



News, Views & Comments from the World of Building Service Contracting

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ARGENTINA & BRAZIL

Countries Agree To Trade In Currencies

In an effort to increase trade and reduce the need for US dollars, Brazil and Argentina have agreed to directly convert their currencies in trade transactions. The new system, which will take effect in mid-2007, will reduce costs as well, since traders will not have to purchase foreign exchange contracts, containing intermediary fees. The contracts will be registered with each country's central bank and settled within 24 hours. Trade between Argentina and Brazil involving transactions less than \$50,000 amounts to 78 percent and transactions less than \$10,000 amounts to 40 percent.

AUSTRALIA-VICTORIA

No Endorsement Of The Current LHMU RCP

BSCAA released the following in March, "Since the inception of WorkChoices (March 2006) there has been widespread allegations leveled against cleaning contractors, targeting CBD buildings nationally, which has created uncertainty amongst workers in our industry. The BSCAA has been vigilant in keeping its members informed and up to date with all legislative changes and wage related matters in order to maintain the continuing integrity and professionalism of the contract cleaning organizations, which it represents. In conjunction with the introduction of the Workchoices Legislation, the Liquor Hospitality & Miscellaneous Union (LHMU) has run the "Clean Start – Fair Deal for Cleaners" campaign, targeting cleaning companies nationally in an attempt to get them to sign what is known as the Responsible Contractors Policy (RCP). A majority

of the principles put forward in the "Clean Start " campaign, are in accordance with the BSCAA Code of Conduct, and therefore agreeable by the industry body. The sticking point for the BSCAA in this campaign is the LHMU's attempt at manipulating the RCP to grant them greater powers than those afforded to them under the new Legislation. When the main focus' of the RCP are upon the "Freedom of Association" and "Collective Bargaining" portions of the document, then one must question the LHMU's motives for undertaking such a strategic, vocal and somewhat expensive campaign. The BSCAA does not endorse the RCP in its current form, as it believes certain elements of this document are inappropriate and that BSCAA members are responsible contractors. Major contracting cleaning companies have been targeted in all capital cities throughout Australia, and most of the activities conducted by the union in this campaign could cause irreparable damage to a relationship that is essential in a people-based industry. Unfounded allegations leveled against prominent cleaning companies in front of major client buildings, illustrate the lengths that the LHMU will go to, to have the RCP signed. Mr. MacKenzie also outlined the strategy moving forward within the WorkChoices Legislation by stating the BSCAA has forged partnerships with the Department of Employment and Workplace Relations, Office of the Employment Advocate and the Office of Workplace Services and will continue to dialogue with the LHMU. "

BELGIUM-BRUSSELS

Single Regulatory System For Chemicals Approved

The Environment Council of the European Union approved a regulatory system for chemical substance, called Registration, Evaluation, Authorization and Restrictions of Chemicals

(REACH). REACH, which will go into effect June 1, 2007, consists of a single regulation, which will replace 40 current pieces of legislation. The regulation will require the chemical industry within the next 11 years to register over 30,000 chemical substances in use currently, including documenting hazards and safety measures. REACH will also provide regulations on animal testing and carcinogenic or other harmful substances to health and the environment. The European Chemical Agency (ECHA) to be established in Helsinki, will oversee the new requirements.

CANADA-MONTREAL

Garda Triples The Size Of Its London Office

Montreal based Garda World Security made its eleventh acquisition in 2006 in December with the purchase of London-based Kroll Security International. Kroll has over 700 employees and annual revenue of \$42 million. KSI's London office will be merged with London-based Vance International, a security consulting firm Garda acquired in January of 2006, which will triple the size of the London operation.

CANADA-OTTAWA

Forced Increase Results in Losses

After the Canadian Union of Public Employees won a pay increase from between \$8.25 and \$14 per hour to between \$16.63 and \$18.93 per hour, The Compass Group terminated its contract with an Ottawa public-private partnership nursing home and laid off 30 workers. Compass, which employs 400,000 worldwide, announced it was terminating the contract 5 days after the arbitrator's decision.

JAPAN-TOKYO

All Nippon To Sell Hotels

All Nippon Airways hopes to sell ten of its hotels in Japan. In the deal, the ANA group would continue to manage the hotels along with InterContinental Hotels Group (IHG),

which owns 74 percent of the hotel unit. With competition heating up in the luxury hotels sector in Japan, Tokyo property prices rising and little available property on the market, the sale should land several buyers and could yield possibly over \$860 million.

NEW ZEALAND-AUCKLAND

Cleaners Strike At Hospital

2,800 orderlies, cleaners, cooks and other support staff at Auckland City Hospital took strike action in December and while it caused little disruption, the workers are threatening to strike longer in 2007. The cleaners want to earn extra pay for weekend work. The Service and Food Workers Union strikers' pay rates range from \$10.25 to \$12.50 and they are looking to raise the rate from \$14 to \$16.

SOUTH KOREA-SEOUL

Central Bank To Reduce Liquidity

In an effort to reduce excess liquidity in the market, the Bank of Korea has proposed to reduce loans to small and medium-sized businesses (SMEs) by about \$2.3 billion. The SME loan program provides affordable loans by lending capital to commercial lenders at a low interest rate. Experts claim that because the reduction only affects SMEs, the reduced liquidity will have little impact on the overall market.

TAIWAN-TAIPEI

New Constitution Proposed

An alliance of 52 private groups has proposed the first draft of a new constitution and has collected 75 signatures, enough to make the petition valid. If the proposal passes, the next step will be to form a constitutional amendment committee. The draft has vague language as to borders but clearly declares that "Taiwan is a free and democratic republic that is governed by the rule of law" and its sovereignty belongs to its people. The alliance is proposing a parliamentary style of government, with a Senate hosting 75 seats and a House of Representatives hosting 230 seats. The president

would be head of state and serve a five-year term and the prime minister would be the head of the government.

THE NETHERLANDS-AMSTERDAM

One In Three Employees Take Company Courses

In 2005, 35 percent of private sector employees participated in some form of company training. Together companies in the private sector spent around 2 billion euro on company training and courses. This is 1.4 percent of the labor costs. In the companies reporting on the survey, 37 percent of men and 31 percent of women did some form of company training, totaling 1.3 million employees. In small companies, 26 percent did a course while in companies with more than 500 employees, 46 percent did. Hotels and restaurants spent the least amount on training at 120 euro per employee.

UK-LONDON

Europe's Cleaning Industry Pulls Together

John Oliver, sales and marketing director at OCS, has been driving changes to improve the status of the cleaning industry on a Europe-wide basis during his three-year term as president of EFCI – the European Federation of Cleaning Industries. Mr. Oliver has received widespread accolades for his leadership of the Federation during which he has developed a strong, strategic and unified platform for the industry on behalf of the 94,000 businesses in the sector, which operate across 20 countries with a combined total sales turnover in excess of 44 billion euro. Mr. Oliver has spent most of his career with OCS and is a stalwart of the industry. In September 2004, shortly after he took up his role as president of EFCI, he instigated a common approach to the selection of cleaning contractors by launching “Selecting Best Value” – a guide for organizations across Europe awarding contracts for cleaning services. The guide was jointly agreed by EFCI and its trade union partners UNI-Europa and called upon contracting authorities to select the most ‘economically advantageous tender’ as opposed to the ‘lowest price tender’ when determining the award of cleaning contracts. Mr. Oliver also signed, on behalf of EFCI, a call for the national and European public authorities to “exclude cleaning services from tender by electronic

auction”. This was another significant move aimed at maintaining the value of the industry and its standards against ‘lowest-price-always-wins’ procedures – a critical move for more than three million workers in the European cleaning industry. More recently, under John Oliver’s presidency, EFCI has submitted influential position papers to the European Commission and the European Parliament in order to ensure the cleaning industry’s views are properly represented during the passage of the Draft Directive on Services in the Internal Market. His term ends in 2007.

UK-LONDON

Ruby McGregor-Smith Succeeds Ian Stewart As Chief Executive

Ruby McGregor-Smith was appointed as Chief Executive of MITIE Group PLC effective March 30th 2007. Ruby joined the Board of MITIE in December 2002 as Group Finance Director and was subsequently appointed as Chief Operating Officer in September 2005. Ruby succeeded Ian Stewart, who retired from his Executive position on the Board and who has assumed the role of Non Executive Deputy Chairman. Sir John Jennings, the current Non Executive Deputy Chairman and Senior Independent Non Executive Director also retired, having served on the Board and acted as Non Executive Deputy Chairman for nine years. Cullum McAlpine, a Non Executive Director was appointed to the role of Senior Independent Non Executive Director. In addition, David Jenkins, a Non Executive Director since 2006 took over Sir John’s role as Chairman of the Nominations Committee.

UK-LONDON

Significant Upgrades to Stations Soon Underway

Network Rail has selected a company to redevelop Victoria Station, is about to select a vendor for Euston Station and will put Waterloo redevelopment up for bid this year in an effort to upgrade the stations and encourage the private development of shops, offices and flats around the big railway stations. Hammerson, the FTSE-100 property company, has been selected for the Victoria Station project, which will include longer platforms, better toilets, improved disabled access and

more waiting rooms. Euston, with 50 million passengers a year and Victoria, with 115 million a year, have not seen any significant upgrades for half a century. The new projects are likely to involve around 800,000 square feet and 4.3 million square feet of new space respectively.

UK-LONDON

Contracted Out Services Compete With The Best

After the announcement of the NHS Trust declarations on standards for 2006-7, Director General Andrew Large of The Cleaning and Support Services Association (CSSA) said, "Overall, with more Trusts meeting all the standards than before, these are positive figures. They also show that contracted out services are among the best that the NHS has." Drilling into the results, the Commission states that 40.1% of Trusts "believe they met all 44 parts of the standards". If one narrows the search to Trusts that take services from an example CSSA member company*, then 75.7% of Trusts have passes on the criteria that the service provider can influence. That figure rises to 94.2% when looking solely at cleaning. This is considerably better than the average.

US-IDAHO

US Products Sold To Nilfisk-Advance

International JanSan equipment manufacturer Nilfisk-Advance acquired floor cleaning equipment maker US Products in January. Nilfisk-Advance is the world's largest manufacturer and supplier of professional floor cleaning equipment; US products had about \$12 million in annual sales and 77 employees.

US-WASHINGTON

IICRC Develops Consensus Agreement

The IICRC S520 Standards Revision Consensus Committee has sought to gain consensus and develop a plan regarding the use of the term "Indoor Environmental Professional" (IEP) in the IICRC S520 Standard and Reference Guide for Professional Mold Remediation. Most importantly, the plan specifies that IICRC will maintain the term "Indoor Environmental Professional" and "IEP" in S520 and will not retain trademarks on those terms.

Prior to drafting the plan, the IICRC convened several representatives of the remediation industry as well as trade organizations. Afterwards, the IICRC Standards Revision Consensus Committee drafted seven points which was approved by the IICRC Executive Committee. The IICRC will immediately move to implement the plan into the new revision of the S520 where necessary and in all workings surrounding the mold remediation document. Qualified IEPs perform assessments; develop sampling strategies, as necessary, which includes taking samples, maintaining a chain of custody, selecting a sampling laboratory, and interpreting sampling data; determining contamination conditions; writing remediation protocols (job scopes), and verifying the return of the environment to Condition 1 status. For more information on the plan or the revised S520, go to www.iicrc.org.

CORPORATE MEMBER NEWS

JohnsonDiversey

JohnsonDiversey has announced the Healthy High Performance Cleaning System, including two different brands of products and associated tools, is the first cleaning system to achieve GREEN-GUARD certification. The mission of the GREEN-GUARD Environmental Institute, the organization that oversees the certification program, is to improve public health and quality of life through programs that improve indoor air. The certification process includes a review of manufacturing processes, profile testing on each of the finished products individually and rigorous air testing during use of the entire cleaning system. Products must be retested annually. The Healthy High Performance Cleaning System consists of three important elements: chemical products, tools and procedures to achieve lower impact on IAQ.

UPCOMING EVENTS

17th Congress of the World Federation of Building Service Contractors

Buenos Aires, Argentina
October 26-29, 2008

Visit the WFBSC website at www.wfbsc.org
for more information.



WFBC MEMBER ASSOCIATIONS

ALL BUILDING SERVICE CONTRACTING COMPANIES THAT ARE MEMBERS OF ONE OF THE ASSOCIATIONS THAT IS A WFBC MEMBER, ARE AUTOMATICALLY MEMBERS OF THE WFBC.

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