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climate control
MIDDLE EAST
KEY PERSPECTIVES ON THE REGION'S HVACR INDUSTRY



THE **CLIENT** **CONSULTANT** **CONTRACTOR** **CONFERENCE**

3rd edition

Securing the interests of multiple MEP stakeholders through strengthening the understanding on legal issues

30 SEPTEMBER 2019

FALCON BALLROOM,
LE MERIDIEN HOTEL & CONFERENCE CENTRE, DUBAI, UAE



POST-EVENT REPORT

CONVERGENCE OF VIEWS

The discussions during The Client, Consultant, Contractor Conference were less of a debate and more of a nodding of heads in assent, as consultants and contractors laid out homogeneous scenarios confronting them in the marketplace

The 3rd edition of The Client, Consultant, Contractor Conference, on September 30 in Dubai, saw a diversity of building industry stakeholders, government officials, including architects, MEP and general consultants, MEP and general contractors, end-users (clients) across multiple sectors, manufacturers, suppliers and FM firms participate or listen in on the discussions.

The conference largely focused on fostering a business-enabling environment for the specialised MEP community to facilitate their efforts in contributing to socio-economic and sustainable development goals and targets, as established by a multitude of government entities.

As expected, the most eagerly awaited discussions revolved around commercial challenges and legal redress of nagging issues relating to the selection of consultants and contractors for projects, payment delays and, broadly speaking, the drafting of contracts, in the context of an economic slowdown in many parts of the world. While the discussion on commercial aspects was meant to be a debate, the participants, largely speaking, concurred on the points raised.

Here, we bring you the conference in pictures...



WHAT SPEAKERS SAID AT THE CONFERENCE...



“You have got competing elements of wanting a really good design and really good buildout at the lowest cost. In America, we use a tremendous amount of cost contracts. This region uses lumpsum. With shrinking budgets and appetites that have not changed when you had bit budgets, the way things get completed here gives rise to all sorts of issues. The root cause is lumpsum”.

“It is a fundamental shift that has to happen in the region. We are seeing instances of LPTA – low price, technically acceptable. We don’t plan for costs, we plan for price. The model does not sustain itself. That’s where the problem is. The shift of risk goes to the employer in cost contracts. The shift of where the staffing has to be, comes from the contractor”.

- Timothy McLaren, Senior Commercial Contracts Engineer, Ramboll



“This is a real estate-driven economy. The number of projects you see starting and stopping – that is the trend. Last year, we saw a correction, and consultants are fighting for survival. District Cooling systems are running at 10-15%, just to feed the few in the buildings. The slowdown will bring equality”.

“We are repeating what we did in 2009. All the mistakes we made in 2006-2007, it came back and bit us in 2011-2012. And everyone said we should not repeat. This cycle, we are more educated not to repeat the mistakes, but there are many new engineers who are making those mistakes”.

- Kandasamy Anbalagan, Managing Partner, Proleed Engineering Consultants



“Lumpsum contracts were most dominant, but in the last 4-5 years, we have seen the design & build approach in 4-5 big projects”.

“Some clauses in FIDIC have been disabled according to the wish of the employer or the consultant. We are expected to transfer some of the risks from clients to the contractors by disabling some of the clauses”.

- Mansour Kharoub, Associate Principal - Mech Engineering Services, Khatib & Alami



“As a consultant, you try to bring new ideas and innovations, and many challenges are related to communication, to getting the right idea across to the contractor, and that is not easy to do”.

- Dr Zahid Rizvi, CEO & General Manager, Aspire Consulting



“We are busy, and we are doing a lot more for a lot less at the moment. The lowest cost wins, and that is a problem. Clients understand the cost of everything but not the value of it, so you have missed opportunities. Projects are being delayed, because contractors are being awarded for the lowest price”.

- Jeán van Loggerenberg, Partner, CKR Consulting Engineers



“As MEP contractors, we are the weakest part of the chain. We are selective in doing projects. We have to correctly do the budgeting. We have a situation of negative cashflow in the industry because of wrong acts from the client’s side or the main contractor’s side. Poorly drafted contracts are the reason. You will not get what you planned for, and so, that is why we are very selective in choosing projects”.

- Khaled Darhalli, Regional Director, EFECO

WHAT SPEAKERS SAID AT THE CONFERENCE...



“FIDIC template is being localised”

- Vasanth Kumar, General Manager, IFMC Electromechanical Works LLC



“I think the market is moving properly. As Allied, we have work, and we are working on tender documents and preparing for different clients, like Emaar. However, all the developers and investors are looking for lower prices. When you are preparing tender documents, you are giving specs of normal products. After submitting the tender, the issuer of the tender says, ‘No, guys, let’s go for savings.’ District Cooling infrastructure are assets that are supposed to live for 50 years, so it is important for clients to allocate budget for good quality”.



“In any project, you need a finance person. Unfortunately, contractors and sub-contractors become the financiers of the contract. There is nothing called a modified FIDIC. But, we are doing that here. More and more contractors are vacating the field. It is time for the industry to think, else we might lose talent. There is a drain that is taking place”.

“Government authorities should set a rule that unless a client has a certain volume of money, he should not be allowed to proceed”.

- Suresh Kumar, General Manager, Voltas

“Unfortunately, most of the contractors are not given a proper plan, and this is affecting the system. I need a full plan: How much manpower? How much money is the client spending, and how much money is the contractor requesting. Unfortunately, in the last 4-5 years, we are not seeing a proper cashflow. If the contractor is not calculating his budget properly, then everyone is affected. Earlier, he was working with 100 people, and now, he is working with 50 people. So, we have to plan corrective action from the employer’s side and from the contractor’s side in terms of budgeting. We are getting blamed by the employer that we are sharing wrong cashflow details”.

- Ayman Saad, Project Manager - Dubai Hills Estate - DCP1 & CHWN Projects, Allied Consultants Ltd



KEY TOPICS

- Challenges confronting clients in selecting the right consultancy firm in a softening economy: Are firms able to retain their specialised nature in the wake of layoffs, which could see the transfer of specialised MEP functions in the firm to general consultants
- ASHRAE's Owner's Guide for Buildings Served by District Cooling as a useful reference for building owners on selection of the design consultant and the installation and operation of cooling systems
- Hotel focus – Drees & Sommer study: With Dubai aiming to attract 20 million visitors in 2020 and overnight visitors to the Middle East exceeding 64 million in 2018, the opportunities to maximise profits have never been greater for the hotel industry. However, over 67% of new hotel openings delayed due to poor communication, contractor time pressures and delayed sub-contractor activities. Minimising the risk of budget overspend and delayed openings. Solutions in the forms of project stakeholder alignment, value procurement approach, technical building delivery, realistic opening date and asset performance strategy.
- The quantum of time being spent on pursuing payments and in courtrooms, and the impact on productivity and quality of products from energy efficiency, reliability and occupant comfort points of view.
- The perils of stakeholder engagement in a new-norm atmosphere of constantly shifting goal-posts?
- The proper, nuanced approach to drafting of contracts and establishing mutually acceptable payment schedules
- How best to navigate the way through tricky negotiation situations and persuade all parties concerned to adhere to a legal framework
- How expensive is it to seek legal advice and have overall legal support through all phases of the contractual period?
- What is the cost-benefit analysis on seeking legal services? Is the investment in legal services a security net that protects stakeholders from what would have been a situation of unforeseen disputes?
- Is arbitration an appealing option in sustaining and stabilising relationships with clients? Or, is it possible to sustain an amiable relationship even within a legal framework?
- It is being said that 90% of the time, people don't read legal contracts thoroughly or give them the attention they deserve to protect their interests. In that context, how to study a legal document, and what red-flags to look out for?

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Emaar District
Cooling



Hanan Ahmed
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& Maintenance
Services,
Al Baraha Hospital



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Senior Associate,
DLA Piper



K Anbalagan
Managing Partner,
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EFECO



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S.K.M Air Conditioning
LLC



Abdulrahman Hussein
PMO - Technical Control,
North 25-Project
Management of
MERAAS



Mansour Kharoub
Associate Principal
- Mech Engineering
Services,
Khatib & Alami



Martin A Kohler
Area Sales
Management & Marine
Applications,
Klingenburg GmbH



Suresh Kumar
General Manager,
Voltas

SPEAKERS



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IFMC Electromechanical
Works LLC



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Senior Counsel,
Al Tamimi & Company



Jeán van Loggerenberg
Partner,
CKR Consulting
Engineers



Timothy McLaren
Senior Commercial
Contracts Engineer,
Ramboll



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Founder & CEO,
3e Advisory
& 3e Apps



Andrea Pagan
Application Manager,
CAREL Industries



**Prabhu
Ramachandran**
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Facilio



Dr Zahid Rizvi
CEO & General
Manager,
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Ayman Saad
Project Manager -
Dubai Hills Estate
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Dharmesh Sawant
Sales Director, Qingdao Hisense
Hitachi Air-conditioning
Marketing Co., Ltd.



Filippo Sona
Managing Director-
Global Hospitality,
Drees and Sommer

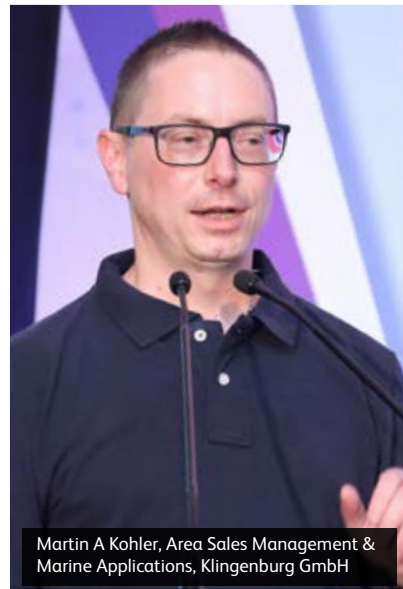


Manish Tamhane
Technical Manager,
Serck Services Gulf
Ltd Co



Daniel Xu
Partner,
King & Wood
Mallesons MENA

SPEAKER PRESENTATIONS



“Good conference with excellent presentations from the relevant industry groups”

- Paul Groves, Business Development Manager, Khansaheb Industries, speaking during the 3rd edition of The Client Consultant Contractor Conference, on September 30, 2019, in Dubai, UAE

PLENARY DISCUSSION



Conference Chair: Sougata Nandi, Founder & CEO, 3e Advisory & 3e Apps



L-R: Abdulrahman Hussein, PMO - Technical Control, North 25-Project Management of MERAAS; Prabhu Ramachandran, CEO; Paul Groves, Business Development Manager, Khansaheb Industries LLC; Gurjit Bhui, Engineering Manager, Grand Hyatt Dubai and Hanan Ahmed, Head of Engineering & Maintenance Services, Al Baraha Hospital



“Thank you for all your efforts that make this conference very useful and interesting”

- Dr Imad Ismael, Transportation Manager, Dar Al-Handasah

PANEL DISCUSSION



L-R: Ayman Saad, Project Manager - Dubai Hills Estate - DCP1 & CHWN Projects, Allied Consultants Ltd; Jeán van Loggerenberg, Partner, CKR Consulting Engineers; Mansour Kharoub, Associate Principal - Mech Engineering Services, Khatib & Alami; Timothy McLaren, Senior Commercial Contracts Engineer, Ramboll; Vasanth Kumar, General Manager, IFMC Electromechanical Works LLC; Suresh Kumar, General Manager, Voltas; Khaled Derhalli, Regional Director, EFECO; K Anbalagan, Managing Partner, Proleed Engineering Consultants and Dr Zahid Rizvi, CEO & General Manager, Aspire Consulting



“The only organization that talks about the insights of the MEP business in full transparency and for constructive purpose”

- Khaled Darhalli, Regional Director, EFECO, speaking during the 3rd edition of The Client Consultant Contractor Conference, on September 30, 2019, in Dubai, UAE



PANEL DISCUSSION



“Excellent forum to collaborate with MEP industry peers and catch up on trends and practices”

- Raj Dilip, Project Manager, IL&FS

PANEL DISCUSSION



Moderator, Legal Panel: Daniel Xu, Partner, King & Wood Mallesons MENA



L-R: Euan Lloyd, Senior Counsel, Al Tamimi & Company; Rachel Ewin, Director, Contract Services Turner & Townsend International Ltd. and Peter Anagnostou, Senior Associate, DLA Piper



“Congratulations on a great and successful event. I thought it was very well organised and well attended”

- Daniel Xu, Partner, King & Wood Mallesons MENA, speaking during the 3rd edition of The Client Consultant Contractor Conference, on September 30, 2019, in Dubai, UAE

REBUTTALS BY MANUFACTURERS & SUPPLIERS



L-R: Dani Elamana, Technical Director, Camfil Middle East FZCO; Matteo Zanesco, Managing Director, Carel Middle East; Mohamed Mazen Gamay, Consultant Sales Manager, Samsung Gulf Electronics; Dharmesh Sawant, Sales Director, Qingdao Hisense Hitachi Air-conditioning Marketing Co., Ltd. and Manish Tamhane, Technical Manager, Serck Services Gulf Ltd Co



“We are proud to be part of the region’s leading conference, The Client Consultant Contractor Conference organized by CPI Industry and spreading important message “Clean Air - Human Right?””

- Dani Elamana, Technical Director, Camfil Middle East FZCO, speaking during the 3rd edition of The Client Consultant Contractor Conference, on September 30, 2019, in Dubai, UAE

AUDIENCE Q&A



“A great event with many manufacturers and suppliers from the GCC”

- Peter Robertson, Global Sales Director, OAIRO LIMITED

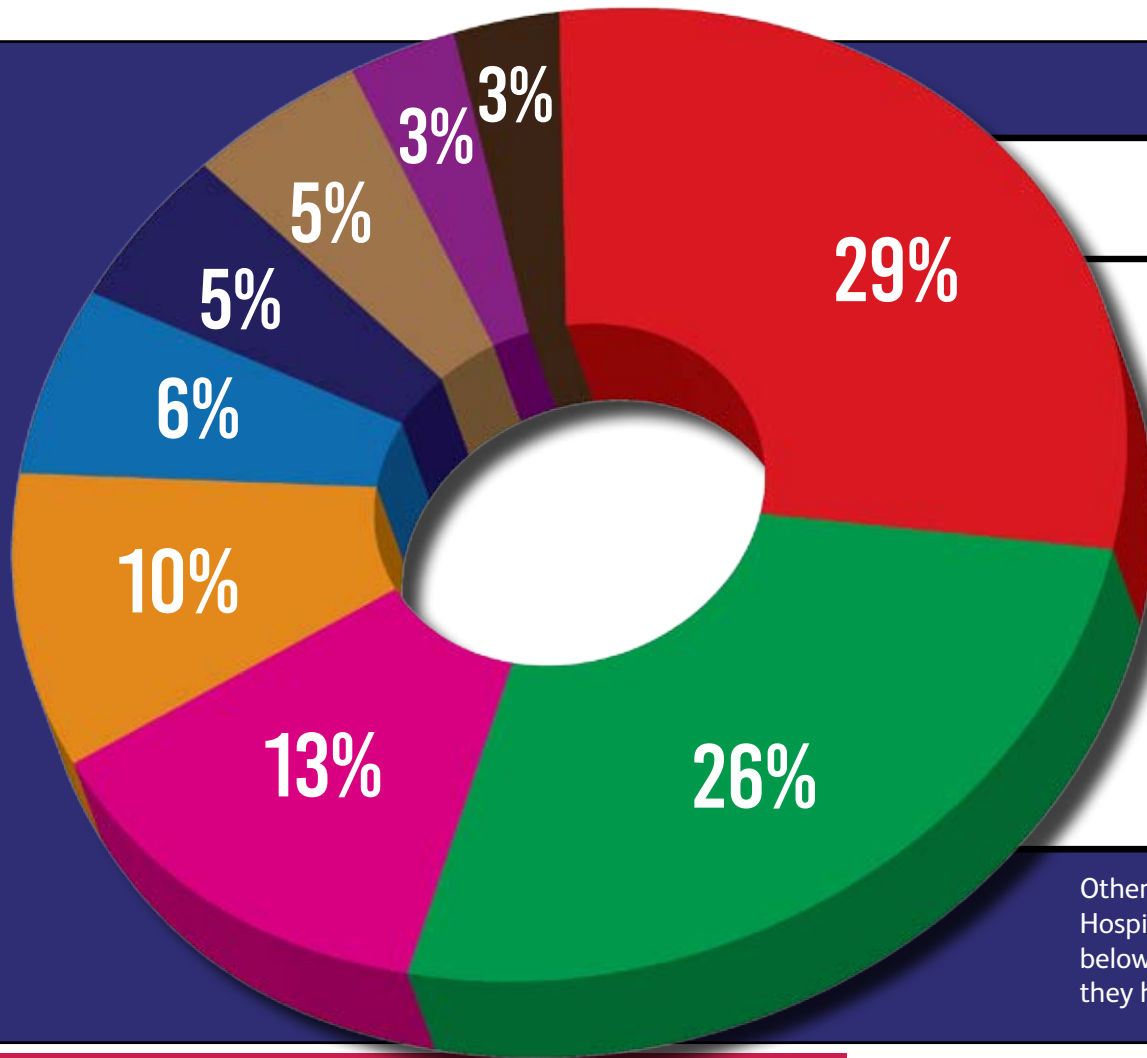
“A great opportunity to meet stakeholders and listen to their concerns and learn from their experiences”

- Ibrahim Al Anani, Senior Manager, Samsung Electronics

DURING THE NETWORKING SESSION



DELEGATE PROFILE



SECTORS

LEGEND	%
■ Consultants	29%
■ Contractors	26%
■ Manufacturers	13%
■ Others	10%
■ Government	6%
■ Developers	5%
■ Suppliers	5%
■ Healthcare	3%
■ Associations	3%

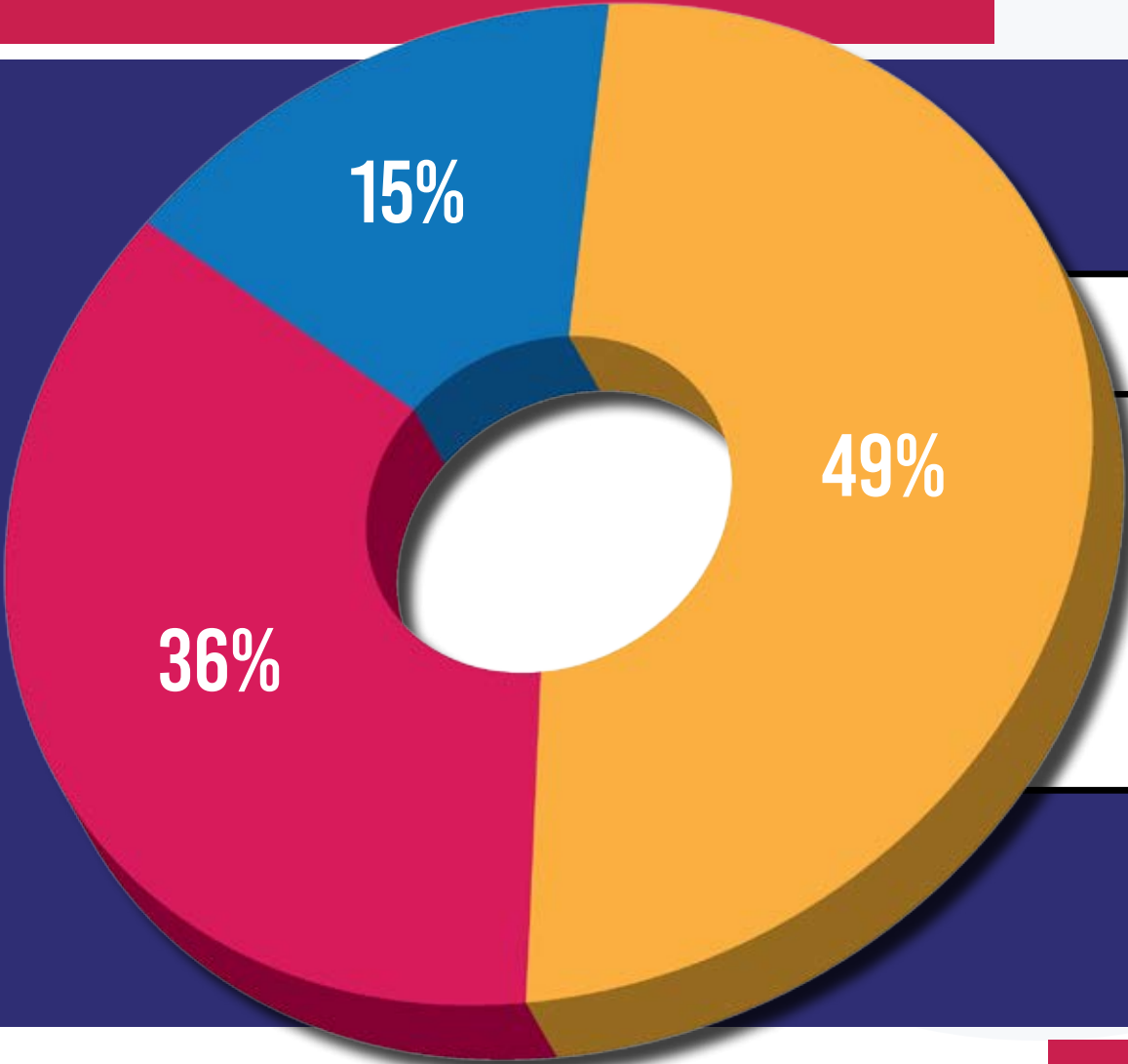
Others include Aviation, District Cooling Utility Provider, Education, Hospitality, Law Firm, Retail, Solution Provider. All these sectors have below 5 guests each, which makes the pie chart figures tiny. Therefore they have been included under "others"




MARQUEE DELEGATES

- ACCUTROL
- ADC CONSULTANTS
- ADC ENERGY SYSTEMS
- ADNAN SAFFARINI CONSULTANTS
- ADVANCE BUILDING CONSTRUCTION
- AECOM
- AL AJMI ENGINEERING CONSULTANTS
- AL ARIF DECOR
- AL FAIZAN ELECTRICAL INSTALLATION LLC
- AL HADARA CONSULTING ENGINEERING
- AL QARIAH AL THAHBIAH AC UNITS FIX
- AL TAMIMI
- AL YOUSUF ENGINEERING
- AL ZAROONI ELECTRO MECHANICAL L.L.C
- ALDAR PROPERTIES PJSC
- AL-FUTTAIM ENGINEERING
- ALIGN ELECTROMECHANICAL WORK LLC
- ALLIED CONSULTANTS LTD
- AMCA INTERNATIONAL
- ANDALUS TRADING CO., KUWAIT
- APEX INTERNATIONAL ENGINEERING CONSULTANTS
- ARCADIS INTERNATIONAL LIMITED
- ASHRAE
- **ASPIRE CONSULTING**
- ASU
- AURAK
- BARAHA HOSPITAL
- BASE VASTU AND ENGG SERVICES FZE
- BEST INVESTMENT GROUP
- BILFINGER TEBODIN MIDDLE EAST
- BOND INTERIORS
- BRY AIR
- CAMFIL MIDDLE EAST FZCO
- CAREERSBAY
- CAREL INDUSTRIES
- CHINA STATE CONSTRUCTION ENGINEERING CORPORATION (MIDDLE EAST) LLC – MEP DIVISION
- CKR CONSULTANTS
- CONSULTAIR
- CROWN HOME CONSULTANT
- CSI COMMISSIONING SERVICES INTERNATIONAL
- DAR AL HANDASAH
- DC PRO ENGINEERING
- DESICCANT ROTORS INTERNARTIONAL
- DHA
- DLA PIPER MIDDLE EAST
- DREES AND SOMMER
- DRIVER TRETT
- DUBAI CHAMBER
- DUBAI ENGINEERING CO. LLC
- DUBAI MUNICIPALITY
- DULSCO
- EFECO
- EMAAR DISTRICT COOLING LLC
- EMARAT ALOULA GROUP
- EMCC CO. LLC
- EMIRATES DISTRICT COOLING (EMICOOL) L.L.C
- ENVIDA
- EROS GROUP
- EUROVENT MIDDLE EAST
- FACILIO
- FOUR POINTS BY SHERATON SHEIKH ZAYED ROAD
- FUJAIRAH MUNICIPALITY
- GECCO
- GETCO - GREEN EARTH TECHNOLOGY CO.
- GRAND HYATT
- HISENSE
- IFMC ELECTROMECHANICAL WORKS LLC
- INDEX HEALTHCARE MANAGEMENT
- INNOVATIVE WATER & ENERGY TECHNOLOGY
- ITNL INFRASTRUCTURE DEVELOPER
- KHANSAHEB INDUSTRIES LLC
- KHARAFI NATIONAL
- KHATIB & ALAMI
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- MAJID AL FUTTAIM
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- MERAAS HOLDING
- MZOUN MECHANICAL SERVICES LLC
- NAKHEEL
- PIONEER ENGINEERING CONSULTANTS
- PRO ACE LLC
- QCC
- QUANTUM ESCO
- RAAGAN TECHNICAL SERVICES
- RAMBOLL
- RELIANCE CONTRACTING
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- SALIMUS CONSULTANCY DMCC
- SAMSUNG
- SERCK SERVICES GULF LTD CO
- SEWA
- SKM
- SQUARE GENERAL CONTRACTING COMPANY
- STEP STONE TECHNICAL SERVICES
- TAHPI
- TURNER & TOWNSEND
- UAS (UNITED AVIATION SERVICES)
- VINCITORE REAL ESTATE DEVELOPMENT LLC
- VOLTAS
- WSP CONSULTANTS
- ZUBLIN / STRABAG

OVER **178+** ATTENDEES

ATTENDEE JOB TITLE ANALYSIS



LEGEND	%
 Junior Management	49 %
 C-Level	36 %
 Middle Management	15 %

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KEY PERSPECTIVES ON THE REGION'S HVACR INDUSTRY



THE **CLIENT** **CONSULTANT** **CONTRACTOR** **CONFERENCE**

4th edition

WE LOOK FORWARD TO WELCOMING YOU AGAIN

Thank You!

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