

Reaching the next level

11 January 2017

In the second of a series of articles providing guidance to APC candidates, Ian Frankton looks at the Design economics and cost planning competency

One important task for a quantity surveyor is to establish a project budget. It is crucial that this is calculated with considerable care, as the more accurate the budget, the more successful the project will be. Design economics and cost planning is therefore one of the primary competencies of the Quantity surveying and construction pathway, and one in which you must demonstrate that you have achieved Level 3.

This means that your written submissions and questioning at final interview must demonstrate your ability to give reasoned advice, along with a depth of knowledge specific to your experience and the requirements of the competency itself.

Seminars, a degree and structured reading should provide you with the basic knowledge for Level 1. Work activities should then give you sufficient experience to demonstrate Level 2 and, critically, show you have provided advice to meet Level 3.

I often see candidates who remain at Level 2 because they cannot highlight at Level 3 what specific advice they have given and why. When candidates prepare written submissions, particularly their experience records, many just state what they know about Design economics and cost planning. However, the purpose of your written submissions is to sell yourself to the assessment panel, by telling them what you have done or achieved (Level 2) and then what advice you gave and why (Level 3). The following is an example of what you might write.

'I produced a detailed cost plan in accordance with the NRM 1 for a proposed primary school in Warwickshire (Level 2), which was 5% above the client's maximum expenditure. I advised that I should consider the design in detail by reviewing various building ratios ? such as floor-to-wall ratios ? and storey heights, to see whether these were higher than expected compared to a ?normal? school design model.

'I therefore looked at the proposed specification and advised that a full-value engineering exercise should be undertaken to identify elements of the design/specification where costs could be reduced without affecting the building's functionality. I then reported these to the client and design team and advised them of the items that could be reviewed to allow the client to progress the project within their budget constraints (Level 3).'

This approach must also be remembered at your interview. Assessors will signal as much as possible the competency and level of answer they are seeking, so listen carefully. They will be specific in their questioning and will use questions such as

'How would you perform a value engineering exercise?'

The key phrase is 'How would you perform??', which indicates they are looking for a Level 2 response, detailing how you would prepare this report. However, if your assessor says

'Tell me about a situation when you gave a client advice on reducing project costs,'

this indicates they want you to confirm what advice you gave on value engineering and details of when, what and why you gave that advice; that is, a Level 3 response.

You must have a good understanding of all aspects of design economics and cost planning and the assessors will use your written submissions to identify your experience. However, you should be aware how this relates to more general issues surrounding design economics and cost planning, and what effects these may have when formulating your opinions and giving advice to your clients. You should be prepared for questions in the following areas.

- What is the difference between a cost estimate and a cost plan? How does NRM 1 influence how these are prepared?
- What effect do site density, storey heights and so on have on construction costs?
- What sources of cost data do you use and why?
- How do you advise on site abnormalities?
- How do you benchmark data?
- How do you update data and ensure it remains correct?
- How do you advise handling inflation in your cost estimates?
- What advice would you give when revising specifications, consider capital costs, lifecycle costs and so on?
- What value management and value engineering techniques do you use?
- How do you manage risk on a project?
- What is the general state of the economy? What are local and global market forces? What effect will changes in interest rates have on your cost advice?

This list is not exhaustive, but it does give a flavour of the types of question you should expect during your interview.

Ian Frankton is the Managing Director of [Frankton Hill Ltd](#) , an APC coach and assessor

Further information

- The Black Book can be found at www.rics.org/blackbook
- RICS training courses can be found at www.rics.org/training
- Related competencies include [Design economics and cost planning](#)

- This feature is taken from the RICS *Construction journal* (November/December 2016)