	180.0	180.2	182.1	182.2	182.2	183.9	184.2	184.2	2.84%
2005	184.7	184.8	184.9	186.5	186.6	186.6							

**CSO Wholesale Price Index for Construction Wages & Materials (WPCM4040)**

(Source: Central Statistics Office)

This index has been rebased to the year 2000, historical index figures are available on our website [www.akc.ie](http://www.akc.ie)

Base Year 2000 = 100

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly % Jan to Jan
2000	96.1	96.5	96.7	97.4	97.8	98.0	98.0	98.2	98.7	107.4	107.5	107.6	12.38%
2001	108.0	108.4	108.5	110.4	110.4	110.6	112.6	115.6	115.7	117.8	117.8	117.7	9.35%
2002	118.1	118.4	118.4	119.2	119.4	119.4	121.6	121.7	121.9	122.3	122.2	122.2	2.88%
2003	121.5	121.7	121.9	123.8	123.8	123.7	123.7	123.9	123.9	124.3	124.5	124.6	3.62%
2004	125.9	127.1	128.6	130.1	131.0	131.3	132.9	133.4	133.9	135.2	135.7	136.3	8.18%
2005	136.2	136.0	135.9	137.1	137.4								

**CSO Consumer Price Index (CPAM 063)** (Source: Central Statistics Office)

Base Year 1996 = 100

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly % Jan to Jan
1998	101.3	101.8	102.3	102.8	103.2	103.7	103.4	103.7	104.0	104.1	103.7	103.6	1.48%
1999	102.8	103.4	103.7	104.2	104.7	105.0	104.6	105.2	105.6	105.7	105.9	107.1	3.99%
2000	106.9	107.8	108.5	109.3	110.1	110.8	111.1	111.7	112.1	112.9	113.3	113.4	5.24%
2001	112.5	113.5	114.4	115.4	116.1	116.7	116.4	116.8	117.3	117.7	117.6	118.2	4.89%
2002	118.0	118.8	119.9	120.9	121.5	121.7	121.3	122.0	122.6	123.2	123.3	124.1	4.75%
2003	123.6	124.8	125.8	126.1	126.0	126.0	125.1	125.9	126.1	126.0	126.0	126.5	1.86%
2004	125.9	126.9	127.4	127.9	128.1	128.8	128.5	129.2	129.3	129.4	129.7	129.8	2.22%
2005	128.7	129.8	130.1	130.7	131.2								

**Permanent TSB National House Price Index** (Source: Permanent TSB)

Base Year 2003 = 100

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly % Jan to Jan
1996			33.7	33.8	34.2	34.6	34.9	35.3	35.5	35.8	35.8	35.7	
1997	36.5	36.9	38.0	38.4	39.0	39.5	39.8	40.2	40.5	41.2	41.7	42.0	16.16%
1998	42.4	43.0	44.0	44.7	46.2	47.8	49.8	51.1	51.8	52.7	53.2	54.6	29.01%
1999	54.7	55.6	56.3	57.1	57.8	58.6	59.8	60.7	61.5	62.3	63.4	64.3	19.56%
2000	65.4	66.1	67.4	68.5	69.8	71.1	72.4	73.9	74.2	75.0	76.4	78.0	20.64%
2001	78.9	79.2	80.2	81.2	81.6	81.8	82.6	83.4	83.2	82.5	82.1	81.5	2.41%
2002	80.8	81.3	82.8	85.2	85.6	86.0	86.4	87.5	88.7	90.0	91.2	92.3	15.10%
2003	93.0	93.8	94.8	96.0	97.7	98.7	99.8	100.6	101.1	102.4	103.6	105.0	13.33%
2004	105.4	106.3	107.1	108.4	108.9	109.9	110.9	112.1	113.2	113.5	113.8	114.0	8.54%
2005	114.4	114.7	115.1	115.5	116.1								

The UK House Price Index featured in Q3 2003 is updated monthly and is available on our website in the "Indices" Section.

**HPO Tender Index**

(Source: Department of Health)

	Construction			
	Q 1	Q 2	Q 3	Q 4
1997	340	355	370	380
1998	385	395	405	415
1999	420	429	438	447
2000	470	485	500	540
2001	570	580	595	605
2002	621	631	640	626
2003	628	628	628	628
2004	628	629	631	632

**SCS Tender Index**

(Source: Society of Chartered Surveyors)

	Jan - July	July - Dec
1998	100.0	103.8
1999	108.6	116.1
2000	121.7	130.7
2001	132.2	136.9
2002	133.9	130.1
2003	127.2	129.3
2004	135.3	139.4