



Consulting Engineers Association of India NEWSLETTER

MARCH 2020

www.ceai.org.in

FROM THE **PRESIDENT'S DESK**



IN THIS

ISSUE

DEAR FRIENDS,

The world is passing through unusual times and our responses also have to be unique and Novel!

The power of NANO is once again on us! Humanity paused in its track when two tiny Atoms wiped off, at the wink of an eye, Human habitats, and along with it many dreams--the world never became the same again.

Today a tiny virus, inanimate but having the power of mutating, piggybacked on human cell, has the entire world under its wrath. The World is on a virtual Lock Down! We shall overcome this threat, and we Engineers will have a bigger, but somewhat different, roles to play. Post Corona, the world will be different, but better and efficient. Work from Home will be the norm rather than a compulsion. We shall learn to waste less, recycle more and reuse our learnings.

CEAI have been seized to find the true place for Engineers in community and pressing on the authorities to acknowledge the contribution we collectively make for the society. Sustained efforts have started showing results, as you will find in the texts inside. We have to remember that we are in a marathon and would need sustained efforts for reaching our goal.

We have already approached the authorities to give us emergency support to keep the Engineering Consultancy profession moving in these difficult days.

Many planned events will get disrupted, as has FIDIC annual conference, and the Olympics! We shall have to plan a new, and keeping in view the new realities. Thus, more Webinars than seminars, and workshops using our Zoom facility with screen installed at CEAI conference room.

Our aim has to be working together, ethically, for creating values for making Engineering a proud profession.

Warm regards,

Amitabha Ghoshal

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WHITE PAPER ON CEA's EFFORTS TO SUPPORT THE PROFESSION

CEAI have been striving to become the voice of the Engineering Fraternity, and to elevate the status of Engineers in the society. Successive Governing Councils, over the years, have been making persistent efforts in this direction, and results of these efforts are becoming visible. CEAI, along with few other engineering associations, had launched a fight against the unfair demands of the Council of Architects, that had adversely affected the independent working of many Engineering consultants, for the last few years, particularly, in the urban development sector. We had been pursuing with patience the fight in multiple avenues, including Legal action. Through a final ruling of the Supreme Court in the case, the rights of the Engineers have been upheld emphatically. This will add tremendous push to the very long struggle for the ultimate passage of the Engineers Bill, that will bring rightful recognition to our noble profession.

CEAI have, in recent times, been successful to involve the pivotal authorities of our concern, in direct dialogue, through workshops and seminars. A White Paper, listing some of the efforts and the gains thereof, have been circulated to all members. Highlights of the White Paper are:

- * Process being followed for Selection of Consultants and/ or Contractors on Least Cost Basis.
- * Delays in receiving payments against milestones.
- * Requirement to pay GST within a month of raising the invoice, while payments received from clients get inordinately delayed (sometimes by several months to a year and more), thus adversely impacting cash flows.
- * Need to pay TDS at 10% which is a relatively high percentage for our profession.
- * Funds locked in Performance Bank Guarantees, securities, etc. further affecting Cash Flow.

* Lack of Government support for export of Indian Engineering and Consulting Services

* Competition faced by Indian firms in domestic projects due to unfair qualifying criteria, limiting participation and eligibility.

* The Council of Architecture's misconstrued reading of the Architects Act 1972 and pressurizing/influencing local bodies, PSU's, etc., to not permit Engineers to perform the so called 'Architectural' works.

* Legislation for Engineers so that it becomes a legally recognised profession.

* Registration of Engineers

* To address the problems being faced by the engineering consultancy fraternity, associations, including CEAI and the various National Chambers have sent representations to the authorities on these and related matters, such as:

- Rational EOI preparation
- Appropriate RFP qualification criteria and technical specifications
- Reasonable value of Bank Guarantees, Securities, FDs, etc.
- Limit on number of qualifying CVs
- Selection on Quality and Cost based criteria and not solely on least cost basis
- Penal measures against inappropriate claims in CV
- Union Budget 2020-21 – CEAI representation to Finance Minister

Efforts are also being made to replace Performance Bank Guarantee by Insurance Products, that require lower fund outlay. It is also proposed to include Non-Banking Financial Services (NBFC) to provide Guarantee.

WORLD ENGINEERING DAY : GOODBYE L1 -A ROUTE TO SUSTAINABLE ENGINEERING DEVELOPMENT

Considering the global awareness and understanding of the role of engineering in modern life, United Nations Educational Scientific and Cultural Organisation (UNESCO) has declared 4th March 2020 as World Engineering Day for Sustainable Development. As a part of World Engineering Day celebration, CEAI organised a seminar on “Goodbye L1 -A Route to Sustainable Engineering Development” on 4th March 2020 at India International Centre, New Delhi.

The Seminar was graced by Shri Nitin Gadkari, Honorable Minister for MoRTH & Shipping, and Dr. Rajiv Kumar, Vice Chairman, Niti Aayog. The delegates included officials from CVC, Department of Expenditure (MoF), large user organisations from Government (CPWD, MES, MoC&I, NHAI, Powergrid, RVNL) and the Private Sector (L&T, Tata Projects, Sterlite, Siemens, KEC International, Crompton Greaves, Bajaj Infra) and multiple Consultancy Firms.

During the Seminar, CEAI addressed the inadequacies in the current method of selection of consultants and contractors on the Least Cost Basis which results in substandard quality of construction and/ or time and cost overrun, innumerable legal cases as well as poor quality DPRs.

There was a general consensus on the need for a more equitable method of selection based on Lowest Workable Rates. In this regard, it was discussed that Niti Aayog would prepare recommendations emerging out of this Seminar, engage with the Department of Expenditure, Ministry of Finance and bring them to the Cabinet with a view to amend the General Financial Rules (GFR). It was also brought out by the Hon’ble Minister that we need to create public opinion in favour of this change for which we need to regularly write articles, arrange public debates and extensively use social media. Apart from this, Mr. Kapila, Past President CEAI and Mentor of this program elucidated in detail how good bye to L1 will not result in increase in overall Project cost.

CRITICAL GOVERNMENT SUPPORT TO ENGINEERING CONSULTANCY INDUSTRY AMIDST COVID19 PANDEMIC

CEAI sent an urgent note to Ministry of Commerce, as part of immediate reactions from the Engineering Consultancy sector to restrict the damages due to Lock Down arising from the unprecedented situation created by the Corona Virus attack.

CEAI request is reproduced below:

- 1) COVID-19 be declared as a Force Majeure event for all consultancy contracts under implementation or under service. (preparation of Feasibility Report and DPR, Detailed Engineering, Project Management, Authority Engineer etc.).
- 2) Automatic Extension of Time for running contracts on Expiry, during lock down period, and waiver for submission / Extension of Bank Guarantees as provided for in the contracts, during the emergency condition. Provision for payments need be made for deployment during extended period along with overheads.
- 3) Release of payments against Invoices submitted, as per valid payment clause, upto 80% of Invoice amount, prior to scrutiny of Invoice by department staff. Balance payment may be released after due process. This will enable Consultants to pay to their staff and to the support organisations that work for Consultants and employ large number of informal persons.
- 4) Engineering Consultants have not been used to the concept of 'Work from Home' like the IT professionals, who have been used to do the same. As such the Consultants have been caught unawares when the Lock Down has been announced. They are not able to access the Computer hardwares left behind in office and also not able to collect urgently needed data and papers, with strict Police control against movement. Every Consultancy organisation needs to be provided with special permits to allow them to go to office for collection of hardwares and softwares for effective working from home.



5) At present Consultancy Organisations are required to deposit Service Tax, which is 18% of Invoice amount, within weeks after submission of Invoice, ie, prior to receipt of payment. This puts them into extreme financial hardship. While representations have been made for redressal of this draconian provision of GST rules, the present situation dictates an immediate temporary deletion of this provision for advance tax payments by Consultancy service providers.

6) For redressal of immediate financial crisis, the Income Tax refunds for FY 2016-17 and 2017-18 may be released on top priority basis to the Engineering Consultancy fraternity, that work with very low capital base.

7) Special provisions have got to be planned to compensate for the very slow recovery process that will happen once the Lock Down is withdrawn. The industry is currently studying the expected impact and will come back with recommendations in this respect.

CEAI is awaiting response from the authority.

VIEW POINT

The March issue of View Point is ready for publication. However, due to the present Lockdown situation, it may take a few weeks to come out. The contents of the March issue are reproduced below for your advance information:

Editorial	
A P Mull	Message from Chief Editor
Girsh Mishra	Message from Guest Editor
UNESCO	Key Message of the World Engineering Day
UNESCO	Recognising the profession: World Engineering Day

	Articles	
	Author	Topic of Paper
1	K Jayaprakash & B L Madusudan	Integrated Building Management Systems – A Perspective For Future Buildings
2	Gurupawan (Garry) Singh	Response Hub - For India's Security & Safety Needs
3	Ronald V Gomeseria	Building Services in the Environmental Landscape
4	C. R. Indumathi, Sourav Das & Prajakta Kshirgar	Energy Efficient Design of Buildings and Building Utilities
5	Ajey Y Joshi	Services in Commercial Buildings
6	Pramod Dhir	Energy Engineering Synergising with Geothermal Heat Sinks to Optimise System and Operating Costs
7	V V Barve & Atul Dhayatkar	Sustainable Solution for HVAC System of an IT Park
8	TAK Mathews	Introduction to Elevator Design
9	Anamika Kadam	BIPV (Integrating Energy Harvesting Aesthetically)
10	B. Srinivasa Rajkumar & Anders Nielsen	Water Distribution in High Rise Buildings
11	Sanjay Jude	PRV Selection In High Rise - A Brief Walkthrough
12	Amarendran Kamak	Smart Water Metering for Residential Complexes and Gated Communities
13	Ajay Kumar Singh	Models for Water Sustainability
14	A K Sharma & Ankur Sharma	Rainwater Harvesting for Storm Water Management
15	D K Shami, Piyush Shami & Lovesh Shami	Identification Of Fire Hazards of Building Services
16	Dr. Rakesh Arya & Dheeraj Taneja	Compliances - Not A Guarantee of Fire Safety
17	C. R. Indumathi	Fire Protection Strategies – Creating an Optimum Balance Between Active and Passive Fire Protection
18	Jackson Jose	HIGH PRESSURE WATER MIST SYSTEM - Safe Protection for Museums, Archives & Libraries
19	Mainak Ghosal	Report-Conference on New & Emerging Technologies in Road Construction
		Regular Features & Advertisements

The themes for the next three issues of Viewpoint would be:

- (a) **New Materials & Systems for Buildings**
(June 2020)
- (b) **Stakeholder Management in Public Infrastructure Projects** (September 2020)
- (c) **Digital Engineering** (December 2020)

Considering the experience of CEAI members and various stakeholders in the subjects, CEAI would be happy to receive articles on the above themes. Authors could share their knowledge and experience by providing case studies of the works executed or in execution, first-hand accounts of the challenges faced, practical issues experienced and the solutions to those, etc. Photographs, charts, diagrams, drawings, etc. would benefit our readers for better appreciation of the issues encountered and addressed.

The articles for an issue need to reach CEAI at least 6 weeks prior to the end of the month of the View Point issue.

Articles need to be in Times New Roman 12 with single line spacing with before and after 6 pt and normal margin on A4 size. A recent clear and bright passport size photograph of the author is to be sent along with the article.

Advertisement in View Point

VIEW POINT is circulated to all CEAI Members, FIDIC, Ministries of the Government of India, Public & Private Sector Undertakings, Construction Firms, Contractors, Consultants, Foreign Missions and Funding Institutions in India and other organisations related to or dealing with the engineering profession.

Advertising in the VIEW POINT gives the advertiser wide exposure and visibility.

Support from CEAI members and stakeholders are sought in increasing the number of advertisements, such that View Point gain in its stature as an unique Technical Publication.

The rates for advertisements in VIEWPOINT are given below. This is excluding GST @ 5% or as prescribed, which will be extra:

Item	Rate Per issue* (Rs)	Discounted rate at 20% for 4 consecutive issues* (Rs)
Back Cover **	25,000/-	80,000/-
Inside Front Cover ***	15,000/-	48,000/-
Inside Back Cover	15,000/-	48,000/-
Full Page	10,000/-	32,000/-

**GST @ 5% or as prescribed will be added to the above rates.*

*** Back Cover booked till Sept 2020*

*** Inside Front Cover booked till June 2021*

FIDIC INTERNATIONAL INFRASTRUCTURE CONFERENCE 2020

With the current uncertainty and the pace of developments concerning COVID-19 the FIDIC International Infrastructure Conference scheduled to be held in September 2020 in Geneva has been postponed.