
Editorial

Florence Yean Yng Ling*

Department of Building,
National University of Singapore,
4 Architecture Drive, Singapore 117566,
E-mail: bdglyy@nus.edu.sg

Paul H.K. Ho

Division of Building and Technology,
City University of Hong Kong,
Tat Chee Avenue, Kowloon, Hong Kong
E-mail: bshkho@cityu.edu.hk

Biographical notes: Florence Yean Yng Ling is currently Vice Dean at the National University of Singapore (NUS) School of Design and Environment and tenured Associate Professor at the Department of Building, NUS. She was a Consultant Quantity Surveyor from 1987 to 1995 before turning to teaching and research activities at the NUS. She teaches modules relating to construction management and economics. Her research interests include international construction, project performance and relational transactions. She has received numerous teaching and research excellence awards.

Paul H.K. Ho is currently the Head of the Division of Building Science and Technology, City University of Hong Kong. Before joining the university, he has worked as a quantity surveyor and project manager for over ten years. He has actively contributed to the relevant professional institutions and the community. In particular, he was the Chairman (2005–2006) of the Quantity Surveying Division of the Hong Kong Institute of Surveyors. He is an active researcher and his current research interests include project/construction management, building economics and contractual matters.

The joint 7th International Cost Engineering Council World Congress and 14th Pacific Association of Quantity Surveyors Congress, organised by the Singapore Institute of Surveyors & Valuers was held in Singapore in July 2010. From some 40 papers which were presented, a small number were short-listed for consideration for publication in this special issue on 'Project cost and contract management'. The authors of these short-listed papers were invited to further develop their conference papers and add in at least 30% new materials. These papers were then subjected to double blind review. From these, nine articles were finally selected for this special issue.

Cost management and contract management are important aspects of project management. Processes in project cost management include cost estimating, cost budgeting and cost control. Adequate cost management ensures projects are completed within budget, which is one of the three big project outcomes (cost-time-quality). Contracts set out the rights, responsibilities and liabilities of the parties. Contract

management is important to ensure that there is good project control, enhanced effectiveness, and cost and time are not wasted in disputes.

Quantity surveying firms are generally tasked with cost and contract management duties. To achieve sustained growth and competitiveness, Frei et al. identified people as an important critical success factor (CSF) for quantity surveying firms. The people in these firms need to have job knowledge, job experience and task proficiency to provide service in a timely, accurate and reliable manner. The firms also need to have a diverse client base and regular clients who provide repeat business. For continued growth, quantity surveying firms need to be involved in newly identified or emerging markets, and seek expansion in existing markets. Also, along the lines of managing quantity surveying firms, Oosthuizen and Berry proposed that quantity surveying firms need to be matured. The maturity is to be supported by five management pillars: organisational project management; business management; quantity surveying principles; human relations management; and strategic management.

Ramabodu and Verster investigated the main factors that influence cost and schedule overrun of public sector mega projects. Change in scope of work during construction, incomplete design at the time of tender, contractual claims, lack of cost planning and monitoring of funds, and delays in costing variations are factors that cause cost and schedule overruns. To improve cost performance of projects, it is recommended that improvements be made in budgeting, cost planning and cost control systems. Client engagement and people management should also not be neglected.

Mills studied the cost drivers that impact on the choice of structural frames in commercial buildings to find the 'best cost performance' and 'best design practice' for structural frames in ten-storey buildings. The research was carried out by pricing a number of commonly used structural frame designs in five Australian cities. The results show the cost of producing the same building in different locations, using similar building techniques with unbiased comparison of national cost efficiency. This research found that post-tensioned in-situ concrete structural frames have the best cost performance for most buildings in Australia.

Abdou et al. developed a strategy to evaluate the proposed HealthCare Decision Support System (HCDSS). HCDSS assists decision-makers in examining different function programme alternatives and their associated budgets for public healthcare projects. The strategy for evaluation was implemented on three assessment levels: technical verification, performance validation, and subjective assessment/evaluation.

While it is generally accepted that total cost should include life cycle costs (LCC), problems exist in the assessment of LCC. Kimoto et al. proposed a method to establish LCC cost of educational institutions that include facility management considerations. The research found that LCC for educational institutions should include construction cost, operating and utility costs (which are relatively constant), preservation costs (relatively constant and similar from one institution to another), repair and renovation costs (irregular and varying), and demolition and waste disposal costs. As LCC is subject to risk and uncertainty, medium term planning and constant monitoring of plans are necessary.

Housing affordability is typically based on financing costs with other costs largely ignored. Confining affordability measures to financing costs does not give the purchaser a true indication of the total costs involved and does not satisfactorily account for the individual circumstances of the purchaser and the peculiarities of the subject property. Smith examined the problems associated with home ownership affordability

measurement and proposed a model to carry out an independent and comprehensive financial analysis of home ownership life cycle costs (which includes initial capital acquisition costs, financing costs and operational costs) and the affordability of these costs for each purchaser (such as his or her actual income).

Many methods are available to resolve construction disputes but not all of them are effective. Verster et al. investigated problems associated with dispute resolution, analysed alternative dispute resolution (ADR) processes and examined the preferences of professionals working with construction contract documentation in order to understand which processes and methods may be used to resolve construction disputes. Of the various types of ADR methods, mediation, negotiation and expert (agent) resolution stood out as the most preferred methods because parties have direct control and there is time- and cost-effectiveness. The effective management of communication is identified as a fundamental way of avoiding disputes.

Among the dispute resolution methods, Munaaim and Capper identified statutory adjudication as the one that may be helpful to all project stakeholders. The research proposes a dual system of adjudication combining both the UK and New South Wales' models. The features recommended to be incorporated in the adjudication system are: setting aside a reasonable duration to resolve a dispute; disallowing delay to the initiation of adjudication; and allowing only the nominating authority to appoint an adjudicator.