



Heathrow Terminal 5 is the first project to implement the M&E Major Projects Agreement. Michael Latham explains how it can benefit others in the industry.

## A major step

The announcement that the Major Projects Agreement (MPA) is to be implemented on Terminal 5 at Heathrow Airport is a dramatic signpost in the way forward for large schemes with a massive electrical, mechanical and plumbing content. Terminal 5 was the first scheme to be agreed by the client and industry. Wise clients responsible for similar projects will wish to follow suit, in the interests of best practice and performance on site.

Creating the MPA was neither speedy nor painless. The work began several years ago following discussions by the Joint Major Contractors Group (JMCG) of the ECA and HVCA. There were some varied agendas in the debate.

Most JMCG members wanted a combined mechanical and electrical agreement on wages and conditions to cover the

Other JMCG members were worried about creating a large projects agreement, as they feared it would siphon off skilled operatives from nearby schemes. These concerns were very understandable, and strongly expressed. The response was that such financial pressures would continue whether there was a MPA or not. The 'word on the street' would soon buzz as to which were the best paid jobs.

After lengthy debate, and the growing pressure for action on vast schemes like Terminal 5, the MPA was finally ratified between the ECA, HVCA, Select and Amicus (both the AEEU and MSF sections) in February 2003.

One of the first requirements was to set up the MPA Forum, which is the key organisation driving forward the agreement. Its role is to designate projects,

One of the Forum's first steps was to appoint co-ordinators to lead in establishing and, where appropriate, seeking to deliver the wishes of the parties.

George Ashcroft holds that position for the employers and Paul Corby for the trade union.

The Forum met for the first time last July. It has had two informal meetings to review progress since then and a formal one last December, at which it ratified the Terminal 5 SPA.

### What will the MPA do?

The MPA will:

- provide a robust modern industrial relations framework for major projects;
- improve performance and productivity of the mechanical, electrical and plumbing disciplines;
- reward the higher productivity achieved by employees;
- support the completion of each project to time and budget;
- introduce integrated team working and joint planning.

The role of the client is particularly crucial. On its shoulders rests the initial decision on whether or not to adopt the MPA. The Forum has no powers to impose the MPA.

Since the Forum was set up, a series of meetings and contacts have been held and planned with appropriate clients who are contemplating large projects, to explain the value of adopting the MPA on their schemes.

There have been very useful discussions, but the Forum took a deliberate decision to leave any big push with prospective clients until the first MPA had been approved. The pace will now quicken in 2004.

Sir Michael Latham is chair of the Joint Industry Board and the ECA/HVCA Joint Major Contractors Group.

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whole industry, not just major projects. A good deal of work was done by the Associations in that regard and, although that wider goal is not being as actively pursued at present, it has not been abandoned. The JMCG is waiting to see how the MPA progresses before encouraging further steps for a combined agreement.

The largest JMCG members preferred to concentrate on preparing a major sites agreement. This is the work most relevant to them and they wished to avoid the industrial relations and cost problems experienced on certain large sites in the period 1999-2002.

regulate, supply and interpret the provisions of the Agreement and, crucially, to approve individual Supplementary Projects Agreements (SPAs), which will determine the workings of the Agreement on individual sites.

The Forum has 21 members drawn from each of the four trade associations (including the Association of Plumbing and Heating Contractors, which joined last June), the JMCG and Amicus. It proceeds by consensus. There is an independent chair and Steve Brawley, employee relations advisor with the ECA, is the hard-working secretary.