

This time it's terminal



How is the M&E Major Projects Agreement progressing and is it working at Heathrow Terminal 5? Steve Brawley reports.

5 under its terms. The Terminal 5 group included BAA industrial relations manager Sylvia Cashman and representatives of Amec, Crown House Engineering, Balfour Kilpatrick and Hotchkiss Ductwork, who were first tier suppliers to BAA.

The negotiation of the MPA between the Associations and Amicus, completed in February 2003, was followed by further work on the Supplementary

Project Agreement (SPA) for Terminal 5 and the completion in November 2003 of negotiations with Amicus, led by regional officer Frank Westerman.

While the development of the SPA appeared to take a considerable time, the parties made use of this opportunity to work through issues and take a new approach where they wished to do so. Examples of new thinking in the SPA include:

- the introduction of integrated team working, which provides for employees within the electrical, heating, ventilation and plumbing disciplines to work together effectively in multidisciplinary teams;
- the application of the Major Project Performance Payment (MPPP) – an approach to measuring and rewarding performance and productivity. The SPA sets out how the MPPP will work in practice so that employees and employers have ground rules for a new approach to rewarding performance. The benchmark for entitlement to the payment (which is £3 per

hour for craftspeople at Terminal 5, as a project within the M25, and £2.20 nationally) is based on achieving and improving on performance against industry-standard norms;

- the pattern of working hours and arrangements for breaks are defined in the SPA. On such a large project there is a spread of starting and finishing times and the planning consents restrict work outside specified hours and prohibit work on Sundays;
- the maximum utilisation of working hours by effective planning, logistics and resourcing. Employees change into their working clothes before clocking in and clock out at the end of the day before changing clothes again. This is sometimes described as 'bell-to-bell' working.
- processes are in place to deliver the objective of high standards of health and safety, including pre-employment health screening, the use of ppe, safety awareness training and a comprehensive drugs and alcohol policy.

The SPA also covers the arrangements for two designated representatives appointed by Amicus to support the MPA and SPA and work with the shop stewards to deliver good industrial relations across the project.

The agreement of the SPA was followed by the setting up of the Terminal 5 Joint Council, which is responsible for the delivery of the MPA and SPA at Terminal 5. The Joint Council operates by consensus and works as a partnership, with the success of the MPA and SPA on the Terminal 5 programme as its key objective. A joint communiqué is issued after each Joint Council meeting and displayed on notice boards across the site to ensure that all employees are aware of key decisions.

The Joint Council takes an overview of progress and issues across the project and provides a strategic framework for the

Significant progress has now been made on BAA's Heathrow Terminal 5 programme, where the Major Projects Agreement (MPA) has been in place since December 2003, and in discussions with public and private sector clients on the MPA's potential application elsewhere.

At Terminal 5, the MPA was formally implemented on 8 December 2003 at the request of BAA. This marked the culmination of work since October 2001, when BAA indicated that it would be interested in a construction agreement for Terminal 5 that encompassed the whole building services sector. At that time such an agreement did not exist, but work had previously reached an advanced stage on an electrical agreement for major projects. This provided a starting point for the parties to the eventual MPA.

As development work on the MPA began within the ECA, HVCA and Select early in 2002, a separate working group was created to develop a project agreement for Terminal

application of the MPA and SPA. It also provides regular reports to the Major Projects Agreement Forum, which has overall responsibility for the MPA.

The number of employees currently covered by the MPA and SPA is about 250; this is expected to increase to over 1000 in 2005. One of the early objectives of the Joint Council was to ensure that all existing suppliers were covered by the MPA and SPA, including relatively small companies.

Key achievements since the inauguration of the Joint Council include:

- agreement on the application of integrated team working, which is one of the most significant aspects of the MPA;
- the introduction of a streamlined induction system, including an industrial relations module;
- the appointment of an independent auditor who provides a monthly report to the Joint Council on all contractors, ensures compliance with the terms of the MPA and SPA and provides advice and guidance to incoming contractors who are unfamiliar with the arrangements on Terminal 5;
- agreement on shop steward and safety representative constituencies for Amicus across the project and the introduction of surgeries by shop stewards to meet members with an issue they wish to raise;
- the introduction of a register of issues that are raised and how they were resolved, as a reference point for the parties if similar issues occur in future;
- support for current apprentice and adult training initiatives and the development of new initiatives to supplement these further;
- the introduction of a pilot supervisor training programme, which includes a module on the MPA and SPA;
- the agreement of standard mileages for daily and periodic leave payments.

The work undertaken to date to establish good working relationships and practical procedures will bear fruit as the number of employees increases over the coming months. Andrew Wolstenholme, BAA

Terminal 5 project director, takes a very close interest in the successful application of MPA and SPA on the programme. He comments: "We fully recognise all the hard work that has gone into the successful establishment of the infrastructure and the processes that will support the MPA and the SPA on Terminal 5. These will provide good foundations for the future.

"Nevertheless, major construction projects such as T5 can only be delivered to time, cost, quality and safely if high and sustained levels of productive working can be achieved. The MPA and SPA are the enablers to this and we still have some way to go to fully demonstrate that this can be done. We remain confident that by working closely with our suppliers and industry bodies we can make this happen."

The future of the MPA

As a new agreement the MPA has attracted interest from all the stakeholders within the building services industry. The MPA Forum has initiated a series of discussions with representatives of government, public and private sector clients and main contractors to introduce the MPA and explain the benefits it offers to major projects. These began in January. Valuable contacts have been established and the potential for the MPA to support the delivery of best practice and value is now clear.

Discussions took place in February with Paul Boateng, chief secretary to the Treasury, who has commissioned a study of the MPA and the benefits it can provide to public sector projects. The report is due to be completed by the start of October and is expected to be followed up by a seminar with spending departments in late 2004.

The Forum took the view from an early stage that it would look to the future when promoting the MPA and existing projects would be likely to continue under their present arrangements. The importance of securing a full understanding of the Agreement by clients and main contractors



before any commitment to its introduction on a specific project has been a key principle for the Forum. The benefits of the MPA can only be realised through informed decisions and a full understanding and commitment. The Forum has adopted the principle that it is preferable to take a longer term view than attempt to introduce the MPA on projects without adequate preparation and commitment.

Much attention within the industry is currently focused on the implementation of the MPA at Terminal 5 and the evaluation of its success as the project proceeds.

Measures are now being taken to ensure that this evaluation process is in place, so that an objective record of performance will be available in the areas of industrial relations and performance and productivity, in comparison to industry norms.

Steve Brawley is secretary of the Major Projects Agreement Forum and of the Terminal 5 Joint Council. Further information on the MPA is available on its web site at www.mpaforum.org.uk.



Above: M&E employee numbers on the Terminal 5 project are expected to rise to over 1000 in 2005.

Left: BAA has a commitment to high standards of health and safety and facilities and appropriately trained staff are provided on the Terminal 5 site.