

1.0 VISION

“To create a reliable and globally competitive construction industry for Sri Lanka”.

2.0 MISSION

“To ensure dynamic, professional, and reliable value added services to the nation, through regulation and facilitation of the development of construction industry resources and the promotion of quality standards, to meet local and global requirements for sustainable national development”.

3.0 MAIN OBJECTIVES

The main objectives of ICTAD are:

- to promote the contribution of the construction industry, in meeting national demand, in development objectives.
- to provide strategic leadership to construction industry stakeholders in achieving sustainable growth, reform and improvement in the industry.

The main areas of activities are to:

- Recommend strategies for the development of the Construction Industry and assist in their implementation;
- Registration of Contractors and Property Developers, Grading and the rating of them based on their financial, managerial and marketing capabilities;
- Promote professionalism of consultants in the Construction Industry and the coordination of the activities of professional bodies in the Construction Industry and assist in the formation of other bodies in the Construction Industry.
- Promote and grant assistance to the export of Consultancy services in the Construction Industry and promote undertaking of construction work and services overseas, by local contractors;
- Provide advisory services to the Construction Industry;

- Review human resource requirements of the industry and assist in the provision of training facilities to meet the requirements;
- Promote the advancement of the skills and expertise of persons and bodies in the Construction Industry;
- Promote or undertake research on matters related to the Construction Industry;
- Promote and grant assistance to development of industries related to the Construction Industry;
- Undertake or assist any other activity for the promotion of the Construction Industry;

4.0 THE ORGANISATION

INTRODUCTION

The Institute for Construction Training and Development (ICTAD), which is an Organisation, established under the State Industrial Corporation Act No. 49 of 1957 now functions under the Ministry of Construction and Engineering Services. It is headed by the Chairman of the Board of Directors.

BOARD OF MANGEMENT

Name and Private Address	Post	Date of Appointment
Mr. Udula Bandara Awsadahamy No. 71, Digana Village, Rajawella.	Chairman	2010-05-24
Mr. M F M Muzammil 21/1, Asoka Mawatha, Jayanthipura, Battaramulla. Mr. Wasantha Ehalapitiya No. 21/1, Asoka Mawatha, Jayanthipura Battaramulla. .	Working Director	2010-05-31 to 2010-09-13 2010-09-14
Eng. N Rupasinghe No. 57, Mahaweli Housing Complex, Pallekelle, Kundasale	Member	2010-05-24
Prof. R Rameezden No. 21 1/3 Majestic Apartment, Station Road, Colombo 06.	Member	2010-05-24
Mr. Ajith Abeysekera, 513/26, Pasan Mawatham Aravwala West, Pannipitiya.	Member	2010-05-24
Arch. N M P M Navaratne, No. 26/9A, 1 st Lane, Rampart Road, Ethul Kotte.	Member	2010-05-24
Mr. Jayasiri Samaratunga, No. 162, Kandy Road, Dalugama, Kelaniya.	Member	2010-05-24

Former Board of Directors

NAME AND PRIVATE ADDRESS	POST	DATE OF APPOINTMENT
Eng. N Nissanka Wijerathna No. 465, Galle Road, Rawatawatte, Moratuwa.	Chairman	2009-07-14
Mr. K L Samarasinghe No. 46/23, Lady Lavinia 1 st Cross Road, Temples Road Mount Lavinia.	Member	2009-02-25
Eng. Prof. A K W Jayawardena No. 14, Wijerama Lane Devananda Road Nawinna Maharagama.	Member	2007-12-07
Deshabandu Surath Wickramasinghe No. 108 B, Horton Place Colombo 07	Member	2007-12-07
Mr. W A K S de Alwis 107/I D, Daladawatta Road Thalpitiya Wadduwa.	Member	2007-12-07
Mr. Jayasiri Samaratunga No. 162, Kandy Road Dalugama Kelaniya.	Member	2007-12-07
Prof. Chitra Weddikkara No. 31 A, Elbert Place Dehiwala.	Member	2007-12-07

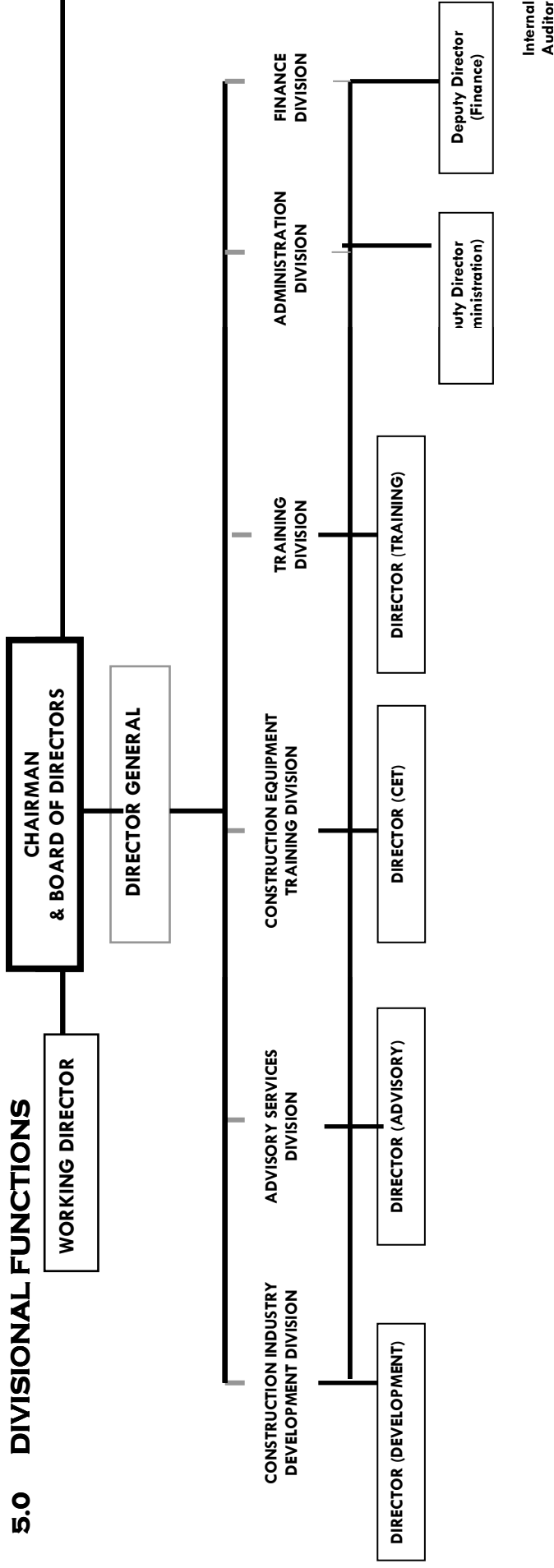
ICTAD, headed by the Chairman of the Board of Directors, carries out its functions through four operational divisions, each headed by a Director as follows.

- a) Advisory Division
- b) Construction Industry Development Division
- c) Construction Equipment Training Division
- d) Training Division.

The Chief Executive Officer, Director General subject to the general direction of the Chairman, is responsible for the Administrative control of the employees of the Institute. The Administration Division headed by a Deputy Director for Administrative Matters and the Finance Division headed by Deputy Director for Financial Affairs served the operational divisions.(Please see Chart indicating Divisional Functions).

ICTAD Annual Report 2010

5.0 DIVISIONAL FUNCTIONS



Functions:

1. Regulatory and Industry Development.
2. Technology Development.

Key Activity Areas

1. Process Improvement.
2. Procedure Improvement
3. Policy Advice.
4. Contractor Development.
5. Consultant Development.
6. Policy Monitoring.
7. Material Development.
8. Technique & Technology.
9. Maintenance of Computer Facilities.
10. Assistance to Divisions in Software Development & Testing.

Functions:

1. Construction Economics & Technical Audit.
2. Promotion/Co-ordination/Dissemination of Construction Related information.

Key Activity Areas:

1. Construction Economics Statistics & Data Base.
2. Technical Audit.
3. Contract Conciliation.
4. Run Information Centre
5. Publish Documentation of ICTAD & attend to Translation.
6. Liaise in ICTAD Publicity Programme.

Functions:

1. Provision of Specialist Training in Operator & Maintenance of Construction Equipment.
2. Human Resource Development of Construction Personnel in O&M of Cons. Equip.

Key Activity Areas:

1. Provision of Specialists Training of Mechanics & Operators.
2. Facilitation of Training & Development.
3. Institutional Career Development.
4. Trainer Training for O&M Personnel.

Functions:

1. Human Resource Development of Construction Industry Personnel.

Key Activity Areas:

1. Facilitation of Training of Contractors, Craftsmen, Supervisors & Managers.
2. Institutional & Career Development.
3. Manpower studies and Institutional Information.
4. Construction Industry Trainer Training.
5. Special Custom Designer Training Construction Supervisors & Managers.
6. Policy Paper Inputs.

Functions:

1. Provisions of Personnel and Administration Services for the Divisions.
2. Maintenance of Library.

Functions:

1. Provisions of Financial Management Services for the Divisions.

5.1 ADVISORY SERVICES DIVISION

Services Provided:

The Advisory Services Division provides following services to the stake holders of the construction industry; such as Contractors, Consultants, Clients, Policy Makers, Investors, etc. as per the requests made to the division in writing , through telephone calls and by presenting themselves personally at the division .

1. Providing Advisory Services to the Construction Industry

- Advise on Procurement of construction work and consultancy services.
- Advise on Contract Administration and Disputes
- Advise on reimbursement of cost. due to fluctuation of Prices of Inputs and application of ICTAD Formula Method.
- Advise on Method of Measurements for Building Works (SLS 573)
- Advise and provide independent opinions in dealing with claims.
- Advise on ICTAD Standard Bidding Documents, Specifications, Consultancy documents etc.

2. Facilitating / Mediating for resolving disputes depending on the nature of the dispute and appointing Adjudicators.

3. Publishing of ICTAD Bulletin of Construction Statistics monthly.

4. Provision of Project Management, Consultancy Services and Independent Reports on chosen small scale projects.

5. Publishing / Revising / Translating of ICTAD Standard Bidding Documents, ICTAD Formula Method and other related publications.

6. Conducting Seminars.

5.1.1 Providing Advisory services to the Construction Industry.

The Advisory Services Division provides advisory services on preparation of Bidding Documents, Contract Administration, Dispute Resolution, ICTAD Formula Method and on ICTAD Standard Bidding Documents Specifications etc. During the year 2011 around 275 nos. of this type of advices were given as requested by clients, consultants and contractors etc. by visiting the division, over the phone and in writing.

(Please see the Table 5.1.1)

Table 5.1.1

ADVICES PROVIDED FOR REQUESTS MADE IN WRITING DURING THE YEAR 2010

NO	CLIENT	SUBJECT
01	M/s Sanwa Enterprises (Pvt) Ltd	Increase of Performance Bond (3 Storied Building at Vavuniya Savapiragasa Ladies College)
02	M/s S M A Construction	Unreasonable termination of Contract (Construction of the sub structure for Sewer pumping Station at Wellawatta)
03	M/s Sri Lanka Rupavahini Corporation	Construction of New News Buildings at SLRC
04	M/s Department of National Archives	Provided Advisory Services (Renovation of Toilet Blocks)
05	M/s International Construction Consortium (Pvt) Ltd	Provided Advisory Services (Construction of Central Fish Market Project Complex at Peliyagoda)
06	M/s Link Eng. (Pvt) Ltd	Market & Vehicle Park at Wellawatta
07	M/s CECB	Payment of Price Fluctuation
08	M/s Ministry of Health	Payment of Price Fluctuation
09	Ministry of Higher Education	Request for a clarification of the Standard Bidding Document (SBD/01)

NO	SUBJECT	SUBJECT
10	M/s V V Ramanathan & Co. (Pvt) Ltd	Request for declaration of Publication of "BSR" available for sale at Information Center at ICTAD
11	M/s Telecommunication Regulatory Commission of SL	Recognizing of the Construction & Maintenance unit of Telecommunication Regulatory of SL
12	Road Sector Assistance Project	Clarification of Addendum 01 issued in Oct 2009 to the ICTAD Publication
13	ICTAD/SBD/02 - Second Edition 2007	"SBD Procurement of Works - Major Contracts"
14	District Secretary, Galle	Advice given
15	CMPL Stephen	Advice given regarding building cost
16	Access Engineering	Advice given regarding application of price fluctuation
17	Airport And Aviation	Request made for new input for Statistical Bulletin
18	Department of Census and Statistics	Issued quarter prices of major materials for National Accounts Estimate
19	Access Engineering	Clarification on Price Indices
20	National Water Supply and Drainage board	Clarification on Price Indices
21	Road Development Authority	Clarification on ICTAD Bulletin
22	Road Development Authority	Clarification of Taxes on ICTAD Price Indices
23	Road Development Authority	Clarification on contractor's claim for losses due 60/70 bulk bitumen
24	Road Development Authority	Clarification on ICTAD Bulletin of construction statistics - inapplicable indices for bulk bitumen
25	Road Development Authority	Clarification on VAT component to ICTAD Indices
26	Road Development Authority	Clarification on ICTAD Indices for bulk bitumen
27	National Highways Sector Project	Clarification on ICTAD Indices for bulk bitumen

NO	SUBJECT	SUBJECT
28	The Embassy of Japan	Clarification on computation of ICTAD Indices
29	Road Development Authority	Clarification on computation of ICTAD Indices for 60/70 bulk bitumen
30	Road Development Authority	ICTAD Indices published since January 2009 for bitumen
31	Industry Development Board	Computation of price fluctuation
32	Industry Development Board	Computation of price fluctuation
33	Industry Development Board	Computation of price fluctuation

5.1.2 Specialist Procurement Advice for States Sector-

Advisory Services Division provided procurement advice to a number of Public Sector Institutions during the year 2010 as per below,

- Department of Census and Statistics
- Department of Customs
- Petroleum Resources Secretariat
- Ministry of Health
- National Water supply & Drainage Board
- Ministry of Construction , Engineering Services, Housing and Common Amenities
- Sri Lanka Foundation Institute
- Coconut Development Authority

5.1.3 Facilitating / mediating for resolving disputes depending on the nature of the dispute and appointing Adjudicators.

A large number of contractors who face contractual disputes related to contract documents, payments and on contract administration, sought advice from the Division.

In some cases, the disputing parties were brought together and the matters were discussed to arrive at a solution (*Please see the Table 5.1..3*)

Table 5.1.3

DISPUTE HANDLED BY ADVISORY SERVICES DIVISION – 2010

No.	Client	Contractor/Consultant	Subject
01	Department of Wild Life Conservation	Mr. D M D Disanayake	Proposed Circuit Bungalow of National Gardens Wasgamuwa
02	Department of Archeology	M/s Micro Construction (Pte) Ltd.	Construction of proposed Building Complex project Archeological Station - Katuwana
03	Central Province	M/s Savsiri Contractors & Civil Engineering	Construction of Mortuary Building at Nawalapitiya Base Hospital
04	T F C Property Development Division	M/s Parisara Janani Constructions (Pvt) Ltd.	Construction of the Serandib Housing Project at Andiambalama for the Finance Company Property Development Division - Asking for retention money
05	Sabaragamuwa Provincial Council	M/s Chandrakanthi Construction (Pvt) Ltd	25 Projects of Sabaragamuwa Provincial Council
06	Provincial Engineering Building - Monaragala	M/s Dilhani Construction	Roof repairs of Okkampitiya Rural Hospital
07	Department of Buildings	M/s Visvakarma (Pvt) Ltd	Project 1 - Government Agents Bungalow Project 2 - Administrative Block with OPD Disputes and Execution of Govt. Building Contracts in Jaffna
08	Department of Buildings	M/s Visvakarma (Pvt) Ltd	Construction of Zonal Education Office at - Chavakachcheri Jaffna
09	District Secretariat - Ampara	M/s Amarasena Ilangamage Constructions	Construction of Government Agent's Bungalow at Ampara
10	Central Engineering Consultancy Bureau	M/s M D I S S Civil Engineer & Building	Asking for Balance Payment

No.	Client	Contractor/Consultant	Subject
11	Tea Shakthi Fund	M/s Waterman (Pte) Ltd	Construction of Tea Factory at Bulathkohupitiya & Yatinuwara
12	Department of National Zoological Garden	M/s M W De Silva	Construction of Viewing Gallery & Access road for the Elephant Orphanage - Pinnawala
13	NICD	M/s J B Attanayake & Sons	Collapsing of roof of the Auditorium of National Institute of co-operative Development
14	The National Council of the Y.M.C.A.s of Sri Lanka	M/s Euroville Engineers & Construction Contractors (Pvt) Ltd	Point Pedor Water supply scheme in Jaffna District
15	Prasan Construction Co.	M/s Ministry of Industrial Development	Include cost items for Performance Bond & Advance payment Bonds in Detail Estimate under Preliminaries.
16	Pubudu Builders	M/s National Design Centre	Repairs to Ceiling & Roof
17	Kaluthara Municipal Council	M/s D.M. Enterprises	Construction of road drains
18	Sabaragamuwa Provincial Council	M/s Rathna Construction	Rehabilitation of road surface between Anhettigama - Kehelwala
19	Sabaragamuwa Provincial Council	M/s Chandrakanthi Construction	Construction of Chief Minister's Quarters
20	Sabaragamuwa Provincial Council	M/s Chandrakanthi Construction	Construction of Chief Secretarie's Quarters
21	Sabaragamuwa Provincial Council	M/s Zodiac Construction	Construction of Rambukkana bus terminal
22	Sabaragamuwa Provincial Council	M/s Zodiac Construction	Construction of Quveni Craft Centre
23	Negombo Municipal Council	M/s quare Mech Engineers	Construction of Negombo bus terminal

During the year 2010, ICTAD received 23nos. disputes and 17 were resolved by mediation.

ICTAD introduced “Adjudication” in ICTAD Standard Bidding Documents as an alternate disputes resolution procedure and as a more appropriate procedure before stepping to arbitration. The idea behind the adjudication is to obtain a quick solution to the dispute while the contract is in progress. According to the ICTAD Standard Bidding Documents the Adjudicator shall be a professional with experience related to the works and on interpretation of Contract Documents.

During the year 2010, ICTAD appointed Adjudicators for contracts on the request of parties to the contract.

5.1.4 Publishing of ICTAD Bulletin of Construction Statistics, monthly

12 Nos. ICTAD Bulletin of Construction Statistics were published monthly during the year 2010. The prices of materials, labour wages, and plant hire rates were collected, checked and analyzed for this purpose. Around 250 Nos. of copies of the bulletin were sold monthly to the clients, consultants and contractors. The indices published in this bulletin are used to calculate price fluctuations of inputs in construction projects. Division provided advisory services and clarifications regarding Bulletin and ICTAD Price Fluctuation Formula.

5.1.5 Provision of Project Management, Consultancy services and Independent Reports on chosen small scale projects.

- **Project Management Services -**

Non Technical Government Organizations sought project Management Services from this Division for their building projects. The services included advice on procurement process (including preparation Bidding Documents to select a contractor and Consultant, and evaluating the bids received), Contract Administration and sometimes recommendation for making payments.

((Please see the Table 5.1.5)).

- **Consultancy Services -**

Also undertook project Management Services for Governmental and Non –Governmental agencies on their requests. *(Please see the Table 5.1.5)*

Table 5.1.5

**CONSULTANCY/ PROJECT MANAGEMENT SERVICES GIVEN BY
ADVISORY SERVICES DIVISION DURING THE YEAR 2010**

No.	Client / Contractor	Subject
01	M/s Lanka Electricity Company	Construction of New Building of the technical Training Centre (60 million project)
02	M/s National Transport Medical Institute	Layout plan & estimate for partitioning of ground floor of NTMI
03	M/s Ranasinha Lanka Pvt Ltd	Construction of Head Office Building for the Department of Wildlife Conservation at Jayanthipura, Battaramulla
04	M/s Ocean Builders	Construction of Office Building for Aragoda Sanasa Society
05	Health Department Co-operative Society	Submission of a Status Report
06	National Youth Services Council	Renovation of indoor stadium – Heiyanthuduwa
07	Prime Minister's office	Refurbishment of Conference Hall Renovations to Prime Minister's Office
08	Coconut Development Authority	Renovation of Micro Biology Laboratory & Media Room
09	Hector Kobbekaduwa Agrarian Research Centre	Reconstruction of Toilet Blocks
10	Ministry of Youth Affairs	Construction of Hambantota Youth Centre
11	Department of National Archives	Construction of New Office Building
12	National Youth Services Council	Selection of Consultants
13	Department of Buildings	Renovations to Savsiripaya Building
14	Department of Buildings	Renovations to CETRAC Building
15	Reel Company	Renovation to CHPB Building

No.	Client / Contractor	Subject
16	Department of Buildings	Renovation to OTC Building - Galkulama
17	Sanwa Enterprises (Pvt) Ltd	Three storey building at Vavuniya Saivapragasa Ladies College
18	National Transport Medical Institute	Construction of boundary wall, security office, pastry shop, etc.
19	Negombo Municipal Council	Construction of Negombo bus terminal

5.1.6 Revision / Drafting of ICTAD publications

- The Steering Committee on ICTAD publications, which consists nominees from professional organizations, is entrusted to revise ICTAD publications / publish new publications to the constructions Industry. The functions of the Steering Committee are to make directives and decisions regarding revision of ICTAD publications, Identifying areas for publishing of new documents, appointing sub – committees to revising / updating of ICTAD publications and recommendation of the same to the ICTAD Board of Directors. Identify and approving resource persons for revising / drafting and making decisions on issues related to ICTAD publications etc.

The sub – committees are appointed by the Steering Committee to provide guidelines to resource persons on drafting of new documents / revise existing documents, review drafts submitted by the resource persons and forward final drafts to the Steering Committee for recommendations etc.

During the year 2010 the following progress were achieved;

- **Drafting of New Publications :**
 - Specifications for landscaping works of Sri Lanka – 100% completed
 - Standard Method of Measurement for Civil Engineering Works (CESMM) – 75% Completed

- Standard Phraseology and Coding System for Bill items – 40% Completed
- Standard Bidding Document for Construction Related Plant – 90% Completed
- Standard Bidding Document for Sub Contract Works – 50% Completed
- **Revision to existing publications:**
 - Standard Bidding Document – Procurements of Works (ICTAD/SBD/01) – 80% Completed

5.1.7 Conducting Seminars

The division conducted 05 seminars in following topics;

- Seminar on Bid Evaluation
- Seminar on SMM
- Seminar on Price Fluctuation - held on Babarian hotel
- Seminar on Contract administration
- Seminar on Human Settlements

5.2 DEVELOPMENT DIVISION

5.2.1 NATIONAL REGISTRATION AND GRADING SCHEME FOR CONSTRUCTION CONTRACTORS

Registration and grading is a screening process for the capabilities of prospective contractors to determine their general ability to undertake different types and sizes of projects without reference to any specific contract. Registration and grading will be determined by examining the technical and financial status of the contractor.

Currently nearly 2500 Construction Contractors are registered with ICTAD and a Database of contractors is maintained. This information is now available on ICTAD Website. All Clients, Consultants and any other interested parties can visit the Website and obtain information on Contractor registration, which is uploaded weekly. During the year 2010, 444 nos. new registrations were issued, 627 contractors were upgraded and 276 renewal of registration were done.

Several relaxations were accommodated to the scheme in order to cater for the prevailing conditions in the war affected areas (North and East) up to a grading of limit of C5 (Financial Limit Rs. 50M)

Financial limits of the “Main Category” of Contractor Registration Scheme and the point system for evaluation of contractors were revised to suit the current needs of the industry. The revised scheme C1 - C10 has been in implementation since 01st of September 2008.

Implementation of ISO 9001 – 2000 Quality Management Systems is now mandatory for C1, C2 & C3, (higher grades) contractors only. Also the financial limits and the point system of the registration of Piling Construction Contractors were revised to suit the current needs of the industry and the revised guideline is effective from January 2011.

5.2.2 DOCUMENTATION, DEVELOPMENT AND REVIEW

In order to regularize the procedures and improve the efficiency and quality in the construction industry ICTAD has published several publications such as Standard Bidding Documents, Specifications, Consultancy documents, ICTAD Formula for Computation of Price Variations, Guidelines for Registration and Grading of Construction Contractors, Timber Bulletins, Standard Forms for Construction Managers, etc. Nearly all the government organizations are adopting these publications, and also some important publications were made mandatory by the Government for use of GOSL Projects. There is an increasing trend towards the use of these publications by the private sector as well.

These documents are reviewed by ICTAD regularly to meet the requirements of the construction industry through a Steering Committee consisting representatives from the Professional Organizations in the Construction Industry, relevant Ministries, NCASL and ICTAD and meetings are held monthly.

5.2.3 ICTAD AWARDS FOR CONSTRUCTION EXCELLENCE

An Annual Awards Scheme to promote professionalism and excellence in the Construction Industry was inaugurated by ICTAD in 1990. This award scheme recognizes outstanding performance in construction management, high degree of professionalism in technical expertise and quality, introduction of innovative and appropriate technology and participation in training of craftsmen etc.

During the year 2010, 17 site visits/ committee meetings were held. Presentations were held at the end of the year and the awards presented at the Awards Ceremony are as follows:

For Building Projects**Construction Excellence Awards (for Building Projects)**

- 1 *Excellence Award* - “Fair Mount” – Luxury Apartment Complex
M/s Maga Engineering (Pvt) Ltd.
- 2 *Excellence Award* - Construction of a Boutique Hotel for Ulagalla Resort at
Thirappane
M/s International Construction Consortium (Pvt) Ltd.
- 3 *Excellence Award* - OPD Building at Polonnaruwa General Hospital
Orient Construction Co. (Pvt) Ltd.

Construction Performance Awards (for Civil Engineering Projects)

1. Balance Work & Re-construction of Bridge No. 36/3 (Warawala Bridge) on
Kegalle - Bulathkohupitiya – Karawanella Road
Nawaloka Construction Company (Pvt) Ltd
2. Implementation of Permanent Steel Bridge of Oddamavady under Batticaloa
District
Progressive Builders & Resorts (Pvt) Ltd
3. Construction of Suspension Bridge Across, Ma-Oya at Waddeniya
Sathuta Builders (Pvt) Ltd
4. Construction of 1800 m³ capacity Treatment Plant, Storage Tank Borehole Intake
& Control Rooms for Radampola Water Supply Scheme
Valence Engineering (Pvt) Ltd
5. Supplying & Laying of Water Distribution Mains in Bandaragama and Horana –
Kaluganga Water Supply Project for Greater Colombo
Contract No. KG/JBIC/KG-4
Hovael Construction (Pvt) Ltd
6. Thirukkivil Water Supply Scheme
Sierra Construction (Pvt) Ltd
7. Greater Kandy Water Supply Project Phase 1 Stage II
Ampitiya Improvement & Construction of Engineer’s Quarters
Maga Engineering (Pvt) Ltd
8. Rehabilitation of Matara – Wellawaya (A-002) Road
Maga Engineering (Pvt) Ltd
9. Hambantota Harbour By-Pass Road
Maga Engineering (Pvt) Ltd
10. Widening & Improvements of Palavi – Kalpitiya Road (5.0 - 9.0 km)
Maga Engineering (Pvt) Ltd
11. Widening & Improvements of Palavi – Kalpitiya Road (9.0 – 14.0 km)
Maga Engineering (Pvt) Ltd

12. Rehabilitation of Navatkuli – Kerativu – Mannar (A-32) Road
Maga Engineering (Pvt) Ltd
13. Regional Bridge Project using British Government Finance Assistance –
Construction of Kelaniya Railway Crossing Flyover
Access Engineering Ltd.
14. Out side Plant Works (Fiber Routes / Civil Works, Cable Laying & Jointing) of
the Optical Fiber Network Development Project Phase – 01 & 01B
Access Engineering Ltd.
15. USAID – Sri Lanka Tsunami Reconstruction Program
USAID Contract # 386-C-00-05-00166-00 SLTRP Contract # 1B-06.
Construction including detail design of Major Works at Hikkaduwa, Mirissa and
Puranawella Fish Harbours
Access Engineering Ltd.
16. Raising of Unichchai Tank Bund and the Construction and Completion of its
Appurtenant Structure in Batticalloa
Access Engineering Ltd.
17. Secondary Towns and Rural Community Based Water Supply and Sanitation
Project – Sri Lanka Polonnaruwa Water Supply Project.
Supply & Laying of distribution pipes & construction of elevated water towers
for Polonnaruwa Water Supply Project
International Construction Consortium (Pvt) Ltd
18. Rehabilitation of A014 Medawachchiya – Mannar – Talaimannar Road
(from 33.00.km to 37.00 km)
International Construction Consortium (Pvt) Ltd
19. Rehabilitation of Navatkuli – Kerativu – Mannar (A 32) Road (from 91+370 km
to 92+370 km) Contract No : RDA/MMC/MAINT/NKM/07R
International Construction Consortium (Pvt) Ltd
20. Design & Construction of a Bridge Across Ambanganga at 800m down stream of
the proposed Moragahakanda Main Dam
State Development & Construction Corporation

Awards for Innovative Techniques in Construction

1. Out side Plant Works (Fiber Routes/Civil Works, Cable Laying & Jointing) of the
Optical Fiber Network Development Project Phase – 01 & 01B
Access Engineering Ltd

5.2.4 HANDLING OF CUSTOMER COMPLAINTS

A Preliminary Inquiry Panel was set up comprising members from Ministry of Housing and Construction Industry, NCASL and ICTAD to investigate the complaints received on contractors.

During year 2010, four (04) cases were inquired regarding the registration offences and complaints on poor performance of Contractors, and submission of fraudulent documents to the clients. Accordingly black listed such 04 contractors and canceled the ICTAD registration for 02 years period.

5.2.5 APPLICATION OF QUALITY ASSURANCE SYSTEMS

Continuation of mandatory standards scheme to ensure the quality/standard of important construction materials. Nine (9) items were brought under this scheme. This scheme is being functioned effectively through Department of Customs and SLSI.

5.2.6 FORMULATION AND REVIEW OF STANDARDS/ SPECIFICATIONS

- (i) ICTAD is participating in the process of formulations & revisions of SLSI product standards of construction materials.
- (ii) ICTAD is a member of the Sectoral Committee on Construction Materials at SLSI.
- (iii) Revision and Updating of Guidelines for Interpretation of Site Investigation Data for Estimating the Carrying Capacity of Single Piles for Design of Bored and Cast in Situ Reinforced Concrete Piles (ICTAD/DEV/15) was started.
- (iv) Revision and Updating of Specification for Site Investigation for Building Works and Sample Bill of Quantities (ICTAD/DEV/17) was started.

5.2.7 ICTAD JOURNAL – 2010

ICTAD Journal 2010 was published and launched at the Excellence Award Ceremony. Purpose of the journal is the dissemination of information related to quality matters of the construction industry. The journal provides useful articles and information for the development of the Construction Industry.

In this year Journal was published as an International Refereed Journal for the time of ICTAD history with the utmost support and dedication of stakeholders and professionals.

5.2.8 COMPUTER SYSTEM OF ICTAD

Computer system and the Web site have been maintained satisfactorily. Few new computers/printers and photocopiers were added to the system. Extended network facilities to some few computers as per the requirement of ICTAD personals.

- Maintenance of the ICTAD website allocated to ICTAD internal staff from SLT.
- Project on Web base registration of National Construction Contractors was initiated at the latter part of 2010.
- Designing and developing software program for document archiving was implemented.
- New software for accounting was introduced to Finance Division.
- New router was purchased to overcome the dropping of internet connection time to time.
- Design and develop software for RPL (Training) registration.
- Design and develop software for temporary contractor registration.
- Design and develop software for personal administration for personal file handling of ICTAD employees.

5.2.9 CONFERENCES / SEMINARS /WORKSHOPS HELD IN YEAR 2010

Seminar on Energy Management Systems in Buildings - 31st March 2010

Seminar on ISO 9001 – 2008 Quality Management Systems - 15th July 2010

Nanotechnology Applications to the Construction Industry – 24th June 2010

Purpose of conducting these seminars / workshops is dissemination of information related to the construction industry and income generation.

5.2.10 REVISION SCHEMES FOR BASIC OPERATIONS

Comprehensive Revision schemes for National Registration & Grading of Construction Contractors and National Construction Excellence Schemes have begun in the latter part of the year.

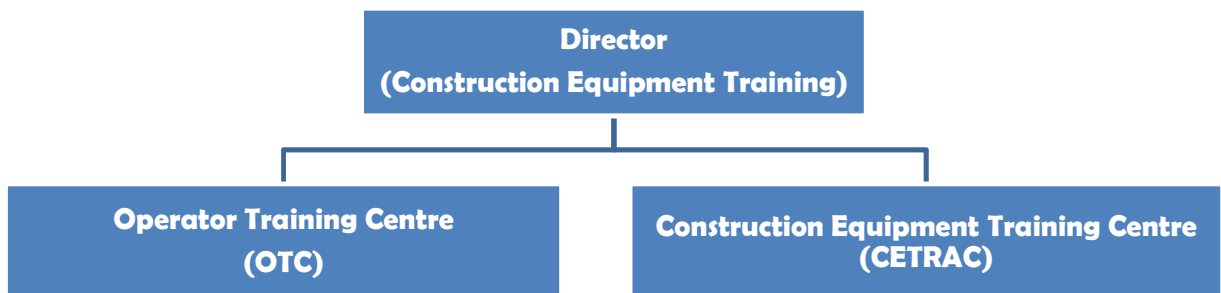
5.3 CONSTRUCTION EQUIPMENT TRAINING DIVISION

Mission of the CET Division is to impart skills and knowledge on operation, maintenance and management of construction equipment to develop a competent construction workforce in the construction industry so that a measurable increase in construction productivity is achieved.

Objectives of the CET Division are:

1. To upgrade the competency of the construction equipment mechanics and operators to carry out their jobs effectively and efficiently
2. To upgrade the competency of construction equipment supervisory and management personnel to perform their jobs efficiently and effectively
3. To develop and implement proper preventive maintenance practices among construction equipment users in order to minimize repair cost and downtime while improving the availability
4. To provide systematic basic training to prospective construction equipment mechanics and operators entering the construction industry.
5. To assist the industry to improve the standard of construction equipment repair shops by providing the necessary training in the model workshop of the Construction Equipment Training Centre (CETRAC).
6. To improve the social recognition of the trade of construction equipment mechanics and operators in Sri Lanka.

The CET Division of ICTAD consists of two units; i.e., Operator Training Centre (OTC) and Construction Equipment Training Centre (CETRAC)



5.3.1 OPERATOR TRAINING UNIT

OTC provides training on construction equipment such as crawler tractors, loaders, excavators, motor graders etc with special reference to their safety, basic maintenance and operating techniques. OTC has a fleet of 50 pieces of construction equipment and sufficient number. of Training Officers and Demonstrators.

About 70% of the training time is allocated for practical training to give hands-on skills to the trainees and the balance 30% is confined to theory. Some construction equipment is hired out for generating income while providing on-the-job training to the trainees.



The following training courses are presently conducted at OTC.

1. Preliminary Training
 - 1.1 Basic Construction Equipment Maintenance
2. Skill Development
 - 2.1 Light Construction Equipment
 - 2.2 Dump Truck
3. Earth Moving Equipment Basic Modules
 - 3.1 Crawler Tractor
 - 3.2 Wheeled Loader
 - 3.3 Motor Grader
 - 3.4 Hydraulic Excavator
 - 3.5 Backhoe Loader
4. Specialized Equipment
 - 4.1 Mobile Crane
 - 4.2 Plant Transporter
 - 4.3 Fork Lift
5. Trade Tests
 - 5.1 National Trade Tests
6. Custom-Designed Training Programmes

All training courses conducted at OTC are fee-levying courses and some of them are in high demand among school leavers and unemployed youth.

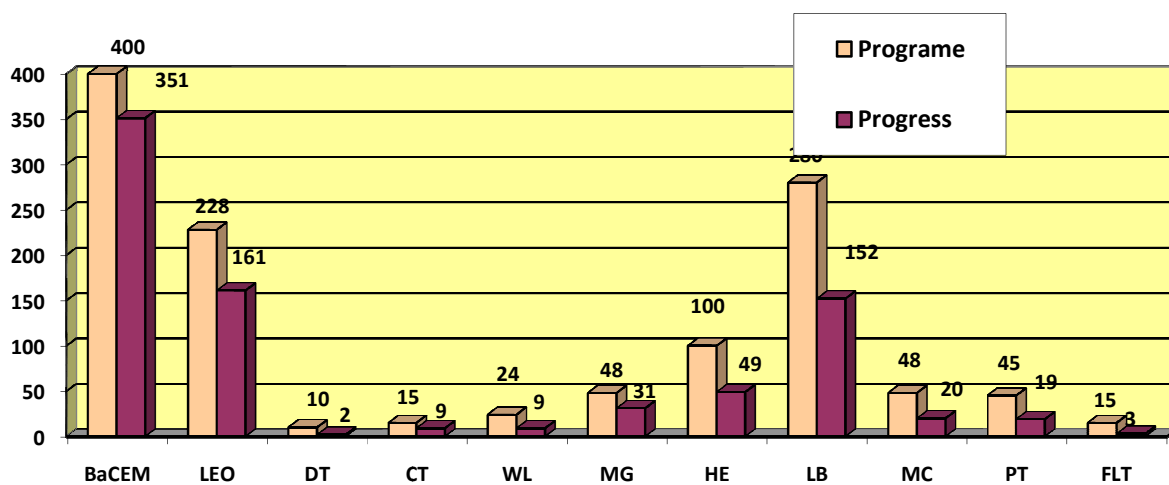
The targeted trainee outputs for the year 2010 and achievements in respect of each training programme are shown in the table. *(Please see the Table 5.3.5)*

Table 5.3.5

	TRAINING PROGRAMME	PROGRAMMED		PROGRESS	
		No. of Programmes	No. of Participants	No. of Programmes	No. of Participants
1.0	PRELIMINARY TRAINING				
	1.1 Basic Maintenance of Construction Equipment Maintenance	20	400	22	351
2.0	SKILL DEVELOPMENT				
	2.1 Light Equipment	19	228	19	161
	2.2 Dump Truck	5	10	02	02
3.0	EARTH MOVING EQUIPMENT BASIC MODULES (HEMOT)				
	3.1 Crawler Tractor	5	15	01	09
	3.2 Wheel Loader	8	24	01	09
	3.3 Motor Grader	8	48	05	31
	3.4 Hydraulic Excavator	10	100	10	49
	3.5 Backhoe Loader	14	280	16	152
4.0	SPECIALIZED EQUIPMENT				
	4.1 Mobile Crane	8	48	07	20
	4.2 Plant Transporter	15	45	02	19
	4.3 Fork Lift Operator	6	18	02	03
	TOTAL	98	1216	87	806



The OTC training programmes consist of institutional training and on-the-job training. A trainee should get at least two months OJT after completion of institutional training. Due to increasing demand, additional training courses had to be conducted to accommodate more trainees for Basic Construction Equipment Maintenance at CETRAC. The OTC is recognized by NAITA for conducting National Trade Tests for Construction Equipment Operators.



REVENUE EARNED DURING THE YEAR 2010

JOB CATEGORY	Revenue
	OTC
Income from Workshop Activities (Repairs)	-
Building hiring	
Income from Training Programmes	11,749,000.00
Income from Custom designed Training Programmes	-
Hiring of Machinery	9,269,866.00
Consultancy Services	-
Trade Testing	
Seminars / Workshops	-
Miscellaneous	
Total	21,018,866.00

5.3.2 CONSTRUCTION EQUIPMENT MAINTENANCE TRAINING UNIT

The Mechanic Training Unit of ICTAD, Construction Equipment Training Centre (CETRAC), is located at No. 17 D P Wjesinghe Mawatha, Pelawatta, Battaramuilla. The CETRAC is well equipped to conduct any training course on repairs and maintenance of modern construction equipment. Training courses for Mechanical / Civil Engineers and Project Mangers are also conducted at CETRAC.



5.3.2.1 CETRAC TRAINING PROGRAMMES

CETRAC training programmes for maintenance of Construction Equipment were developed with the assistance of Japanese experts during the technical cooperation period from October 1996 to September 2001. CETRAC basically provide training on construction equipment maintenance and management for mechanics, supervisors and engineers. Recently, ICTAD initiated to conduct Building Services Engineering Training programmes also at CETRAC. They are Building Air Conditioning System, Building Electrical System, Water Supply & Drainage System and Fire Protection System, etc.,



5.3.2.1.1 Courses for new entrants to the industry

It was decided to develop and conduct more vocational training courses for early school leavers to help solving the unemployment problem of the youth. Accordingly, the following course was conducted in the year 2010.

Basic Mechanic Training Course (BM)

5.3.2.1.2 The Basic Mechanic Training Programme

The basic mechanic-training course is conducted in collaboration with National Apprenticeship and Industrial Training Authority (NAITA). It is a three-year course consisting of 09 months institutional training at CETRAC and 27 months on-the-job training in the industry. School leavers with G C E (O/L) are eligible to follow this training course. This training course covers all aspects of repairs and maintenance of modern construction equipment. The annual intake is 60 trainees. On completion of this training course the trainees will be eligible to sit for the National Trade Test conducted by NAITA and qualify themselves as Grade II mechanics, after gaining 2 years experience.

These trainees are paid a stipend of Rs. 300/= per month by NAITA and they are also provided with free accommodation, course materials, workshop facilities, uniforms, safety gear etc. during the training period. Each year around 100 trainees of different batches undergo institutional training at CETRAC and the Government has to bear its total cost, which amounts to around Rs. 10 million per year. Almost all the ex-trainees of this programme are gainfully employed locally, as well as abroad. Some of them have established their own workshops for repairs and maintenance of construction equipment.

5.3.2.2 FURTHER TRAINING COURSES FOR SKILL UPGRADING OF EMPLOYEES

Further training courses have been designed to update the technical knowledge of mechanics, supervisors and managers involved in repairs, maintenance and management of construction equipment. The trainee in-take is limited to 10 in order to pay individual attention to each trainee. Adequate experience in the relevant fields is required to follow these courses.

5.3.2.2.1 Training Programme for Junior Mechanics (Level 2)

This training programme has been designed to update the knowledge and skills of junior mechanics employed in construction equipment repair shops. Two to five years experience is required to follow these courses. This training course has been divided into 9 modules to enable the

employers to send their mechanics to any selected module, depending on their training needs. Some of these modules, such as Hydraulics and Mechatronics are in high demand in the industry and therefore, sometimes extra courses have to be conducted on these modules.

5.3.2.2.2 Training Programme for Senior Mechanics (Level 3)

This advanced training programme has been designed to update the knowledge and skills of Senior mechanics and train them on fault diagnosing and rectification. Mechanics having more than five years experience are eligible to attend this course. This training course consists of 6 different modules to enable the employers to send their mechanics to any selected module, depending on their training needs. The module, Hydraulics and Mechatronics are in high demand in the industry and therefore, sometimes additional courses have to be conducted on these modules.

Because there was no relevant training officer, Hydraulic and Mechatronic Programmes could not be conducted adequately. Further it is noted that there is less demand for the above training programmes from the industry due to poor marketing strategies and absence of technology up gradation at CETRAC.



5.3.2.2.3 Training Programme for Supervisors

The supervisory training programme has been designed to enhance the knowledge of workshop supervisors responsible for maintenance of

construction equipment. Supervisors having two years relevant experience are enrolled for these courses.

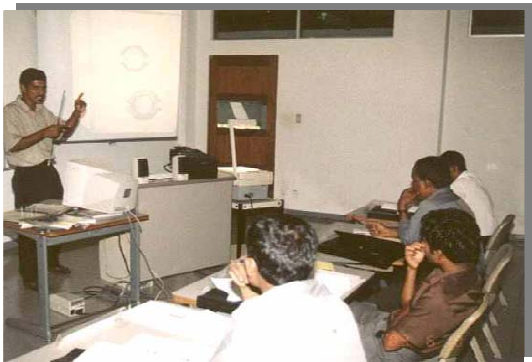
5.3.2.2.4 Training Programme for Engineers /Managers

This training programme has been designed to enhance the knowledge of Engineers, Workshop Managers and Project Managers who are involved in utilization and maintenance of construction equipment.

The training course, **Utilization of Construction Equipment**, is designed to provide technical knowledge to Civil Engineers and Project Managers on maintenance and utilization of construction equipment. Engineers having two years experience are enrolled for this course.

The training course, **Maintenance of Construction Equipment**, is designed to provide technical knowledge to Mechanical Engineers and front-line managers responsible for repairs and maintenance of construction equipment. The participants should have two years experience to follow this course.

It is required to highlight that there are no high demand for these programmes from the local construction industry and therefore schedule programmes were not conducted. This also needs proper marketing strategies to promote supervisors and engineers who engage in the utilization of Construction Equipment in the local construction industry. CET division has already comments the relevant course revision process after notifying this situation of training courses.



5.3.2.2.5 Training Programmes for Stores/Supply/ Project Staff

Usually, the Stores / Supply / Project Staff working for the construction industry do not have opportunities for systematic training. This has lead to various operational problems hindering the smooth functioning of equipment repair shops. This training program was developed to cater to this training need.

5.3.2.2.6 Building Services Engineering Training Programmes

CETRAC has conducted several programmes for Engineers and Architects in the field of Building Services Engineering.

There are few training courses designed to cover this building services required to maintain commercial buildings. They cover Fire Protection systems, Electrical systems, Air conditioning & Ventilation Systems, Water Supply & Drainage Systems

Number of these programmes were successfully completed during the past year.

5.3.2.3.CUSTOM-DESIGNED TRAINING PROGRAMMES**5.3.2.3. 1 Training Programmes for Foreign trainees**

With the experience gained, CETRAC has been able to cater successfully various and specific demand in training by developing customized training programmes to address the changing demand in the country.

CETRAC performance. (Please see the Table 5.3.2.1) in year 2010 is as follows.

CETRAC Performance in Year 2010

Table 5.3.2.1

	TRAINING COURSES	TARGETTED OUTPUT		ACTUAL OUTPUT	
		No. of courses	No. of Participants	No. of courses	No. of Participants
1.0	School leavers (Level I)				
	Basic Mechanic training course				
	* 1 st year (2010)	2	60	2	56
	* 2 nd year (2009)	2	40	2	32
	* 3 rd year (2008)	2	40	2	30
	* Basic Construction Equipment Maintenance (BaCEM)	-	-		
2.0	Junior Mechanics (Level II)				
	* Maintenance of Diesel Engines - Komatsu -M21	1	10		
	* Maintenance of Hydraulic System-M22	3	30	1	5
	* Maintenance of Diesel Fuel System & Emission Controlling (inline pump)-M23	1	10		
	* Maintenance of Electrical System-M24	1	10	1	12
	* Maintenance of Diesel Generators-M25	1	10		
	* Maintenance of Steering, Brakes and Clutch Systems-M26	2	20	1	10
	* Maintenance of Torque Converter & Transmission Systems-M27	1	10	1	7
	* Basic Mechatronics of Construction Equipment – MT	1	10	1	12
	* Maintenance of Water Pumps & Compressors – WPC	2	20		
3.0	Senior Mechanics(Level III)				
	* Maintenance of Diesel Engines-Cummins-M31	1	10		
	* Maintenance of Hydraulic & Mechatronic Systems-M32	1	10	1	7
	* Maintenance of Diesel Fuel System & Emission Controlling - M33	1	10		
	* Advancement of Electrical Systems – M34	2	20		
	* Advancement of Diesel Engine Technologies – M35	2	20		
	* Maintenance of Building Air Conditioning Systems – BAC	2	20		
4.0	Engineers				
	* Management of Construction Equipment-CPM	2	20		
	* Maintenance of Construction Equipment-CEM	1	10		

	TRAINING COURSES	TARGETTED OUTPUT		ACTUAL OUTPUT	
		No. of courses	No. of Participants	No. of courses	No. of Participants
5.0	Supervisory				
	* Maintenance of Construction Equipment – Hydraulic & Transmission - SUP1	2	20		
	* Maintenance of Construction Equipment – Engine & Mechatronics - SUP2	1	10		
6.0	Ancillary Staff				
	* Inventory Control & Stores Managements	2	20		
6.0	Operators				
	* Servicing of Construction Equipment - SCE	1	10	1	23
7.0	Custom-Designed Courses				
	* Forklift & Truck Operation	-	-	1	24
	* Training program on AC systems	-	-	1	12
	* Construction Machinery AC & Refrigeration	-	-	1	19
	* Store Keeping	-	-	1	35
	* Short course on Elevators	-	-	1	16
	* Sustainable Solution for Energy Efficient Air Conditioning	-	-	1	21
	* Motor Grader Operation	-	-	1	1
	* Program On LPG Installation and Safety	-	-	1	27
8.0	Seminars				
	* Maximum Performance of Construction Equipment			1	48
	* Design and Construction of Highways			1	34
	* Safe Motor vehicle driving & behavioral aspects of the driver			10	725
	* Seminar on Hydraulic Systems			1	41
	* Know Your Pump for Better Performance			1	37
	* Pavement Design of Road Under Sri Lankan Condition			1	30
	* Seminar on Store Keeping			1	105
	* Swimming Pool Maintenance			1	57
	* Transport Management			4	329
TOTAL		37	430	35	1637

REVENUE EARNED DURING THE YEAR 2010

JOB CATEGORY	REVENUE (Rs)
Income from Workshop Activities (Repairs)	356,725.00
Building hiring	4,882,204.50
Income from Training Programmes	3,068,794.00
Income from Custom designed Training Programmes	810,700.00
Hiring of Machinery	17,000.00
Consultancy Services	59,200.00
Trade Testing	283,000.00
Seminars / Workshops	2,820,800.00
Miscellaneous	345.00
Total	12,298,768.50

Financial Performance

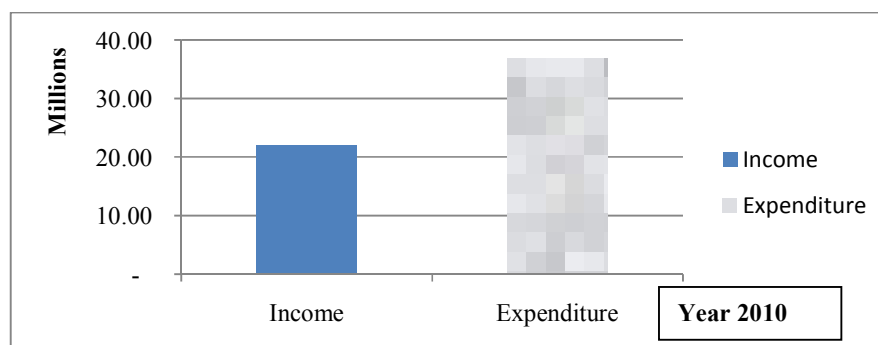
The income and expenditure for the year 2010 is given below.

Total income of CETRAC

Income generated by conducting training programmes / Seminars / workshops and hiring of facilities at CETRAC	- Rs.10,000,000.00	
Allocation received from the Treasury	- Rs. <u>12,000,000.00</u>	22,000,000.00

Total expenditure of the CETRAC 36,820,756.91

Income over expenditure (14,820,756.91)



The major reason for the negative growth in terms of financial performance is that the CETRAC is presently offering many programmes without charging any fees as a service to the industry. The Basic Mechanic Programme which is conducted targeting the school leavers in collaboration with NAITA with an objective of fulfilling the man power requirements of the construction industry in terms of operations, maintenance and repairs of the construction equipment and machinery, is one such programme conducted annually free of charge.

The CETRAC annual expenditure for this programme alone comes to the amount of Rs. 10,000,000.00 and request has already been made to the Ministry of Vocational and Technical Training requesting allocations for the conducting of Basic Mechanic Training course, to relieve financial burden of the CETRAC to a great extent.

Discussions have already been conducted with the Uni-Tech & Perth University of Australia to get training programmes of CETRAC affiliated to the foreign University with intention of giving the CETRAC courses more international recognition generating more income for CETRAC making it financially sustainable.

The CETRAC which was established fifteen years ago has now required more advance training facilities to address the issues of construction machinery of more advance technology.

Therefore Steering Committee has been appointed to look into the upgrading of training facilities at CETRAC and restructuring of training programmes to better addressing the industry needs and requirements and prepare a comprehensive project proposal for the technology advancement of CETRAC to be submitted to the Department of External Resources requesting financial assistance for its implementation.

Meeting of expenditure specially for the service oriented activities of CETRAC is increasingly difficult for ICTAD as income generation from other activities of ICTAD has to be diverted to meet the expenditure of CETRAC which seriously hamper the ability of ICTAD to divert funds for more important activities like development of standards for materials, energy usage, establishment of National Data Secretariat for Construction Industry and facilitation of on-line applications and registration of construction contractors etc. which construction industry requires urgently.

5.4 TRAINING DIVISION

5.4.1 Contractor Development

The Contactors who are registered under ICTAD Contractor Registration scheme in Lower Grade (C11- C7), should be qualified with basic civil engineering Knowledge for the benefits of them, ICTAD has designed Basic Training Programs in

- Tendering
- Site Measurement & Preparation of Bills

During the year 2010, we have conducted both programs in Sinhala & Tamil medium. Tamil programs were conducted in Trincomalee.

Course details are as follow

Name of the Program	Sinhala Medium		Tamil Medium		Income
	No of programs	No. of Participants	No of programs	No. of Participants	
1. Training program on Tendering	6	193	12	74	860,500.00
2. Training program on Site Measurement & preparation of Bills	6	168	12	74	885,500.00
3. Basic Training program for CLL Contractors	1	32	□	□	16,000.00
Total Income					1,765,000.00

5.4.2 Human Resource Development & Upgrading

5.4.2.1. The following table shows the details of skill upgrading courses conducted during 2010. *(Please see the Table 5.4.2.1)*

Table 5.4.2.1

No.	Names of the Program	Duration (Day)	No of Participants	Income
1	Contract Management and Procurement Management	30	45	1,415,789.00
2	Capacity Building Training Program Gamidiriya Ratnapura	3	42	298,480.00
3	Capacity Building Training Program Gamidiriya Tholangamuwa	3	62	
4	Quality Control Measures During Construction of Asphalt & DBST Surfacing Program	2		600,000.00
5	Construction Supervisors' Course	365	18	517,500.00
6	Steel Fixing & Bar Bending Course	3	14	60,950.00
Total Income				2,892,719.00

5.4.2.2. National Vocational Qualification through RPL FOR Skill personnel in the Construction Industry.

During the year 2010, most of the provincial council areas were covered through NVQ/RPL programs.

Details of the NVQ / RPL programs conducted all over the island are as follows. *(Please see the Table 5.4.2.2)*

PRE ASSESSMENT

NVQ/RPL- Jaffna



NVQ/ RPL - Puttlam



NVQ RPL/RDA



FULL ASSESSMENT - NVQ /Full assessment training



NVQ / RPL Programs

Table 5.4.2.1.

	Names of the Program	Duration	No of Participants	Income
1	NVQ / RPL Program - Jaffna	1	225	202,500.00
2	NVQ / RPL Program - Link Engineering	1	25	22,500.00
3	NVQ / RPL Pre Assessment Program - Akuressa	1	19	17,100.00
4	NVQ / RPL Program - Jaffna	1	62	55,800.00
5	NVQ/RPL Puttlam program	2	109	98,100.00
6	NVQ/RPL RDA program (Masons)	1	211	189,900.00
7	NVQ /RPL pre assessment program (RDA)western province	1	66	59,400.00
8	NVQ /RPL pre assessment program Sri Lanka Army	1	347	312,300.00
9	NVQ /RPL pre assessment program (Western province)	1	232	208,800.00
10	NVQ/RPL Training Program Vauniya	2	219	197,100.00
11	NVQ/RPL Training Program Thunukkai ,Anuradhapura, & Minneriya Army Camp	3	317	285,300.00
12	NVQ/RPL Training Program Painting RDA	1	105	94,500.00
13	NVQ/RPL Training Progra Ambanpola	1	55	49,500.00
14	NVQ/RPL Gamidiriya Ratnapura	1	42	37,800.00
15	NVQ/RPL Training Progra Ambanpola	1	19	17,100.00
16	NVQ/RPL Moragaskanda	1	62	55,800.00
17	NVQ/RPL Gamidiriya Tholangamuwa	1	62	55,800.00
18	NVQ/RPL Dehiattakandiya	1	186	167,400.00
Total Income				2,126,700.00

FULL ASSESSMENT				
No.	Names of the Program	Duration	No of Participants	Income
1	NVQ /RPL Full assessment program Link Engineering	2	22	66,000.00
2	NVQ/RPL Full Assessment Program Kalutara	3	11	33,000.00
3	NVQ Full Assessment Program Moragahakanda	3	38	114,000.00
4	NVQ Full Assessment Program RDA	3	62	170,500.00
5	NVQ Full Assessment Program SEC MA,Ca,Pl,Ba,pa	3	92	276,000.00 Not yet Received
6	NVQ Full Assessment Program SEC Electrical	4	49	147,000.00 Not yet Received
Total Income				806,500.00

5.5 ADMINISTRATION DIVISION :

The Resource Management Division consisting of the two separate divisions namely, Administration and Finance of the Institute is entrusted with several basic functions. In accordance with Human Resource Plan, supplying of resource personnel, development of human resources, conservation and making maximum use of physical assets, improving of infrastructure facilities, to enhance welfare of the institution and its staff, by taking new trends for consideration, to propose due recommendations to the management and to put into action the managerial decisions to suit the situations, are the basic functions and the responsibilities.

The total number of staff as at 2010.12.31 were 274 numbers and out of those 261 numbers were in the permanent cadre, 01 was on temporary basis, 12 were on Assignment Basis. 23 were belonging to the senior cadre positions. The senior cadre was formed by the HM 1-3, HM 2-1, MM 1-1 salary categories. When comparing the staff with year 2009 the senior staff decreased by 02.

During the period from 2010.01.01 to 2010.12.31 Seven (07) employees retired from the service and Fourteen (14) were left from the Institute.

The Institute was able to train apprentices assigned from NAITA. The trainees belonged to the categories like Technician, Typist / Stenographer, Computer Operator and Secretary.

During this year with the intention of Staff Development and on realizing the necessity and the importance of staff participation in Local Training Programmes, Seminars, and Courses. 112 members were sent for local training programme and out of them Ninety Nine (99) employees are participating English and Tamil language courses under the language skills development programme. An amount of Rs. 214,88.60/- was spent for Local Training Programme and Rs. 78,980/- was spent for foreign training in this year.

During the period of 12 months from 2010.01.01 to 2010.12.31 an income of Rs. 2,934,542/- was generated by hiring of Auditorium, Conference / Seminar Rooms and Circuit Bungalow at Kataragama.

5.6 FINANCE DIVISION :

FINANCIAL PERFORMANCE FOR THE YEAR 2009

Financial Year

The financial year is from 1st January 2010 to 31st December 2010..

Net Income

ICTAD is required to earn revenue to defray part of Training Expenses. This is done by several ways. eg : Hiring of Machinery, Contractor Registration, Subscription, Sale of Publications and Seminars etc. During the year 2010 Rs. 122,417,838.70 has been earned from these activities.

Expenditure

The total expenditure during the period was Rs 239,693,105.50 out of which Rs. 63,549,406.84 was for depreciation.

Contribution by Government of Sri Lanka (ICTAD)

The Government from the Consolidated Fund contributed a sum of Rs. 55,650,000.00.

Transformation of ICTAD into a Construction Industry Development Authority (CIDA)

ICTAD will be transformed into the Construction Industry Development Authority with wider powers covering more broader spectrum of work with the enactment of the Construction Industry Development Authority.. During the year 2010 the ICTAD under the instructions and guidance of the Ministry of Construction, Engineering Services, Housing and Common Amenities has developed an Construction Industry Development Act for the development of the construction industry in Sri Lanka by regulating, formalizing and standardizing the activities of the construction industry.

In addition to the establishment of the construction industry development authority, the act also provides for establishment of National Advisory Council on construction and establishment of Construction Industry Development Fund, for betterment of professionals, contractors and craftsmen, settlement of dispute related to the construction activities.

The one of the major task of the construction industry development authority is to prepare the National Policy on Construction so that all stakeholders of the industry will have a common vision on industry development and authority will also be empowered to implement the national policy under the guidance of the Ministry .

The proposed authority will have very broader objectives mentioned below and the authority will develop the comprehensive action plan to achieve the objectives spelt out in the Act making the construction industry in Sri Lanka globally competitive and major partner of the development of national economy..

The objects of the Authority –

- (1) to promote the construction industry in meeting national construction demand and in advancing–
 - (a) the national, social and economic development in the field of construction;
 - (b) the performance, efficiency and competitiveness of the industry ; and
 - (c) the value of the Industry in development sphere.

- (2) to provide strategic leadership to construction industry stakeholders to stimulate sustainable growth, reform and improvement of the construction sector;
- (3) to implement the national policy on construction;
- (4) to determine and establish best practice that promotes–
 - (a) sound industry stability, performance, efficiency and effectiveness;
 - (b) sound procurement and delivery management;
 - (c) national, social and economic objectives including–
 - (i) growth of the emerging sector;
 - (ii) labour intensification in the construction industry;
 - (iii) improve labour relations ; and
 - (iv) safety, health and environmental standards;
 - (d) human resource development in the construction industry;
- (5) to promote the development and implementation of appropriate programmes and measures aimed at best practice and enhanced performance in the Industry, contractors and other participants in the construction delivery process in the public and private sector;
- (6) to promote uniform application of the construction industry policy in all Government projects and undertakings;
- (7) to promote and establish –
 - (a) uniform standards; and
 - (b) ethical standards;

that regulate the actions, practices and procedures of parties engaged in construction projects and programmes;
- (8) to promote sustainable growth of the construction industry with special attention to the design and development of energy efficient buildings and structures;
- (9) to promote appropriate research on any matter relating to the construction industry and its development.

INSTITUTE FOR CONSTRUCTION TRAINING AND DEVELOPMENT BALANCE SHEET AS AT 31.12.2010					
DESCRIPTION	NOTE	Year Ended 31.12.2010 Rs.		Year Ended 31.12.2009 Rs	
ASSETS					
Non-Current Assets					
Property, Plant and equipment	1	419,524,379.39		475,911,652.37	
Investment	2	15,707,802.73	435,232,182.12	15,707,803.20	491,619,455.57
CURRENT ASSETS					
Stocks	3	194,019,571.74		190,025,186.40	
Trade & other Receivables	4	30,209,264.37		36,563,335.64	
Prepayments		589,292.97		675,958.63	
Cash in hand and at bank	5	2,921,202.34	-	9,208,558.24	
			227,739,331.42		236,473,038.91
Total Assets			662,971,513.54		728,092,494.48
EQUITY AND LIABILITIES					
International Development Asso.		353,753,038.78		353,753,038.78	
Government grant (CETRAC) Foreign		1,345,966,521.93		1,345,966,521.93	
Voted funds from government		360,241,213.47		360,241,213.47	
Government grant (Capital)		58,000,000.00		52,000,000.00	
Government grant (CETRAC) Local		368,789,611.00		368,789,611.00	
Assets Received from the Ministry		207,540.00			
U.N.D.P. Grant		73,179,523.80		73,179,523.80	
Net assets taken over (I.C.T.A.D)		149,907,162.02		149,907,162.02	
Accumulated Profit/(Loss)		(2,114,718,984.03)	595,325,626.97	(2,037,093,717.23)	666,743,353.77
Non-Current Liabilities					
Provision for Gratuity Payable		41,793,409.00	41,793,409.00	39,920,599.00	39,920,599.00
Refundable Foreign Aid		2,663,658.98	2,663,658.98	2,663,658.98	2,663,658.98
Current Liabilities					
Tender Deposits Refundable		455,030.00		392,030.00	
Creditors and Accruals	6	22,733,788.59		18,372,852.73	
			23,188,818.59		18,764,882.73
Total Equity and Liabilities					

			662,971,513.54		728,092,494.48
Chairman	Deputy Director (Finance)				

TH/E/ICTAD/FA/10

July 2011

The Chairman,
Institute of Construction Training and Development

Report of the Auditor General on the Financial Statements of the Institute of Construction Training and Development (ICTAD) for the year ended 31 December 2010 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971.

The audit of financial statements of the Institute of Construction Training and Development (ICTAD) for the year ended 31 December 2010 was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 29 of the State Industrial Corporations Act, No. 49 of 1957. My comments and observations which I consider should be published with the annual report of the ICTAD in terms of Section 14(2)(c) of the Finance Act appear in this report.

1:2 Responsibility of the Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

1:3 Scope of Audit and Basis of Opinion

My responsibility is to express an opinion on these financial statements based on my audit. Audit opinion, comments and findings in this report are based on review of the

financial statements presented to audit and substantive tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me. The audit was carried out in accordance with Sri Lanka Auditing Standards to obtain reasonable assurance as to whether the financial statements are free from material misstatements. The audit includes the examination on a test basis of evidence supporting the amounts and disclosures in financial statements and assessment of accounting policies used and significant estimates made by the management in the preparation of financial statements as well as evaluating their overall presentation. I have obtained sufficient information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit. I therefore believe that my audit provides a reasonable basis for my opinion. Sub-sections (3) and (4) of Section 13 of the Finance Act, No.38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

2. Financial Statements

2:1 Opinion

So far as appears from my examination and to the best of information and according to the explanations given to me, I am of opinion that the Institute of Construction Training and Development had maintained proper accounting records for the year ended 31 December 2010 and except for the effects on the financial statements of the matters referred to in paragraph 2:2 of this report, the financial statements have been prepared in accordance with Sri Lanka Accounting Standards and give a true and fair view of the state of affairs of the Institute of Construction Training and Development as at 31 December 2010 and the financial results of its operation and cash flows for the year then ended.

2:2 Comments on Financial Statements

2:2:1 Non-compliance with Sri Lanka Accounting Standards (SLASs)

Motor vehicles which have been fully depreciated but still in use had not been revalued and brought into the accounts in terms of SLAS 18.

2:2:2 Accounting Deficiencies

The following observations are made.

- (a) Repair and maintenance cost amounting to Rs.3,375,652 had erroneously been capitalized as improvement to building instead of being charged against revenue.
- (b) An advance of Rs.8,103,055 paid to the Department of Buildings for repair and construction of hostel block at Galkulama and repair of Head Office building had not been capitalized and continued to be shown as an advance despite the works had already been completed.
- (c) Two vehicles that were sold at Rs.170,330 in previous years had continuously been shown under fixed assets.
- (d) The amount of VAT remitted to the Department of Inland Revenue was incorrect due to computation error in the invoice value. The component of NBT should be considered before arriving the VAT amount to be collected. Accordingly, ICTAD is liable to pay an additional amount of Rs.360,934 as VAT liability of which had not been recovered from its customers during the year under review.
- (e) The operating income of the ICTAD had not been matched with the related operating expenditure incurred thereto and as a result it was not possible to identify the operational effectiveness and efficiency by evaluating the gross operating profit or loss. This may be an impediment to the enhancement of the managerial effectiveness and efficiency of the ICTAD.
- (f) A stock of 1817 books donated by Germany and Japan to the Construction Equipment Training Centre (CETRAC) and the stock of books in the Head Office Library had not been valued and brought to account.

2:2:3 Accounts Receivable and Payable

The following observations are made.

- (a) The hire charges receivable amounting to Rs.114,529,393 with regard to the hire of motor vehicles, plant and machinery to the National Equipment and Machinery Organization (NEMO) during the period from 1997 to 2004 had not been recovered even up to 28 April 2011.
- (b) Due to a poor operation of system on follow up debts recovery, ICTAD had failed to collect rent income and reimbursement of expenditure amounting to Rs.345,000 and Rs.1,102,669 respectively from the respective parties.
- (c) Out of the sundry debtors balance amounting to Rs.121,147,372 as at 31 December 2010, a sum of Rs.120,199,039 or 99 per cent had been outstanding for more than 05 years.
- (d) The total amount receivable for the services provided by the ICTAD was Rs.22,559,519 and a sum of Rs.5,292,643 or 24 per cent has been provided for bad debts due to the absence of a proper procedure for recovery of debts.

2:2:4 Lack of Evidence for Audit

The following items in the accounts could not be satisfactorily vouched in audit due to non-availability of evidence indicated against each item.

Item	Value	Evidence not made available
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	Rs.	
(a) Trade Debtors and other Receivables	135,931,056	} Confirmations
(b) Trade Creditors and Other Liabilities	5,413,547	
(c) Deposits	1,747,563	} Original Deposit Slips
(d) Value Added Tax Payable	2,557,267	
(e) Foreign Grants Refundable	2,663,659	} Detailed Schedules
(f) Inland Revenue	1,128,270	

2:2:5 Transactions not supported by Adequate Authority

A sum of Rs. 1,510,235 had been paid in the year 2008 as advance for bonus to the employees of the ICTAD without making provisions. The approval of the line Ministry and the Treasury had not been obtained for these payments and action had not been taken up to 10 March 2011 for the settlement of the advances.

2:2.6 Non-compliance with Laws, Rules, Regulations and Management Decisions

Instances of non-compliance observed in audit as given below.

Reference to Laws, Rules, Regulations, and Management Decisions	Non-compliance
(a) Inland Revenue Act No. 10 of 2006 – Section 106.	Income Tax Returns for the year 2010 had not been furnished to the Department of Inland Revenue at due date and no provision for tax liability had been made in the accounts.
(b) Economic Service Charges (Amendment) Act, No. 15 of 2007 Section 2.	Returns for the Economic Service Charges for the year 2010 had not been furnished to the Department of Inland Revenue on due date.
(c) Finance Act, No. 38 of 1971 Section 13(2)	The determined audit fees for the period from 1997 to 2009 amounting to Rs.3,350,000 had not been paid by the ICTAD up to 28 April 2011.
(d) Public Enterprises Circular No. PED 116 of 24 January 1997.	The ICTAD had released one motor vehicle and two officers during the year under review to the line Ministry in contrary to the circular instructions. A sum of Rs.281,112 had been paid as salaries to those officers for the year under review.

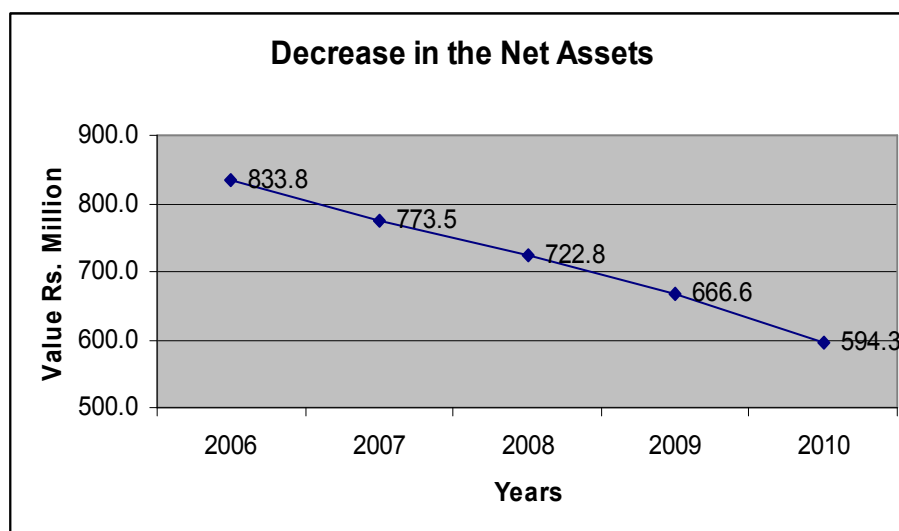
3. Financial and Operating Review

3:1 Financial Review

According to the financial statements presented, operations of the ICTAD for the year under review had resulted in a deficit of Rs.78,445,766 as compared with the corresponding deficit of Rs.68,150,192 for the preceding year thus indicating an increase in deficit by of Rs.10,295,574, after taking into the accounts of the Government recurrent Grant of Rs.49,650,000 received during the year under review as compared with the recurrent grant of Rs.48,000,000 received in the preceding year.

The following observations are made in this regard.

- (a) The operating deficit of Rs.78.4 million of the ICTAD had resulted from the utilization of the staff of 257, the total assets valued at Rs.663 million and the government contribution of Rs.55.6 million (capital and recurrent) received during the year under review.
- (b) The deficit of the ICTAD for the year under review represented 11.7 per cent of the total assets as compared with 9.3 per cent of the total asset for the preceding year indicating an adverse position of 2.4 per cent.
- (c) The accumulated loss of the ICTAD as at 31 December 2010 amounted to Rs.2,115 million and as a result of occurring continuous losses by the ICTAD, its net assets had been subject to heavy erosion. Thus the going concern of the ICTAD had become significantly uncertain without financial assistance from the Government. The following graph indicates the decreasing trend of the net assets of the ICTAD.



- (d) 2000 copies of Directory for Contractors had been printed at a total cost of Rs.4.3 Mn without ascertaining the demand. As the information becoming outdated, selling price of the books had to be reduced thus resulting a loss of Rs.189,953 to the ICTAD up to 31 December 2010. Since the information contained in 1365 books are already outdated, the recoverability of the cost of Rs.2.9Mn is doubtful.

3:2:1 Management Inefficiencies

The following observations are made.

- (a) Deposits amounting to Rs.1,747,563 made with external institutions were outstanding for more than 05 years and the recoverability of those deposits were doubtful due to the unavailability of the original documents with the ICTAD.
- (b) Action had not been taken for the recovery of Rs.1,128,270 (GST, VAT, NSL and Stamp Duty) receivable by the ICTAD from the Department of Inland Revenue.

- (c) A sum of Rs.8,731,909 with regard to advances made to procure goods and services remaining unsettled for periods exceeding 05 years.
- (d) According to the balance sheet, the value of stocks was Rs.194 million which represents 29 per cent of the total assets and 85 per cent of the current assets.
- (e) Two circuit bungalows had been constructed at a cost of Rs.15,678,657 without the ownership of land taken over by the ICTAD. However, cost of construction had been shown as assets in the financial statements.
- (f) Utilization of resources at Operating Training Center Galkulama

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- (i) 14 items (Vehicles & Machineries) out of 31 items were verified and noted in audit that due to these assets were under repair, the opportunity loss occurred amounting to Rs.24.5 Mn or Rs.46 Mn based on dry rate or for wet rate respectively. It was observed that the management of ICTAD had not taken effective action to utilize those resources efficiently.
 - (ii) It was observed that the ICTAD had not effectively marketed their products and services available at Operating Training Center, as this is the only entity in the government that provides training of heavy machines in the construction field.

3:2:2 Budgetary Control

Significant variances were observed between the budget and the actual thus indicating that the budget had not been made use of as an effective instrument of management control.

4. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Chairman of the ICTAD from time to time. Special attention is needed in respect of the following areas of control.

- (a) Accounting
- (b) Debtors and Creditors
- (c) Budget
- (d) Measurement of Performance against targets
- (e) Settlement of Advances
- (f) Maintenance of Accounting records

H. A. S. SAMARAWEERA
ACTING AUDITOR GENERAL