

Contractor

TRINIDAD & TOBAGO

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ISSUE NO.10

Challenges Contractors Face in Construction:
Navigating Unrealistic Bids

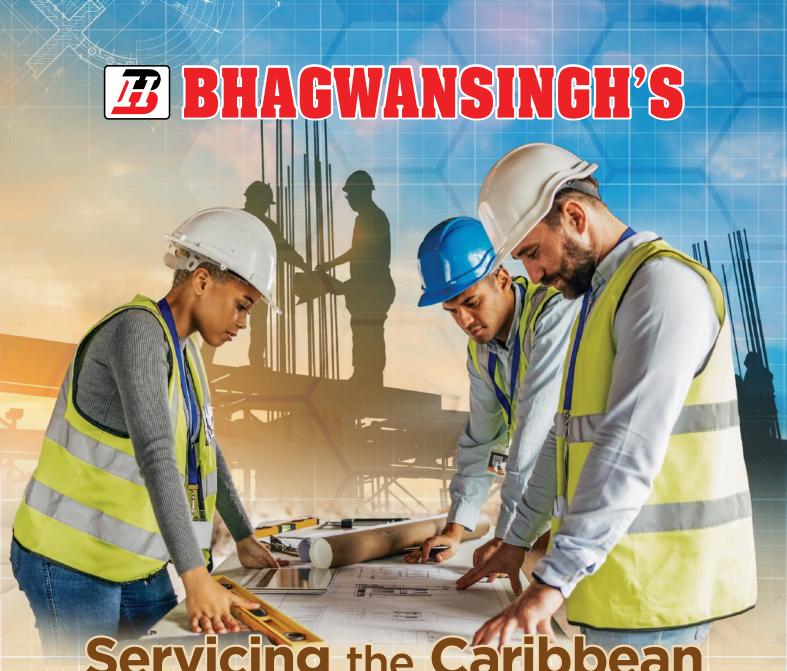
Gonzalo Rueda Castillo: Driving Sustainability at Trinidad Cement Ltd

The Impact of Imbalance and Onerous Finance and Payment Terms in State Construction Contracts

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President's Message



The construction industry is both dynamic and highly competitive, presenting contractors with significant challenges in delivering projects on time and within budget. In this article, we will explore the complexities of the tendering process and the financial obstacles commonly faced by contractors in the industry.

Challenges Contractors Face in Construction: Navigating Unrealistic Bids

At the core of the construction business lies the tendering process, wherein contractors submit bids to secure projects. However, this process often presents substantial challenges. To win a project, contractors must offer competitive pricing. Yet, a bid that accurately accounts for all costs and potential risks may not be enough to secure the contract. Instead, projects are frequently awarded to contractors who submit lower-priced bids, even if those bids may not fully reflect the true costs involved.

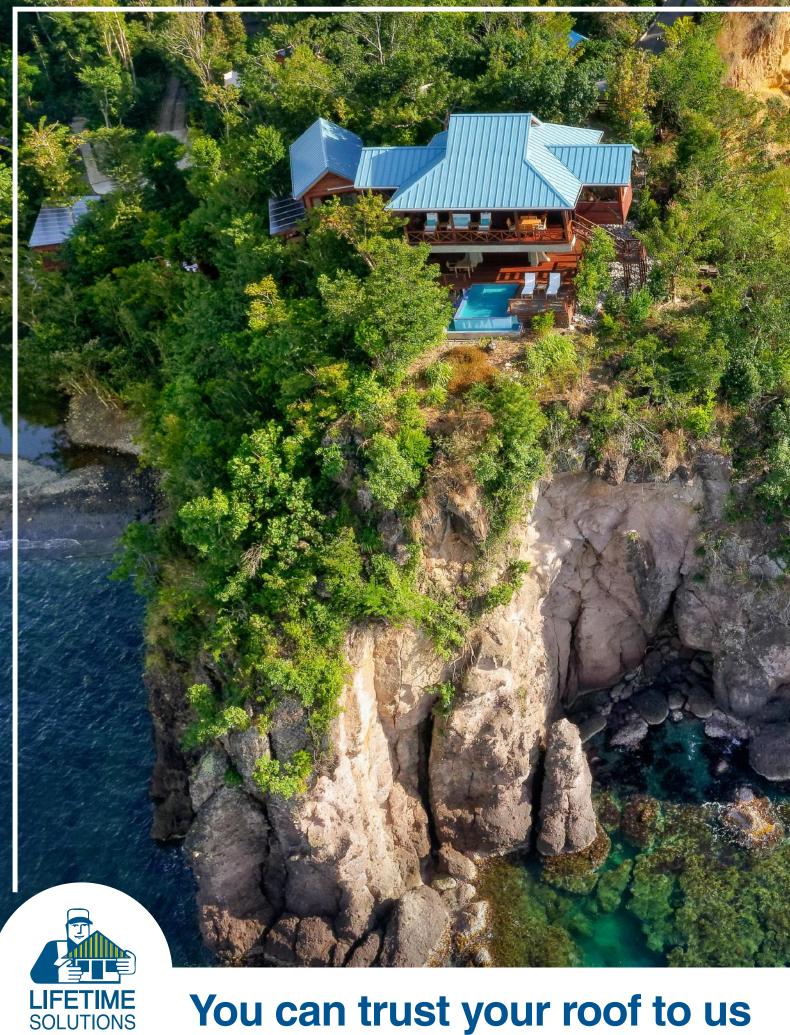
This creates a difficult predicament for contractors. They must strike a delicate balance between submitting a bid that reflects the realistic costs of the project and the need to remain competitive. The pressure to lower bids increases the likelihood of financial strain, as contractors may be forced to take on projects that result in minimal profit or, worse, a financial loss. This dilemma underscores the need for a more equitable and transparent tendering process.

Securing a project through a low bid poses significant financial risks. As the project advances, unforeseen challenges may arise, requiring additional resources or funding. These unexpected expenses can force contractors to make compromises, potentially impacting the quality of the work or the safety standards on the construction site. In extreme cases, this can result in business failure. It becomes evident that the practice of winning projects based on underpriced bids is not sustainable, as it leads to project disruptions and, ultimately, the collapse of businesses.

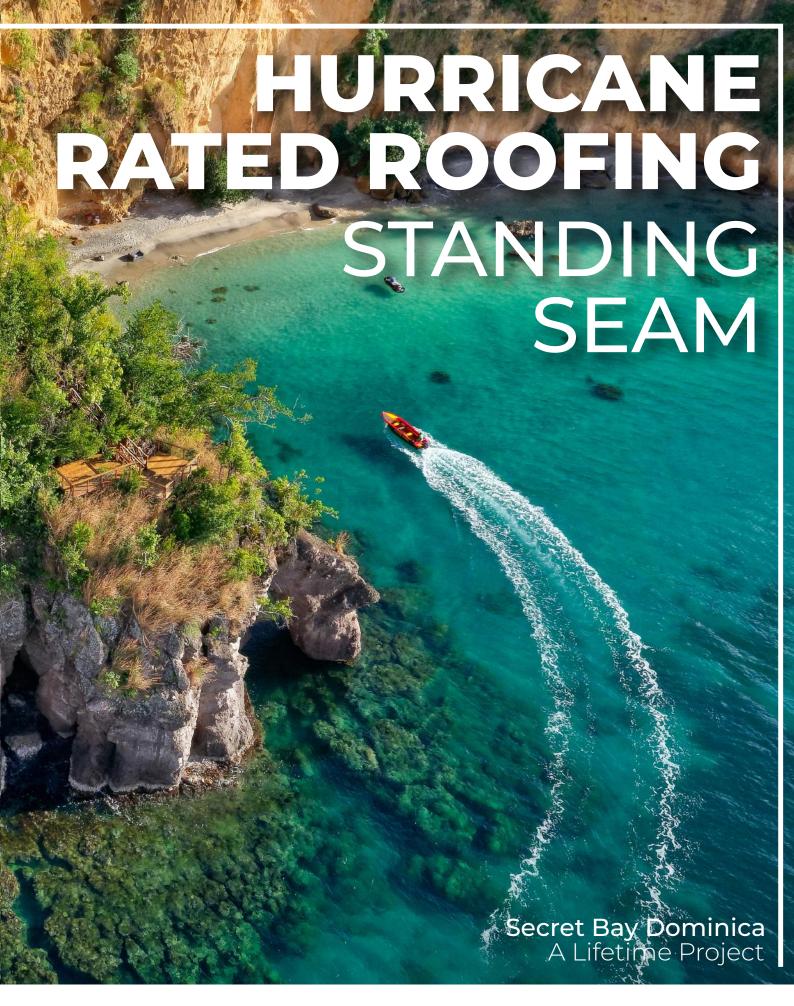
Nevertheless, some contractors continue to excel despite the financial pressures. These professionals adeptly manage their projects, ensuring the delivery of high-quality results while navigating the industry's challenges. Their perseverance serves as an inspiring example, demonstrating that success can still be achieved in even the most challenging of circumstances.

One of the most pressing financial issues contractors face is the delay in receiving payments from clients. Prolonged waiting periods for payment strain cash flow, creating additional pressure on contractors to maintain financial stability. Suppliers, who expect timely payments, do not wait for the contractor to receive funds from clients, leaving contractors to bridge the gap between expenses and income. This often forces contractors to resort to additional debt or utilize personal savings to meet immediate financial obligations.

The construction industry presents contractors with a series of significant financial hurdles, ranging from the complexities of the bidding process to the management of cash flow. Success in this field depends on finding the right balance between offering competitive pricing and implementing sustainable business strategies. Equally crucial is the need for contractors to advocate for fairer tendering processes and more equitable payment terms. These factors are essential not only for ensuring financial stability but also for fostering the long-term growth and prosperity of the industry.



You can trust your roof to us





Gonzalo Rueda Castillo: Driving Sustainability at Trinidad Cement Ltd

Gonzalo Rueda Castillo, an executive with over 25 years of experience in the building materials industry, sales and distribution has recently assumed the role of General Manager at the country's sole cement manufacturer, Trinidad Cement Ltd. Rueda, previously the Vice President – Commercial at Cemex Colombia, replaced Guillermo Rojo de Diego, who had served as General Manager since 2019. Rueda's leadership extends beyond Trinidad and Tobago, as he also oversees TCL's operations in Barbados and Guyana, highlighting his regional influence and commitment to shaping the company's strategic direction.

Sustainability at the Core of Rueda's Vision

Under Rueda's leadership, sustainability is not just a buzzword but a driving force that shapes every decision. Rueda has expressed his commitment to making TCL a leader in sustainable construction by continuing to integrate eco-friendly practices across all its operations. His focus is on reducing carbon emissions, implementing energy-efficient technologies, and promoting the use of alternative fuels and raw materials. This aligns with global trends in the construction industry, where companies are increasingly pressured to minimize their environmental footprint.

Rueda's vision includes the production of additional low-carbon cement products, which TCL already started to roll out with the launch of its reduced-CO2 ECO cement in 2020. This product line not only addresses environmental concerns but also positions TCL as a forward-thinking player in the market. By investing in sustainable innovations, Rueda aims to set a new standard for the Caribbean's cement industry, promoting greener building practices throughout the region.

Impact on Trinidad and Tobago's Construction Industry

Rueda's sustainability drive has significant positive outcomes for Trinidad and Tobago. The construction sector is a critical component of the nation's economy, and TCLs continued shift towards greener production methods could help reduce the industry's overall environmental impact. This move aligns with the country's broader goals of sustainable development and carbon footprint reduction. Moreover, TCL's initiative could set a benchmark for other local companies, encouraging wider adoption of green practices in the industry.

By investing in sustainable production methods, TCL not



only reduces its environmental impact but also addresses local economic challenges. The company's commitment to sustainability could lead to job creation in green technologies and foster a culture of innovation within the industry..

Regional Influence: Barbados and Guyana

Rueda's responsibilities extend beyond Trinidad and Tobago, including TCL's operations in Barbados and Guyana. In Barbados, TCL operates the Arawak Cement Company, which in 2023 changed its business model to focus on the grinding of clinker to produce cement, with the continued capacity and technical expertise to positively contribute to the development of the Barbados economy. Rueda's focus on sustainability will reinforce this path forward for Arawak, emphasizing efficiency and reduced environmental impact, which are critical in a market faced with economic pressures and high operational costs.

In Guyana, Rueda aims to leverage TCL's position to support the country's growing construction sector, fueled by its booming oil and gas industry. He has emphasized the importance of sustainable practices in Guyana, where infrastructure development is accelerating rapidly. Rueda's leadership could help ensure that

this growth is managed responsibly, balancing economic gains



with environmental stewardship. By prioritizing sustainability, TCL can contribute to the development of a more resilient construction industry in Guyana, one that is better equipped to manage the challenges of rapid industrialization.

What Rueda Says About the Future

Rueda's approach to leadership is holistic; he believes that sustainability is not just about reducing emissions but also about fostering a culture of continuous improvement and innovation. In discussions about the company's future in Barbados and Guyana, Rueda has highlighted the need for collaboration with local governments and industry



stakeholders to drive sustainable growth. He envisions TCL as a leader not just in cement production but in setting industry standards for environmental responsibility across the Caribbean.

According to Rueda, the key to success lies in the company's ability to adapt and innovate. He plans to invest in technology and processes that enhance efficiency and reduce the environmental impact of TCL's operations. By continuing the company's focus on sustainability, Rueda hopes to position TCL as a key contributor to the Caribbean's transition to a greener, more sustainable future.

Conclusion

Gonzalo Rueda Castillo's experience and strategic vision are set to keep TCL on its trajectory of being a leader in sustainable construction, benefiting not only Trinidad and Tobago but also the broader Caribbean region. By focusing on greener production methods, energy efficiency, and innovation, Rueda is poised to make a lasting impact on the construction industry, driving TCL's growth while contributing to a more sustainable future.

The Impact of Imbalance and Onerous Finance and Payment Terms in State Construction Contracts

by Vaughn I. Lezama Consulting Engineers Associates 2005 Ltd

Finance and Payment Conditions

Notwithstanding all that the construction industry has been through over the last several years, there continues to be hope for improved prospects in the Industry. However, such prospects are thwarted by the now established trend of state contracting agencies to increasingly find ways and means through manipulation of contract conditions, to provide cover for failures, both real and anticipated, in guaranteeing the financial arrangement to pay Contractors in accordance with reasonable contract payment terms. Many construction businesses, both consultants and contractors, have been to the edge of the financial cliff and many are currently surviving on bank loans and credit facilities which are attracting financing charges of at least 1.5% plus prime. Prime is in the region of 7.5% plus so that the minimum cost of capital at this time is of the order of 9%.

However, what has now become a norm is the serious imbalances of project financing and payments terms, written into the Particular Conditions of state contracts. The most egregious of these imbalances are contract conditions related to Delay Damages, Financial Charges for Delayed Payments and Limit on Retention. Clauses of FIDIC Contracts related to these issues are reworded, changed or omitted via Particular Conditions, and these have the impact of increasing adverse financial consequences to both Consultants and Contractors.

Such adverse financial consequences transfer undue financial risk to contractors making it difficult to manage their finances and potentially

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leading to insolvency where they cannot secure sufficient working capital through loans or other financing options to cover their expenses while waiting for payment, leading to increased costs due to overdraft interest, financing fee and lost opportunity costs.

Delay Damages and Financial Charges

State Contracts routinely and explicitly assign penalties for Delay Damages for late delivery on the part of the Contractor while just as explicitly omitting the Contractor's right to receive financial charges for Delayed Payments. Where concessions are grudgingly made for payment of financing charges, the sum assigned is invariably 1% above prime, where the current cost of finance is at least 1.5% plus prime and FIDIC General Conditions proposes 3% plus prime. This is perhaps the most egregious example of disparity of financial risk imbalance since the Contractor is penalized for late delivery of the works but denied compensated for Delayed Payments.

State Contracts never ever consider the incentive of introducing a concomitant Clause to that of Delay Damages, such as a Bonus Clause for Early Completion, even when the nature of the project is such that early completion is of substantial economic benefit to the Employer. No consideration is given to the fact that a Bonus Clause for early completion aligns the interests of both parties, incentivizing efficient project execution while providing financial and operational benefits to both parties. State Contraction Agencies should be acutely aware that early project completion can lower costs related to project management, supervision, and overheads, as well as mitigate risks associated with market and political changes, such as changing economic conditions and revolving political administrations. Early completion can also align better with the Agencies broader operational plans, facilitating smoother transitions



Employer's Financial Arrangement

Notwithstanding the usual explicit omission of FIDIC's Contract Condition with regard to the "Employer's Financial Arrangements", the Employer is obliged to make payment under the Contract, irrespective

of the Employer's financing arrangements, and the Contractor ought not to be deprived of its rights under the General Conditions to receive financial charges for Delayed Payments.

It is clearly understood in common law, in all international jurisdictions, that it is illegal to enter into a contract for the provision of a service if the party who is contracting the services does not have the finance to pay for the service. You cannot, for example, ask a contractor to build your house or pave your driveway and when the job is finished tell the contractor that you do not have the money to pay him at this time but you will do so when you get some money, unless there was such a prior agreement. Because such action is universally accepted as being illegal, it is for that reason that FIDIC Contracts explicitly require that the Employer shall within 28 days of a request from the Contractor submit reasonable evidence that financial arrangements have been made and are being maintained which will enable the Employer to pay the Contract Price in accordance with the Contract.

Equally explicit in FIDIC Contracts is that failure to provide the reasonable evidence within 42 days after the Contractor has serve notice of the request, the Contractor is entitled to terminate the Contract. This provision in international Contracts reflects the seriousness of the matter. However, this provision is routinely omitted from state contracts. Any question about financial arrangement is treated with contempt and state contracting agencies routinely enter into contracts on the basis that the state does not have to provide evidence of financial arrangements for execution of its contracts. Fortunately, this matter has gained the attention of the Office of Procurement Regulation (OPR) in that it has published Guidelines for the ethical conduct of Public Bodies and Public Officers, which require that the Procurement Officer of such bodies shall confirm the allocation of funds before the initiation of any procurement and disposal of public property proceedings.

Delayed Payments

Failure by State Contracting Agencies to comply with the contractual payment obligations is more often the norm than the exception. As such, the absence of financial charges payment, or some concomitant reciprocity in the Contract, such as a Limit on the Contract Retention Sum, constitutes an abuse on the part of such Agencies who have an unfair negotiating leverage over bidders on state Contracts. The case of Consultants who provide technological



knowledge-based services to the industry is even worst, since their services contracts provide no remedy, such as that available to Contractors, to suspend work or reduce the rate of work, due to delayed payment.

Contractors often face cash flow challenges where payment terms are unjustifiably lengthy or complicated. For example, where FIDIC indicates a payment period of 56 days after the Engineer receives the Contractor's Payment Statement and supporting documents, such period is increased to up to 77 days in some state contracts. This can hinder the ability to pay for labor, materials, and other expenses promptly. Such inordinately long payment period and complicated payment terms create cash flow problems for contractors, who need to pay for labor, materials, and other expenses upfront, exacerbating cash flow issues. Long payment periods may also lead contractors to include a premium in their bids to cover the risk of delayed payment, raising the overall cost of the project. Extreme payment delays often lead to work slowdowns or stoppages, where the contractor, having served notice, may suspend work or reduce the rate of work.

Contractors may need to take out loans or other financing options to cover their expenses while waiting for payment, leading to increased costs due to interest and fee. In any event, difficult payment terms often strain relationships between the parties involved, leading to disputes and a lack of cooperation, which can negatively impact the project's progress and quality. Complex payment terms often lead to increased administrative work, as contractors have to spend more time and resources managing invoices, payments, and compliance with contract terms. Smaller contractors are particularly challenged when engaged in projects with onerous finance and payment terms, leading to higher level of indebtedness than would otherwise be the case and an evidential high level of project abandonment. Overall, an inordinately long payment period in a construction contract can create a domino

effect of financial and operational issues that can severely impact the success of the project.



Fair and balance risk/reward
allocation is widely accepted
as the most appropriate basis
to minimize the prospects of
disputes, enhance the likelihood
of achieving a successful project
outcome, and keep Contract
Prices moderate and optimum.
However, the negative impact of

unfavorable and imbalance financial conditions places an inordinate level of financial burden and risk on proponents in receipt of state contracts. The evidence of this is the many low profile and sometimes overlooked public projects around the country, undertaken by small and medium-size contractors, that have been left incomplete and in a state of dilapidation because of financial issues related to delayed payments.

Restarting these projects involve the processes of retendering, condition assessments, renewed mobilization and substantial demolition, repair and redesign works. The result is increased project cost and the opportunity costs to both the state and end-use stakeholders. This is a circumstance that has particularly plagued the public housing sector where, not infrequently, largescale housing development projects throughout the country have been left partially completed and abandoned largely over disputes of payment, only to be restarted at a later date with all the attendant additional costs.

Performance Bond and Retention Money

Two other financial issues which exacerbate the financial risk to Contractors are those of Performance Bond and Retention Money, the latter being applicable to Engineering Consultants as well. There is at least one known case in which a Contracting Agency stipulated that the Performance Bond to be provided by the awarded Contractor must be on the Tender Sum inclusive of the Value Added Tax. There is something conspicuously depraved about this, since it amounts to asking the Contractor to provide a Bond on a Tax to be paid to the state, even while procurement of the Bond itself attracts a Tax of its own. From all reports, this was an anomalous case which is not the norm. However, the fact that it was a requirement in a particular RFP issued by a state Contracting Agency underlines the desire of such agencies to leverage and maximize their advantageous negotiating position without consideration of the negative financial impact.

Positive Cash Flow and Limit of Retention

A Contractor's positive cash flow is of value to the success of any project. Placing a limit on Retention Money is one way to facilitate a positive cash flow, particularly as the Works approaches completion. By the time that the 10% Retention Sum reaches 5% of the Contract Sum, the Contractor would have delivered 50% of the value of the work. Given such level of completion of the works, together

with the 10% Performance Bond, the Employer's financial risk is substantially reduced at this stage of the project. Common international practice is to limit Retention Money to 5% of the Contract Sum in the interest of facilitating a positive cash flow for expeditious completion of the project.

A 5% Limit on Retention could in fact represent a reciprocal concomitant benefit to the Contractor and the project, in lieu of non-payment of financial charges. For Example, on a \$20M contract, a 10% Limit on Retention is \$2.0M. Half of this sum (\$1.0M) is withheld over the Defects Notification Period (DNP) which can extend to up to two (2) years. If the Limit of Retention is reduced to 5%, then the sum withheld during the DNP is reduced to \$500,000.00. While the Employer may feel that withholding as much of the Contractor's accumulated earnings as possible is a matter of sound financial management on its part, the difference between the two circumstances can have a major impact on the profitability and sustainability of the Contractor's organization and by extension the sub-contractors and design professionals whose services he would have engaged on the project.

Conclusion

If the industry is to return to a strong footing as soon as possible after the setbacks of the COVID-19 Pandemic and the slow recovery thereafter, it is important that due consideration be given to issues of payments and cash flow which progressively and negatively impact the sector. It is time that the state through its Contracting Agencies step up to the understanding that development is a process and not an end result. Development of the construction sector cannot be achieved by the unenlightened view that seeking to reduce adverse financial consequences to the Employer and increasing adverse consequences to the Contractor, on state projects, is in the best interest of either the projects under the purview of

such Contracting Agencies or in any way advances
the building of capacity, competency and
sustainability in the local construction
industry.



The time has come for a better understanding and appreciation of the negative impact of unenlightened, imbalanced and regressive payment and financial terms on the outcome of many state construction contracts.

Recommendations for Contractors

To address the issue of onerous finance and payment terms on state construction contracts, a contractor can take several proactive steps. By taking these steps, contractors can better protect themselves from the adverse effects of onerous finance and payment terms, ensuring smoother project execution and financial stability.

Contract Review and Negotiation:

It is taken for granted that given the overwhelming leverage of local state contracting agencies, there is no room for negotiation of contracts which such agencies offer. Local contractors with or without the support of their association should disabuse themselves of this mindset and take a firm position on issues that relate to financing and payment terms. Some proactive contract review and negotiation approaches should include the following:

-

- Engage the services of industry professional with experience in contract administration to review the contract terms and identify clauses that could pose financial risks.
- Seek to negotiate more favourable terms before signing the contract. This can include payment frequency, limit of retention, financial charges and the magnitude of delay damages, do so by sighting FIDIC guidelines as established international best practice.
- Seek to establish clear conditions for the release of retained amounts for the whole of the works or each section (if any).
- Negotiate Advance Payment Loan or mobilization payment to achieve favourable amortization terms

Clear and Detailed Payment Applications:

- Engage the services of experienced construction professionals, including engineers who will: -
- Ensure that payment applications are detailed, accurate, and submitted on time.
- Prepare comprehensive supporting documentation to avoid delays due to disputes over payment applications.

Cash Flow Management:

- Implement detailed budgeting and cash flow forecasting to anticipate and manage financial needs throughout the project.
- Where possible, maintain reserve funds to cover unexpected expenses or payment delays.

Prompt Communication and Dispute Resolution:

- Maintain regular communication with the client regarding payment status and any potential issues.
- Ensure that clear dispute resolution mechanisms are included in the contract to address payment disputes efficiently. Be wary of the inclusion or reference in some contracts of dispute resolution mechanisms such as the Mediation Act and the Arbitration Act of the Laws of Trinidad and Tobago. These Laws by themselves, in my view, have no discernible procedural rules for the resolution of disputes or for arbitration. If they are referenced in the contract, seek legal advice to ensure that procedural rules for triggering and guiding recourse to these laws are spelt out in the Particular Conditions.

Project Management Practices:

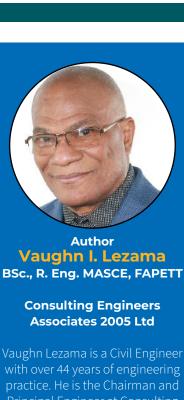
- Implement strong project management practices to ensure that the project stays on schedule and within budget, reducing financial strain.
- Manage change orders efficiently to ensure additional work is properly documented and compensated.

Educate and Train Staff:

- Ensure that project managers and finance teams are well-versed in contractual terms and payment processes.
- Train key personnel in negotiation skills to better handle contract discussions.

Trinidad and Tobago Contractors Association (TTCA) Support:

 Ensure that your organization is a member of the TTCA, through which you can advocate for resources and support for fair payment practices and industry-wide changes in payment practices in the local construction industry.



Principal Engineer at Consulting Engineers Associates 2005 Ltd. Eng. Lezama is registered with the Board of Engineering of Trinidad of Professional Engineers of Member of the American Society of Civil Engineers. Eng. Lezama has extensive experience in Engineering Designs, Technical Studies, Construction Supervision, and Contract Administration. He is highly of Contracts. Currently, Eng. Lezama of Engineering of Trinidad and Tobago (BOETT) and is responsible for maintaining the Register of Engineers in accordance with the Engineering Profession Act No. 34



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Key Skills for Emerging Professionals in Trinidad & Tobago's Construction Industry

by Lisa Ramoutar TTCA Board Director and Laboratory Manager at CARIRI

The local construction industry employees thousands of people across multiple job positions, from the unskilled labourer to the specialist contractor, from the architect or designer to the consultant. The construction industry on a whole, is one that allows for career diversification. A career in construction could start in one area and evolve into an entirely different but related field where core competencies from each area build on each other. For instance, a draughtsman or welder could work (and study) their way up to being an engineer, a manager or a CEO of an organization. An experienced engineer could become a lecturer or venture into arbitration or contract law. These types of career pivoting moves require a mindset that adapts to change, while being driven and determined to succeed; but it should be noted that skills are required to be successful.

Critical amongst the issues facing the industry is the growing gap of experience and skills of the young workforce, attributed to several factors including but not limited to the retirement of the very experienced coupled with lack of succession planning and the absence of opportunities to learn alongside the experts. Young professionals must be exposed to programmes thoughtfully designed to address the needs of the changing face of the construction industry as well as the future needs. Artificial intelligence, digitalization and the Internet-of-things have already started changing how work is done in construction and business in general. This however does not detract from the need for a strong base of both technical and soft skills for professionals entering the industry. This author opines that the following skills are essential for young professionals entering the local construction industry:



1. Technical knowledge: It is a given that there must be a formal educational component which covers not only the basics, but concepts and theory from first principles. There must be an understanding of the technical concepts and the real-world applications, whether it is a technical degree, technical diploma or the like. In addition to having this core area of knowledge, one must keep abreast of changes; therefore, continuous learning and development is encouraged. Our local associations (e.g. TTCA, APETT and TTIA etc.) and local tertiary bodies will often publish articles or host seminars/webinars and courses with the aim of contributing to Continuous Professional Development. In addition, there are numerous online resources to support continuous development.

2. Personal Work Ethics: Personal work ethics are those factors generally within the control of the individual and includes:

- Arriving to work on-time
- Being trainable
- Willing to work with others
- Completing work assigned
- Maintaining integrity The construction industry can be a challenging one, and construction does not always go as planned. How you behave when faced with these challenges, and the decisions you make are important for maintaining your integrity.

3. Time Management: The ability to prioritize and execute necessary tasks on-time, especially with little to no supervision, is a heavily underrated skill. Anyone in the

construction industry will tell you the adage is true: "Time is money" as there is a direct relationship between time and financial costs.



4. Project Management:

This ties in with Time
Management but
requires a more
wholistic approach
which will incorporate
aspects of planning,
risk management,
communications and
contract management
amongst others.

- **5. Quality consciousness:** Think of quality as "fitness for purpose" and "meeting the needs of the client, both the expressed needs as well as the implied needs of the client". This ties back into being technically competent, completing the scope of the job on time as well as within budget. An appreciation of quality is useful, and it will vary depending on where you are, whether it is generating specifications for procurement, quality assurance, quality control, quality management systems, audits etc.
- **6. Emotional Intelligence:** The ability to understand and manage emotions effectively can improve interpersonal relationships. This is a cornerstone when addressing conflicts that may arise in the workplace as they often do.
- **7. HSE awareness:** From the Piper alpha disaster come forward, Health & Safety (and Environment) has come a very long way. Locally there are several programs and initiatives to promote and enhance safety awareness such as the OSHA 30-hour training, PLEA, STOW and TBOSIET. General awareness is needed for every individual in the industry for:
- Risk Assessments, JHAs and JSAs
- PPE use and care
- Hazard Identification
- Ergonomics
- General First Aid

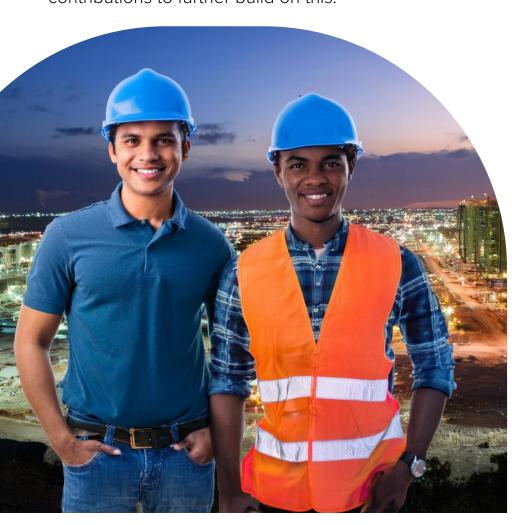
Specialized jobs and sites will require particular attention such as training for:

- Scaffolding safety
- Ladder safety
- Confined Space Entry
- Work at Heights
- Hot Work
- Fatigue Management
- Heat Stress
- Substance Abuse
- · Offshore Safety and the list continues
- **8. Digital literacy skills:** Simply being computer literate is no longer adequate nor is it a selling point for inclusion on a curriculum vitae (CV). One must be digitally literate, to be able to understand how to navigate multiple software programs and applications across multiple devices, including use of virtual platforms and interfaces for meetings, conferences and interacting on online platforms. The use of Artificial Intelligence (AI) tools has been expanding into several sectors, the potential applications have not been fully explored for the construction industry. Just as Building Information Modeling (BIM) promotes efficiency and positively impacts designers and architects, so can AI.

9. Critical thinking and problem solving:

In this age of technology, it is often challenging to distinguish the true facts of a situation and often we are required to make decisions in the absence of all information, therefore the ability to critically assess information to aid in decision making is important. In addition, being able to adapt quickly and find solutions to problems, especially where all information is not readily available, can have a significant impact on reducing delays on projects. Remember delays impact costs.

10. Communication: Communication in the most basic form is to ensure that a sender can convey a message to a receiver who confirms understanding and can then act as needed. Both oral and written communication skills are needed for any professional for understanding project and contract requirements, making records, and issuing correspondence etc. While this is not an exhaustive list, I welcome your contributions to further build on this.





Author Lisa Ramoutar

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Lisa Ramoutar is a TTCA Board Director and the Laboratory Manager at Caribbean Industrial Research Institute (CARIRI). Mrs. Ramoutar is a Civil Engineer with over 10 years experience in investigating materials in construction. She supervises an experienced and knowledgeable team at CARIRI. Their goal is to improve quality in construction.



www.cariri.com

Stop Illegal Dumping

by Environmental Management Authority

Illegal dumping is the disposal of waste in areas, such as the back of a yard, in rivers, streams, open fields and roadsides ... anywhere there is space, especially in remote areas. Illegal dumping can take many forms – from a simple plastic bottle thrown on the sidewalk or in the drain, to old tyres, furniture, appliances and waste from construction and industry in empty spaces and waterways.

It is considered illegal because waste disposal is only permitted in selected areas such as landfills, in Trinidad (Beetham, Forres Park, Guapo and Guanapo) and Tobago (Studley Park). Therefore, any waste deposited outside these areas is considered unauthorized

and potentially harmful to the environment, local communities and public health.

Abandoned waste becomes a source of pollution in soil, rivers and groundwater. It is a sustainability challenge because it has serious negative social, economic and environmental impacts. These impacts are diverse



and include water pollution, poor air quality, unsightly and unclean surroundings (visual pollution), injuries to humans and animals, as well as public health issues. One of the biggest risks illegal dumping poses to humans is illness. These sites bring a host of public health problems, encouraging breeding grounds for mosquitoes, rats and other vermin that carry diseases.

When waste builds up in one place, it impacts soil and nearby water sources. It creates dangerous run-off that eventually contaminates soil and water which we use for drinking, recreation and other domestic purposes. Liquid waste contains chemicals that contaminate underground aquifers and surface water, beyond water quality standards.

Animals are some of the first to suffer the impacts of illegal dumping and in many cases, they become ill after consuming waste or may die by becoming entangled in debris. This is particularly common among fish and sea turtles.

Improper disposal of waste is also one of the leading causes of flooding as drains become clogged and prevents proper drainage and stormwater run-off.

Construction is one of the main sectors in Trinidad and Tobago and is critical to the nation's economy. It creates jobs, strengthens the supply chain, supports investment and contributes to the growth of other economic sectors. It creates buildings and spaces that connect communities and improve social conditions. Roads (byways and highways) ports, learning institutions and recreational facilities are some of the essential components of a functioning society. Safe and reliable infrastructure is key to sustainable development. This is underscored by the United Nations Sustainable Development Goals (SDGs) #8 – 'Decent Work and Economic Growth' and #9 – 'Industry, Innovation and Infrastructure'.

It is therefore important to store, remove and dispose of construction waste and other types of waste in a responsible manner.

In Trinidad and Tobago, we are now seeing an increasing trend where unmarked Road Tanker Wagons (RTWs) are now contributing to this problem. These unmarked and unauthorized RTWs are now discharging waste in empty spaces and are very often difficult to detect, as it occurs in remote areas where there are no human settlements.

According to the Litter Act 27 of 1973, Chapter 30:52 illegal dumping is a criminal offence. Once detected, an individual can be fined \$4,000 or imprisonment for six months and if a company is caught that fine is \$8,000.

Members of the public are encouraged to take photos or videos including company logos or licence plates of these vehicles seen dumping waste in the environment. Please send information related to illegal dumping to EMA's hotline WhatsApp's number 367-8842 (Please note that only footage can be uploaded to this number), calls can be made to 226-4362 option 2, email address Complaints@ema.co.tt or through website by completing complaints form ema.co.tt.

Illegal dumping is a serious public health issue that requires a whole of society approach to curb this illicit trend. Please be a part of the solution and report all situations where illegal dumping is occurring in your community so that the regulatory bodies can take action.



References:

Ministry of Rural Development and Local Government https://rdlg.gov.tt





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Blueprint for Excellence Mastering Preconstruction in Caribbean Construction Projects

Building Success from the Ground Up

by Mikey Thackoor NH International Caribbean Ltd

With its unique blend of vibrant cultures, breathtaking landscapes, and challenging environments, the Caribbean presents a distinct set of opportunities and obstacles in the construction industry. From the turquoise waters of the Bahamas to the rugged mountains of Jamaica to the pitch lake in Trinidad, each project in this region must be carefully tailored to meet the client's vision and withstand the region's environmental challenges. This is where the significance of preconstruction services shines—by meticulously planning and strategizing, these services pave the way for successful project delivery, even in a region where nature's beauty and power coexist.

As a seasoned professional with years of experience navigating the complexities of Caribbean construction, I have seen firsthand the transformative impact of robust preconstruction planning. It is not just about setting the stage for what's to come; it's about ensuring that the foundation is unshakeable, every possible challenge has been anticipated, and every solution is well within reach. Effective preconstruction services are the bedrock of success in the Caribbean, where the unexpected is part of the norm.

Let's delve into the essence of preconstruction services, explore their critical importance for any construction project in the Caribbean, and understand how to create and maintain an effective preconstruction department.

Understanding Preconstruction Services

Preconstruction services are the unsung heroes of any construction project, setting the stage for success long before a single brick is laid. These services encompass a comprehensive suite of planning, analysis, and design activities to ensure the project's feasibility, cost-effectiveness, and alignment with the client's vision and requirements. In the Caribbean, where each island presents its own distinct character, challenges, and resources, these preliminary steps are not just necessary—they are crucial.

From the initial conceptualization to detailed planning, preconstruction services provide the necessary foundation for a project that meets all regulatory, environmental, and cultural standards. They involve rigorous site assessments, budget forecasting, risk analysis, and the development of construction schedules that account for local conditions such as climate, logistics, and resource availability. By addressing potential issues early on, preconstruction services help avoid costly delays and ensure that the project proceeds smoothly, on time, and within budget.

In essence, preconstruction services are about crafting a blueprint for success tailored to the unique demands of each project and location. They are the strategic groundwork that transforms a vision into reality, ensuring that when construction finally begins, every aspect is primed for excellence.

The Importance of Preconstruction Services for Caribbean Projects

In the Caribbean, successful construction projects hinge on meticulous planning and foresight. Preconstruction services are not just an early phase in the construction process; they are the bedrock upon which the entire project's success is built. From navigating the region's unique environmental challenges to ensuring that specialized labor and materials are available when needed, preconstruction services are indispensable. They serve as the critical link between conceptual designs and practical on-the-ground execution, ensuring that every aspect of the project is aligned with local realities and client expectations. Whether it's adapting to the logistical complexities of island construction or adhering to the intricate web of local regulations, preconstruction services provide the blueprint for a smooth and efficient project, ultimately delivering structures that are not only resilient but also a testament to the region's rich cultural heritage.



Navigating Unique Environmental Challenges

The Caribbean region presents unique environmental challenges, such as hurricanes, high humidity, and saline conditions. Preconstruction services help identify these challenges early on, allowing for the design and implementation of robust mitigation strategies. For instance, selecting corrosion-resistant materials and designing structures to withstand extreme weather conditions are crucial steps in ensuring the longevity and safety of developments.

Addressing Specialty Labor and Materials Availability

Construction projects often require specialized skills and high-quality materials, which may need to be more readily available in the Caribbean. Preconstruction services involve thoroughly assessing local labor markets and material suppliers, identifying potential shortages, and sourcing alternatives. This proactive approach ensures that the project has access to the necessary resources without delays or compromises in quality.

Facilitating Efficient Movement of People and Materials

The logistical challenges of moving people and materials across the Caribbean islands can be significant. Preconstruction services include detailed logistics planning to streamline transportation and ensure that materials arrive on time and in good condition. This planning also addresses the coordination of specialty labor, ensuring that skilled workers are available when needed and can be transported efficiently to the project site.

Aligning with Local Regulations and Standards

Navigating the regulatory landscape in the Caribbean can be complex, with varying standards and requirements across different islands. Preconstruction services facilitate early engagement with local authorities, ensuring that all necessary permits and approvals are obtained and that the project adheres to local building codes and environmental regulations. This proactive approach minimizes delays and legal complications, keeping the project on track.

Ensuring Cost Efficiency and Budget Adherence

Projects demand high-quality materials and finishes, which can significantly impact the budget. Preconstruction services provide accurate cost estimates and facilitate value engineering to balance quality with cost efficiency. By identifying potential cost overruns and exploring alternative solutions, project managers can ensure that the project stays within budget without compromising on the quality standards expected by clients.

Enhancing Collaboration and Communication

Effective communication and collaboration are vital for the success of any construction project. Preconstruction services establish a solid foundation for cooperation between all stakeholders, including clients, architects, engineers, and contractors. This collaborative approach fosters a shared understanding of project goals, timelines, and responsibilities, reducing the likelihood of misunderstandings and conflicts during the construction phase.

Managing Stakeholder Expectations

One critical aspect of preconstruction services is managing stakeholder expectations. By engaging stakeholders early in the process, project managers can understand their needs and concerns, ensuring everyone is on the same page. This proactive engagement helps set realistic expectations and address potential issues before they escalate, leading to a smoother construction process and higher satisfaction among all parties involved.

Risk Mitigation and Contingency Planning

Every construction project carries inherent risks, from material shortages to unexpected site conditions. Preconstruction services involve thorough risk assessments and the development of contingency plans to address potential issues. By anticipating and planning for these risks, project managers can minimize disruptions and ensure a smoother construction process.

Delivering a Superior Client Experience

Projects are all about exceeding client expectations. Preconstruction services provide clients with a clear roadmap of the project, transparent



cost breakdowns, and realistic timelines. This level of transparency and detailed planning enhances client confidence and satisfaction, reinforcing the development firm's reputation as a reliable and professional partner.

Creating an Effective Preconstruction Department

Establishing an effective preconstruction department or team is crucial to achieving excellence in Caribbean construction projects. This team is pivotal in laying the groundwork for successful project execution. Here are the key components and steps required to build and maintain a robust preconstruction department:

Assembling the Right Team

The success of any preconstruction department hinges on the expertise and skills of its members. This includes:

- Project Managers: Experienced professionals who can oversee the entire preconstruction process, ensuring alignment with project goals and timelines.
- Estimators: Skilled in providing accurate cost estimates and budget forecasts, crucial for financial planning.
- Design Coordinators: Experts collaborating with architects and engineers to refine project designs.
- Risk Managers: Professionals adept at identifying potential risks and developing mitigation strategies.
- Procurement Specialists: Responsible for sourcing materials and labor, ensuring availability and quality.
- Logistics Planners: Experts in planning and managing the efficient movement of people and materials.

Fostering a collaborative environment is critical. Team members must work closely with each other and external stakeholders, including clients, architects, engineers, and contractors. Implementing practical communication tools and platforms, such as project management software and regular team meetings, ensures seamless information flow and coordination.

Establishing Clear Processes and Procedures

Developing comprehensive Standard Operating Procedures (SOPs) is essential. These SOPs should outline the preconstruction process, including project feasibility analysis, design development, cost estimation, scheduling, risk management, value engineering, and stakeholder engagement. Maintaining detailed records of all preconstruction activities, decisions, and communications ensures transparency and accountability. Investing in advanced project management software, cost estimation tools, and design collaboration platforms enhances efficiency and accuracy.

Investing in Training and Development

Continuous learning keeps preconstruction team members updated with industry trends, technologies, and best practices. Encouraging crossfunctional training ensures team members have a holistic understanding of the preconstruction process and can collaborate effectively.

Fostering a Culture of Innovation and Improvement

Encouraging innovation is critical to staying ahead in the construction industry. Create an environment where team members are encouraged to propose innovative solutions and approaches to improve the preconstruction process. Regular reviews of preconstruction activities and processes help identify areas for improvement and implement feedback from team members and stakeholders.

Aligning with Strategic Goals

The preconstruction department's activities must be aligned with the client's vision and strategic goals. Understanding the client's needs and expectations and tailoring the preconstruction process to meet these requirements is crucial. Establishing key performance indicators (KPIs) to measure the effectiveness and efficiency of the preconstruction process and regularly monitoring these metrics drives continuous improvement.

Critical Elements for an Effective Preconstruction Department

In the Caribbean, where the vibrant rhythm of life is harmonized by the unpredictable forces of nature, constructing a successful project is akin to conducting a symphony. Every note, every pause, every instrument must be perfectly timed and in tune with the others. This intricate orchestration



begins not on the construction site but in the preconstruction phase—where the blueprint of success is meticulously crafted. Here, the effectiveness of the preconstruction department is not merely about ticking boxes; it's about creating a robust framework that anticipates challenges, validates every assumption, and adapts to real-time feedback. This proactive approach is the linchpin of any successful construction endeavor in the Caribbean, ensuring that the project is already set on a path to excellence when the first shovel hits the ground. Let's explore the essential elements that make a preconstruction department functional and exceptional in the unique context of Caribbean construction.

Comprehensive Project Feasibility Analysis

- Conduct thorough feasibility studies to assess the project's viability, considering budget, timeline, technical requirements, and environmental factors specific to the Caribbean region.
- Validating Assumptions: Ensure all initial assumptions about the project's scope, costs, and resources are thoroughly validated. This involves testing these assumptions against real-world data, market conditions, and historical precedents to minimize the risk of unforeseen challenges.
- Incorporating Feedback: Use feedback loops from stakeholders, including local experts and contractors, to refine and adjust feasibility assessments.
 This continuous validation ensures that the project is grounded in realistic expectations.

Detailed Design Development

- Collaborate closely with architects and designers to refine the project design, ensuring it meets client expectations, regulatory standards, and environmental considerations.
- Iterative Feedback: Integrate feedback at multiple stages of the design process, allowing for adjustments that align the design more closely with client needs and local conditions. This iterative approach helps identify design flaws early and make necessary corrections before they escalate into more significant issues.

Accurate Cost Estimation

- Provide detailed and accurate cost estimates to help clients make informed budgeting and financing decisions. This includes exploring value engineering options to balance quality with cost efficiency.
- Assumption Validation: Challenge and validate all cost-related assumptions, including material prices, labor costs, and logistical expenses. Regularly update cost estimates with the latest market data to ensure accuracy and reliability.
- Feedback Mechanisms: Establish channels for continuous feedback from procurement teams and suppliers to refine cost estimates and ensure they reflect the latest market trends and availability.

Robust Scheduling

- Develop a comprehensive project schedule outlining key milestones, timelines, and critical paths to ensure timely completion.
- Real-Time Adjustments: Use feedback from ongoing project activities to adjust and optimize the schedule. This dynamic approach allows the team to respond to unexpected delays or accelerations, ensuring the project remains on track.
- Validating Timelines: Regularly validate scheduling assumptions by comparing planned timelines with progress on similar projects. This helps in setting more realistic deadlines and milestones.

Proactive Risk Management

- Identify potential risks early in the preconstruction process and develop robust mitigation strategies to minimize disruptions and ensure project success.
- Feedback Integration: Use real-time feedback from ongoing risk assessments to refine mitigation strategies. As new risks emerge or initial risks evolve, this feedback loop ensures that the project is always prepared for the unexpected.
- Validating Risk Assumptions: Continuously validate the assumptions underlying risk assessments, adjusting risk management plans as more information becomes available.

Efficient Logistics Planning

- Plan and manage the efficient movement of people and materials to and from the project site, considering the unique logistical challenges of the Caribbean region.
- Validating Logistics Assumptions: Test and validate logistics plans against realworld scenarios, such as transportation delays or supply chain disruptions, to ensure the feasibility of the logistics strategy.
- Feedback from Field Operations: Gather feedback from logistics teams and site managers to fine-tune the movement of materials and personnel and adapt plans to changing conditions on the ground.

Effective Stakeholder Engagement

- Engage with all stakeholders early in the preconstruction process to understand their needs and expectations, ensuring alignment and fostering collaboration.
- Continuous Feedback: Establish regular feedback mechanisms with stakeholders to ensure their expectations are met and promptly address any concerns or changes.
- Validating Engagement Strategies: Validate the effectiveness of stakeholder engagement strategies by measuring satisfaction levels and the quality of collaboration throughout the project lifecycle.

Incorporating feedback and validating assumptions at every stage of the preconstruction process enhances the accuracy of planning and ensures that the project is adaptable to the ever-changing realities of the Caribbean construction

landscape. These practices are crucial in building a resilient and effective preconstruction department to deliver projects that meet and exceed client expectations. By prioritizing continuous feedback and rigorous validation, developers can confidently navigate the complexities of Caribbean construction, laying the foundation for success.

Conclusion

Preconstruction services are an indispensable component of any construction project in the Caribbean. They provide a structured approach to planning, cost management, risk mitigation, stakeholder collaboration, and expectation management—all critical for successfully delivering high-end projects in this unique region. By investing in comprehensive preconstruction services and establishing a robust preconstruction department, developers can ensure that their projects meet and exceed the expectations of discerning clients while navigating the complexities of the Caribbean environment and regulatory landscape.

As we continue to embrace the challenges and opportunities in Caribbean construction, let us recognize the transformative power of preconstruction services in turning visionary projects into reality. By laying a solid foundation through meticulous planning and collaboration, we can build a future where Caribbean developments stand as a testament to excellence and innovation.

Feel free to connect with me for more insights on creating and managing an effective preconstruction department and its impact on developments in the Caribbean. Let's build a brighter, more resilient future for Caribbean construction.



Scaffold Inspection Saves Lives by Dexter H. Daniel M.Sc, R. Eng, PMP Director - DX Scaffold Engineering

Scaffolding Inspections performed by properly trained operatives is the single most crucial activity for maintaining scaffolding safety on construction sites. These regular inspections conducted daily or every work shift according to OSHA 29CFR 1926.451, ensure that scaffolding structures are fit for purpose and meets the minimum requirements of the standard. When scaffolding is assembled incorrectly, scaffolding can pose hazards, potentially leading to severe accidents, injury or death.

Inspections should be conducted by certified scaffolding inspectors with proper training and field experience. OSHA standard training, conducted under the Scaffold Training Institute (STI) of USA recommends that scaffold inspectors should have recertification training every five years. The first inspection is performed after the scaffold is erected, and this inspection is documented in a properly filled checklist that looks at:

- 1. Stability: Ensure that the scaffold is erected on a proper foundation, is stable, level and properly anchored.
- 2. Components: Inspect all components (planks to ensure there are no splits, cracks, burns or cuts). In addition planks must be of the right type:



stamped by a lumber grading agency such as the Southern Pine Industrial Bureau (SPIB) or the West Coast Lumber inspection Bureau. Other components are the verticals, horizontals and diagonals to ensure that they are properly installed according to the manufacturer's recommendation.

- 3. Guardrails and Toe boards: Verify that these are properly installed and secured to prevent both falls to persons and materials and tooling.
- 4. Access Points: Check that ladders and stairways are correctly fitted according to manufacturer's guidelines.
- 5. Load capacity: Confirm that the scaffold can safely support the intended load with a safety factor of 4. In many cases the load rating light duty-25 pounds per square foot, medium duty -50 pounds per square foot and heavy duty 75 pounds per square foot are all that is required for access scaffolding.
- 6. Engineered scaffolds: When the load capacities mentioned above must be exceeded due to the intended loads, the scaffold must be designed by a qualified person or professional registered engineer.
- 7. Fall protection: All scaffold erectors and users must wear proper,
- 8. Personal fall protection: While on the scaffolds, users must wear harnesses with lanyards and lifelines. There are now lanyards on the market with retractable devices, which are becoming very popular on the industrial plants.
- 9. Documentation: All records of scaffold inspections must be completed properly and stored so that they can be easily retrieved in the event of accident.
- 10. Unauthorized scaffold modifications: This is a standard control to ensure that quality is maintained as all modifications must also be documented. Recently the, root cause of a large scaffold failure, which was over 100 ft in height and approximately 120ft long with 16 working platforms collapsed when the unauthorized removal of structural ties to a building compromised the integrity of the scaffold, causing the workers to come crashing down.
- 11. Scaffold Inspection Frequency: OSHA specifies every day while the British Standard specifies every 7 days or after inclement weather. In this case of two varying frequencies, the recommendation is to inspect every day as it is the higher of the two standards.
- 12. Scaffold User Training: OSHA 29 CFR 1926.454 Specifies that the Employer shall have each employee who performs work while on a scaffold trained by a competent person.

Some of the typical, major faults of scaffold inspections are insufficient bracing, incomplete working platforms (missing planks), incorrect or non-certified planks, substandard materials.

It is fairly common to see the use of Schedule 20 and 40 ASTM 53 pipes being used for scaffolding. This is not the correct tube and will be recorded as a non- conformance. Major scaffold faults require that the scaffold tag must be pulled and the scaffold is RED tagged, so it is not safe for use as it is repaired. Minor faults are non – structural and can be corrected even while the scaffold is in use, but based on the site owner's policies.

Scaffold tubes should be made to EN39 and be galvanized steel. They should have a diameter of 48.3mm and a 3.2mm - 4.0mm wall thickness.

Wood planks can pose a serious threat if they are not properly certified and secured to the scaffold. OSHA (US) has reported that most falls from scaffolds occur from workers falling due to planks that were not properly secured or which failed outright, meaning that the worker fell through the plank.

In closing, I must add that scaffold standards are given as a minimum standard and there are several areas where the standard can be improved on - using a taller toe board of 9 "versus 4 "or 6", not lapping planks and the use of swing gates on all scaffolds, instead of climbing over the top guard rail to gain access to the scaffold work platform.



Author Dexter H. Daniel

DX Scaffold Engineering

Mr. Dexter Daniel is a registered engineer with the Board of Engineering of Trinidad and Tobago and a member of the Association of Professional Engineers of Trinidad and Tobago. He also served as Chairman of the Mechanical Division Council, from 2018-2022 and continues to serve on the committee.

Dexter is passionate about developing the next generation of leaders in the country and currently mentors engineering groups from the Association of Professional Engineers and the Society of Petroleum Engineers.



The Role of Directors and the Importance of Board Meetings in Small and Family-Owned Businesses by Shellby Seenath

Directors play a crucial role in steering the direction and success of a company, regardless of its size. For small and medium-sized enterprises (SMEs) and family-owned businesses, the role of directors often takes on added significance, as these companies may have limited resources and face unique challenges in governance. In this context, board meetings become more than just formalities—they serve as vital platforms for strategic decision-making, risk management, and long-term planning.

The Role of Directors in SMEs and Family-Owned Businesses

In large corporations, the roles and responsibilities of directors are often well-defined and separated from day-to-day management. However, in smaller businesses and family-run companies, directors frequently wear multiple hats. They may not only govern but also take on operational roles within the company, especially in its early stages or during periods of rapid growth.

Despite this overlap, directors are responsible for overseeing the company's governance, setting strategic goals, and ensuring legal and regulatory compliance. Some of their key roles include:

- Strategic Oversight: Directors are responsible for setting the company's long-term goals and ensuring that management aligns day-to-day operations with these objectives. They must keep the company on a growth path while considering risk factors and market conditions.
- 2. Fiduciary Duty: Directors are legally obligated to act in the best interests of the company. This includes managing financial risks, ensuring solvency, and maintaining accountability to shareholders, whether they are external investors or family members in the case of family businesses.
- 3. Risk Management: Directors need to identify and mitigate risks that could affect the company's success. This is particularly important for SMEs, where even small risks can have significant consequences.

- 4. Ensuring Compliance: Directors must ensure that the company complies with applicable laws, regulations, and industry standards. In SMEs and family businesses, the absence of dedicated legal or compliance departments can make this an even more critical responsibility.
- 5. Succession Planning: Particularly in family-owned businesses, directors must plan for smooth leadership transitions. This includes identifying and mentoring the next generation of leaders or developing external succession strategies.

The Importance of Board Meetings

Board meetings are the backbone of effective governance in any company, but they are especially important in SMEs and family businesses where informal decision-making might sometimes be the norm. Formalizing these discussions through structured board meetings can bring several key benefits:

- Strategic Focus: Regular board meetings provide a space for directors to step back from day-to-day operations and focus on the bigger picture. This is critical in smaller businesses, where leaders are often deeply involved in daily operations. Board meetings give directors the opportunity to assess whether the company is on track to meet its long-term goals and adjust the strategy as necessary.
- Accountability and Transparency: Formal board meetings ensure that
 decisions are made transparently and are well-documented. This is
 crucial for maintaining accountability to shareholders, employees, and
 other stakeholders. In family businesses, it also helps reduce the risk
 of conflicts, as decisions are made collectively and with documented
 rationale.



- 3. Risk Management and Compliance: Regular meetings allow directors to identify emerging risks and ensure that the company remains compliant with legal requirements. This is especially important for smaller businesses that may not have the resources to employ dedicated risk managers or compliance officers.
- 4. Decision-Making: By bringing together directors, board meetings provide a forum for robust discussions, diverse perspectives, and informed decision-making. In family-owned businesses, this can be particularly important as it ensures decisions are made with the collective interests of the business and family in mind, rather than individual preferences.
- 5. Conflict Resolution: In family-run companies, personal dynamics can sometimes lead to disagreements or tensions. Board meetings provide a structured environment for addressing these issues, with the company's interests as the focal point. Regular meetings can help maintain a healthy balance between family and business considerations.

Best Practices for Effective Board Meetings

For SMEs and family-owned companies, maximizing the effectiveness of board meetings can significantly enhance governance and decision-making. Here are some best practices:

- 1. Set a Clear Agenda: A well-prepared agenda helps keep the meeting focused on key issues. It should cover important areas such as strategy, financial performance, risk management, and any other major decisions that need to be made.
- 2. Prepare in Advance: Directors should be provided with relevant documents, such as financial reports, strategic plans, and risk assessments, before the meeting. This allows them to come prepared and engage in meaningful discussions.
- 3. Ensure Regular Attendance: Consistent attendance by directors is essential for maintaining a quorum and making informed decisions. Meetings should be scheduled in advance to ensure maximum participation.
- 4. Encourage Open Dialogue: Directors should feel comfortable sharing their opinions and raising concerns during meetings. This leads to more well-rounded decision-making and helps avoid groupthink.
- 5. Document Decisions: All major decisions made during the meeting should be formally recorded in the minutes. This provides a clear record of the board's actions and ensures accountability.

Conclusion

In small and medium-sized businesses, especially family-owned ones, the idea of formal board meetings might feel unfamiliar or even daunting at first. But they don't have to be. Think of board meetings as an opportunity to step back, assess the bigger picture, and make sure everyone is on the same page. By approaching them with a clear agenda and encouraging open, honest conversations, board meetings can actually simplify decision-making rather than complicate it.

Start small—set a clear agenda, prepare in advance, and make the meeting a space for productive dialogue. Over time, these meetings will become a natural part of your company's growth process, helping you manage challenges, plan for the future, and ensure everyone is working toward the same goals. Ultimately, it's not about making things more complicated; it's about creating a framework for success that's sustainable, strategic, and collaborative.



Author Shelby Seenath

Shelby Leigh Seenath is an attorney-at-law with experience in corporate secretarial duties and supporting effective board operations. She has worked on ensuring the meetings and the decisionmaking processes. In addition, Shelby has a background in conveyancing, probate and civil litigation. Shelby has a growing interest in governance, particularly in fostering good practices, and is deeply committed to continuous growth.





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