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ENGINEERS (REGISTRATION, ETC.) ACT, CAP. E11 2004
COUNCIL FOR THE REGULATION OF ENGINEERING
IN NIGERIA

COREN REGULATIONS FOR COST ENGINEERING



ARRANGEMENT OF REGULATIONS

Regulation :

1. COREN Act.

FEDERAL LEGISLATION ON ENGINEERING VALUATION

2. The Industrial Inspectorate Decree.
3. CAM Decree No. 46 of 1991.
4. Cost Engineering.
5. Diverse functions of Cost Engineers.
6. Diverse Works of Cost Engineers.
7. COREN Registered/Accredited Cost Engineers.
8. Conflict of Interest.
9. Professional Conduct.
10. Unlawful Interference.
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12. Professional Charges.
13. Abbreviations and Acronyms.
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S. I. No. 33 of 2018

**ENGINEERS (REGISTRATION, ETC.) ACT, CAP. E11 2004
COUNCIL FOR THE REGULATION OF ENGINEERING
IN NIGERIA**

COREN REGULATIONS FOR COST ENGINEERING

[30th Day of July, 2018]

Commence-
ment.

In accordance with COREN Act, Cap E11, 2004, Engineering Practice includes: any professional service or creative work requiring the application of special knowledge of Mathematics, Physics and Engineering in the form of, Consultation, Invention, Discovery, Valuation, Research and Teaching in recognized engineering Institutions, Planning, Operation, Maintenance, Supervision of Construction, Advising, Installation, Operating, Investigation, Evaluating, Measuring, Designing, Specifying, Procurement, Laying and Directing, Constructing, Commissioning, Inspecting or Testing in connection with any public or private utilities, Structures, Building, Machines, Equipment, Processes, Works or Projects.

FEDERAL LEGISLATION ON ENGINEERING VALUATION

2. The main Federal Legislation that deals substantively with Engineering Valuation is the INDUSTRIAL INSPECTORATE DECREE No. 53 of 1970 now INDUSTRIAL INSPECTORATE ACT CAP 18 LFN 2004. The Act establishes the Industrial Inspectorate Department of the Federal Ministry of Commerce and Industry. Companies and Allied Matters (Amendment) Decree No. 46 of 1991.

The
Industrial
Inspectorate
Decree.

3.—(1) Following a petition by the Nigerian Society of Engineers in March 1989, on the Report of the Consultative Assembly on the Reform of Companies Law, Sec. 137 of CAM Decree No 1 of 1990 was amended by CAM (Amendment) Decree No 46 of 1991. This made for the inclusion of Engineers in the definition of valuer in Sec. 137 of CAM Decree No 46 of 1991.

CAM
Decree No.
46 of 1991.

(2) The Council has approved the Principles and Professional Standards of Appraisers/Valuation Cost Engineering and Engineering Economy Practice of the Institute of Appraisers and Cost Engineers (IA&CE) a division of the Nigerian Society of Engineers and Member International Cost Engineering Council (ICEC).

4.—(1) Cost Engineering is the area of engineering practice where professional engineering judgement and experience are utilized in the application of scientific application of scientific principles and techniques to problems of cost estimating, cost control, business planning and management science, profitability analysis, project management, planning and scheduling.

Cost
Engineering.

(2) The Cost engineer is a qualified professional dedicated to total cost management over the life cycle of a project, facility or manufacturing operation.

Diverse functions of Cost Engineering.

5. The Key functions of Cost Engineering (CE) as defined by the International Cost Engineering Council (ICEC) are as shown thus :

(a) To provide independent, objective, accurate and reliable capital and operating cost assessments usable for investment funding and Project control ; and

(b) To analyze investment and development for the guidance of owners, financiers and contractors.

1. Estimates of capital or assets costs including development costs ;
2. Estimates of operating and manufacturing costs through an asset's life cycle ;
3. Risk assessment and analysis ;
4. Trending of scope and cost changes ;
5. Decision analysis ;
6. Financial analysis (e.g. net present value, rate of rate of return etc.) ;
7. Project cost Control ;
8. Appraisals of existing assets ;
9. Project analyses, databases, and benchmarking ;
10. Planning and Scheduling ;
11. Sitting studies etc. ;
12. Productive and investment needs assessment ;
13. Facility management needs assessment ;
14. Project feasibility and budget assessment ;
15. Cost management ;
16. Procurement management ;
17. Contract administration ;
18. Whole-life appraisals ;
19. Quality audits ;
20. Value management ; and
21. Dispute resolution.

Diverse Works of Cost Engineers.

6. The diverse works of Cost Engineers.

1. Cost Estimating ;
2. Cost Control ;
3. Cost Planning ;
4. Conceptual Studies ;
5. Value Engineering ;
6. Constructability Studies ;
7. Project Cash Flow Projection ;
8. Independent Check Estimates ;
9. Liquidated Damages Assessment ;

10. Project Cost Variation ;
11. Project Cost Fluctuation ;
12. Negotiation Support ;
13. Review of Contract time extension request ;
14. Claims Management/Avoidance ;
15. Construction Management ;
16. Project Management ;
17. Customs Destination Inspection ;
18. Insurance Assessors/Loss Adjusters ;
19. Project Scheduling ;
20. Risk Analysis/Management ;
21. Life Cycle Cost Analysis ;
22. Value Analysis/Management ;
23. Planning/Budget Estimates ;
24. Profitability Analysis of Engineering Project and Process ;

7. COREN Registered/Accredited Cost Engineers (ACostE) of the Institute of Appraisers and Cost Engineers a division of the Nigerian Society of Engineers with COREN/IA&CE seals has the engineering education, training and professional experience for this professional engineering function.

COREN
Registered/
Accredited
Cost
Engineers.

8.—(1) A Registered/Accredited Cost Engineer (ACostE) shall not be involved in any activity, which causes improper behavior or conflict of interest between a Registered/Accredited Cost Engineer, between himself and other Registered/Accredited Cost Engineer.

Conflict of
Interest.

(2) Every Registered/Accredited Cost Engineer (ACostE), shall disclose the relevant facts to his client when acting for a client whose interests conflicts or may conflict with his own ; and

(3) Ensure that neither him, personally, nor any firm or company carrying on practice as Accredited Cost Engineer (ACostE) which he is a partner or director acts for two or more parties with conflicting interests without disclosing relevant facts to the parties.

9.—(1) Without prejudice, Registered/Accredited Cost Engineer, (ACostE) shall not conduct himself in a manner which in the opinion of the Council may prejudice his professional status or the reputation of the Institution.

Professional
Conduct.

(2) A Registered/Accredited Cost Engineer, (ACostE) shall not engage in any occupation or business which in the opinion of the Council is incompatible with the professional status of an Accredited, Cost Engineer.

10. A Registered/Accredited Cost Engineer, (ACostE) shall not directly or indirectly interfere with the professional employment of another registered/ accredited Cost Engineer, on the same professional matter of which he has prior notice without clearance from the original Registered /Accredited Cost Engineer.

Unlawful
Interference.

Cost
Engineering
report.

11. A Registered /Accredited Cost Engineer, (ACostE) shall not issue a valuation report under his registered number unless such valuation—

- (a) follows the prescribed standard set out by the board ; and
- (b) bears the stamp and seal issued by IA&CE and Council.

Professional
Charges.

12. A Registered /Accredited Cost Engineer, (ACostE) shall charge fees in accordance with the current approved scale of professional charges— see COREN Engineering Consultancy and project Management Services agreement charges and conditions of engagement (ECOPACCE).

Abbreviations
and
Acronyms.

13. Abbreviations and Acronyms—

Council : Council for the Regulation of Engineering in Nigeria ;

IA&CE : Institute of Appraisers and Cost Engineers - A division of Nigeria Society of Engineers (NSE) and Member International Cost Engineering Council (ICEC) ;

NSE : Nigerian Society of Engineers ;

CE : Cost Engineer ;

IA&C : International Cost Engineering Council (ICEC)-World Wide ;

ACostE : Accredited Cost Engineer ;

ECOPACCE : Engineering Consultancy and Project Management Services Agreement Charges and Conditions of Engagement.

Citation.

14. This Regulation may be cited as the Regulation for Cost Engineering.

MADE at Abuja this 30th day of July, 2018.

BABATUNDE RAJI FASHOLA, SAN
Honourable Minister
Power, Works and Housing