



союз строителей
железных дорог

Technical regulation and self-regulation system in the construction sphere

**President
of the Railway Constructors Union
Mikhail I. Kaykov**

Orlando, May 7, 2008



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► Functions of the State in USSR



- «government control», control centralization and full responsibility of the State for safety and quality of the products;
- timely standards development by the respective Ministries and competent institutions;
 - significant means for actualization of the normative documentation;
- average standards actualization period – 5 years.

As a result the creation of the normative documentation basis, in building sphere considered to be one of the best in the world.

► Transition to market economy

Private industry appearance resulted in necessity to restructure the state control:

- since 1991 the mechanism of the state licensing of the building activities as the term of getting to the market was implemented;
- lack of the state financial responsibility for the licensees activities prevented from achieving the goal – to protect consumers;
- key tasks of the state were missed, including development and actualization of the standards;
- legislative abolition of the building activities licensing in 2008-2009 means implementation of self-regulation as the debureaucratization mechanism.



State licensing
centers



Building
companies

System of technical regulation in the construction sphere of the Russian Federation in future



СОЮЗ СТРОИТЕЛЕЙ
ЖЕЛЕЗНЫХ ДОРОГ

..... is to be adopted, — adopted

Agreement on Technical Barriers in Trading between WTO member states

Federal Act «On the technical regulation» №184-FZ (under rev. №65-FZ, №309-FZ)

It is necessary to make amendments on the following:

with the Federal Act «On standardization» adoption, with the Federal Act «On accreditation» adoption it is necessary to make amendments on realization of possibility to make indirect references on standards in technical regulations, on state control within the full life cycle of the buildings and structures, on implementation of the authorization (notification) procedure of the conformity assessment bodies, on realization of the 8 modules requirements within conformity assessment, on realization of the standards ISO 17000 requirements.

Federal Act «On standardization»

Federal Act «On accreditation»

Legislative Codes

Federal Acts

Technical regulation «On safety of buildings and structures»

Directive 89/106 EEC of the Council of 21 December 1988

Technical regulations in related spheres

Guides and standards ISO on construction incl. terms and definitions

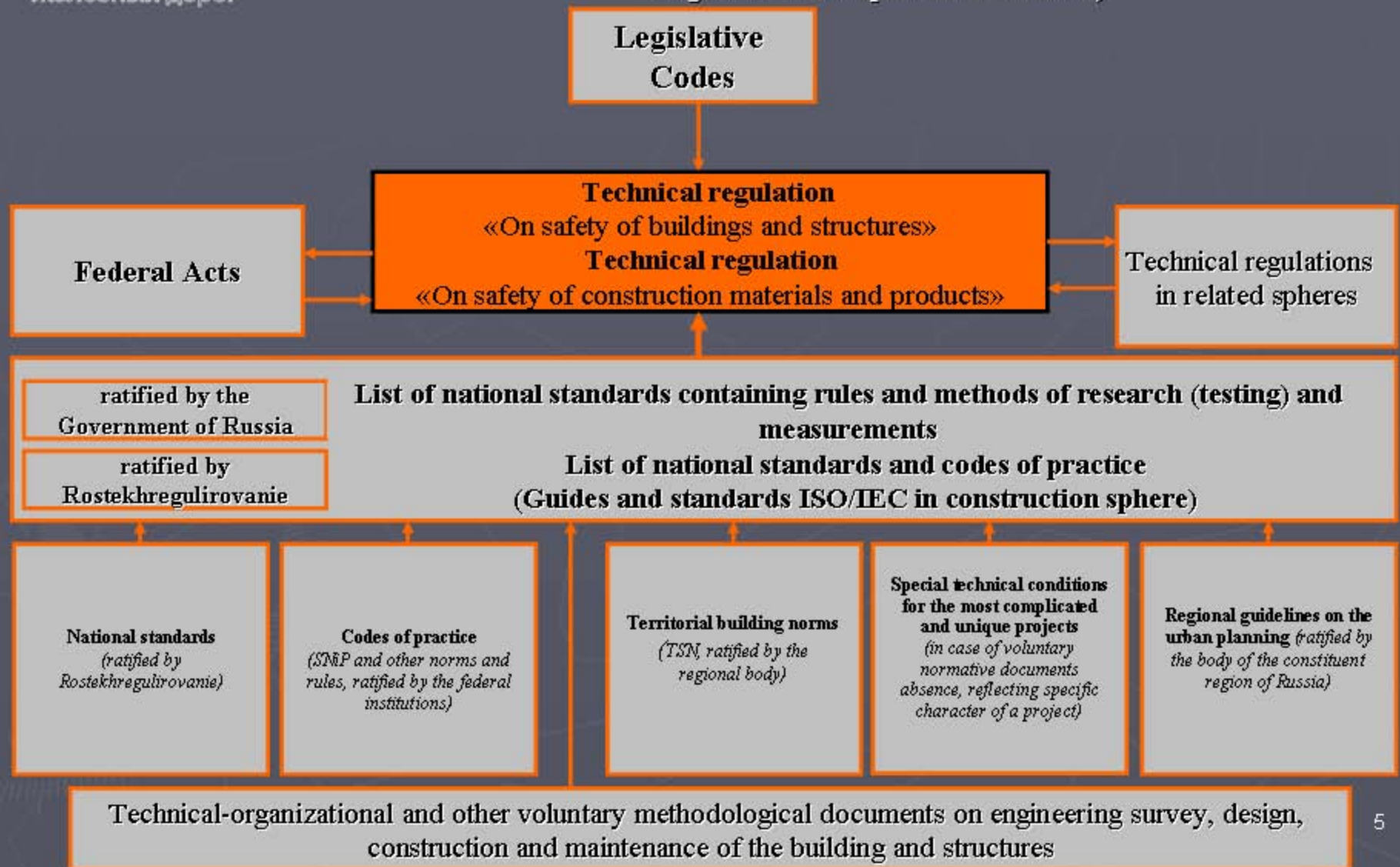
List of national standards and codes of practice

«state» (federal) Russian standard - mandatory, harmonized with the Directive 89/106/EEC, Eurocodes and EN standards

«Russian standard», voluntary (recommended)

System of technical regulation in the construction sphere of the Russian Federation

(ratified by the Ministry of industry and energy and the Ministry of the regional development of Russia)





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► Technological normative documents in the building sphere of the RF

- **SNiP** (building norms and rules) - 140;
- **SP** (codes of practice in design) - 101;
- **TSN** (territorial building norms) - 182;
- **SN** (building norms) - 45;
- **VSN** (departmental building norms) - 16;
- **RSN** (regional building norms) - 24;
- **GOST R** (national standards) - 22;
- **GOST** (interstate standard) - 651;
- **ST SEV** (standard SEV) - 43;
- **RDS** (management directive on construction) - 19.



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► Life cycle of the dangerous manufacturing entity

according to 116-FZ

after the technical regulations
adoption, according to 184-FZ

Signs

Normative regulation, licensing, controlling and survey functions
of the federal jurisdiction in the sphere of industrial safety

Obligatory requirements of the technical regulations and harmonized standards

Functions of the design, building and maintaining organizations

Design preparation

Obligatory certification of the technical devices and
components

Obligatory examination and permission
to use technical devices and components

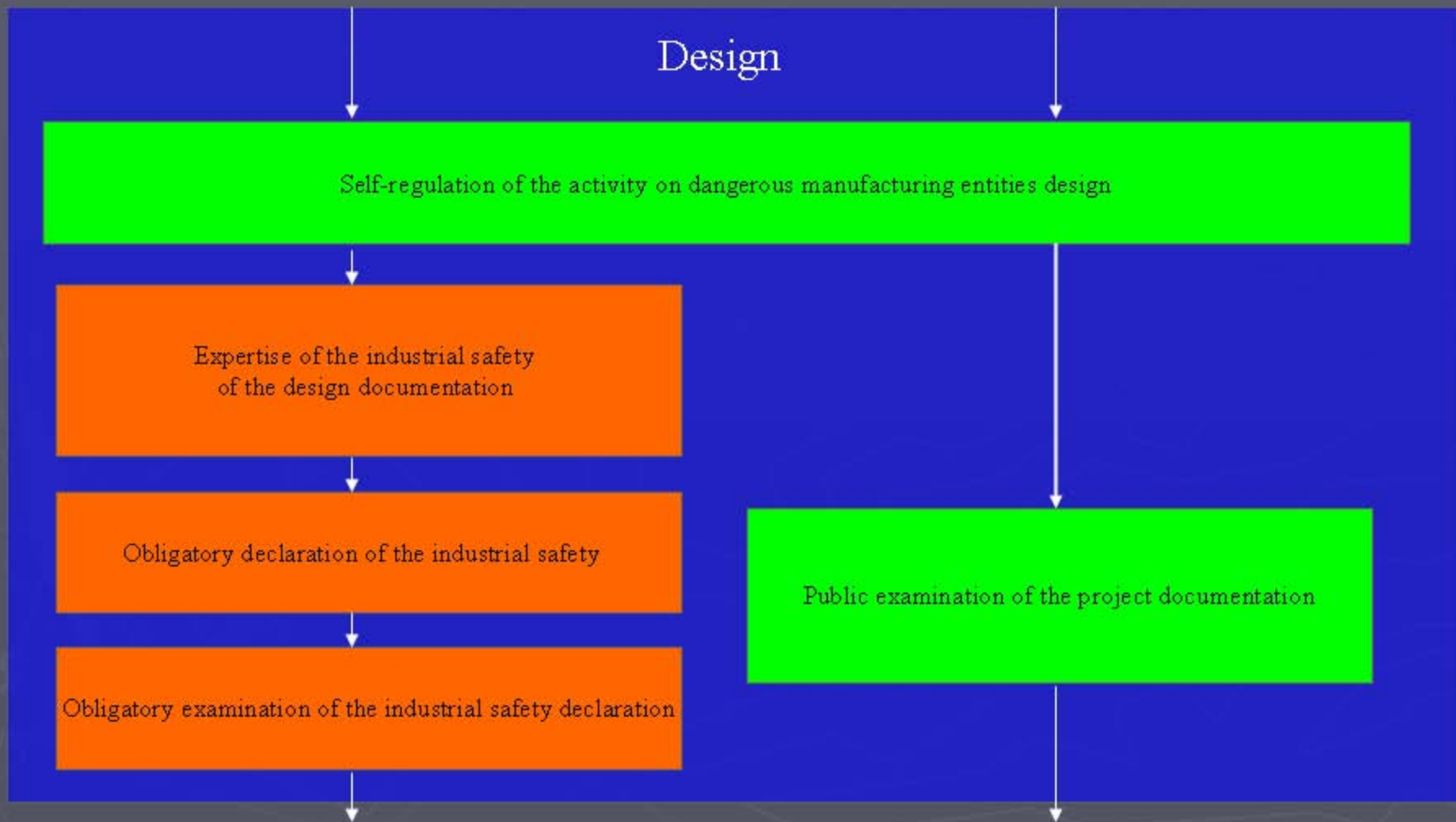
Declaration of conformity of the technical devices
and components by the producer

Facultative certification and selection of technical devices
and components by the customer



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► Life cycle of the dangerous manufacturing entity





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► Life cycle of the dangerous manufacturing entity

Construction

Self-regulation of the building organizations for the right to make construction of the dangerous manufacturing entity

State control under construction
Technical survey, Construction works survey,
Ecological control

State control under construction
Construction survey

Act of the state commission on the putting into operation

Obligatory declaration of the industrial safety of the objects

Conformity declaration of the dangerous objects
by the maintaining organization
(registration)

Obligatory examination of the industrial safety declaration



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► Life cycle of the dangerous manufacturing entity

Maintenance

Self-regulation of the building organizations for the right to make construction of the dangerous manufacturing entity

Obligatory insurance of the manufacturing entity

State survey

Examination of the industrial safety of the buildings, diagnosis, testing,
Inspection of the constructions and technical devices by order of the state survey at the maintaining organization expense

Testing and investigations as required by the state survey at the budget expense

Occasional conformity declaration by the maintaining organization



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► Main tasks of the Russian self-regulated organizations (SROs)

- **Participation in the technical regulation reform:** in the world up to 92% of the cost for the normative documents development is financed by the professional associations as \$1 invested in standardization gives in averagee \$20 of the profit.
- Creation of the positive conditions for companies access to the market, including those that do not have enough activity experience, ‘cleansing’ of the market of improper participants.
- Use of the pre-trial conflict regulation and additional financial responsibility mechanisms.
- Financing by the members of the SROs at the expense of their target deposits and development of professional standards that may exceed national standards requirements, their ratification as standards of SROs.
- Presentation of the members of SROs legitimate interests in different instances, including all levels of the State power.
- Creation of the background for the Russian business integration into the world economic community, excluding possibility of the market losses by the Russian companies when joining the WTO.



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► Responsibility and insurance in EU member-states

- Designers/builders are to:
 - apply advanced design technologies (using Eurocodes – European norms on structural design);
 - use respective construction products (produced according to standards and met approval of the third party);
 - use innovations.
- All participants of the construction process bear insurance responsibility - properly working insurance system has to clearly define the structure of responsibility.
- Insurance companies encourage quality management programs and certified products usage.



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► EU practice:

insurance in construction sphere

Professional responsibility



- of architects,
- engineers,
- survey bodies,
- inspectors,
- auditors.

Hidden defects



- 10-years-responsibility
for damages
caused by hidden
defects.

Contractor's risks



- fire,
- accident,
- crash,
- damage,
- theft,
- flood,
- weather conditions.

Buildings and structures

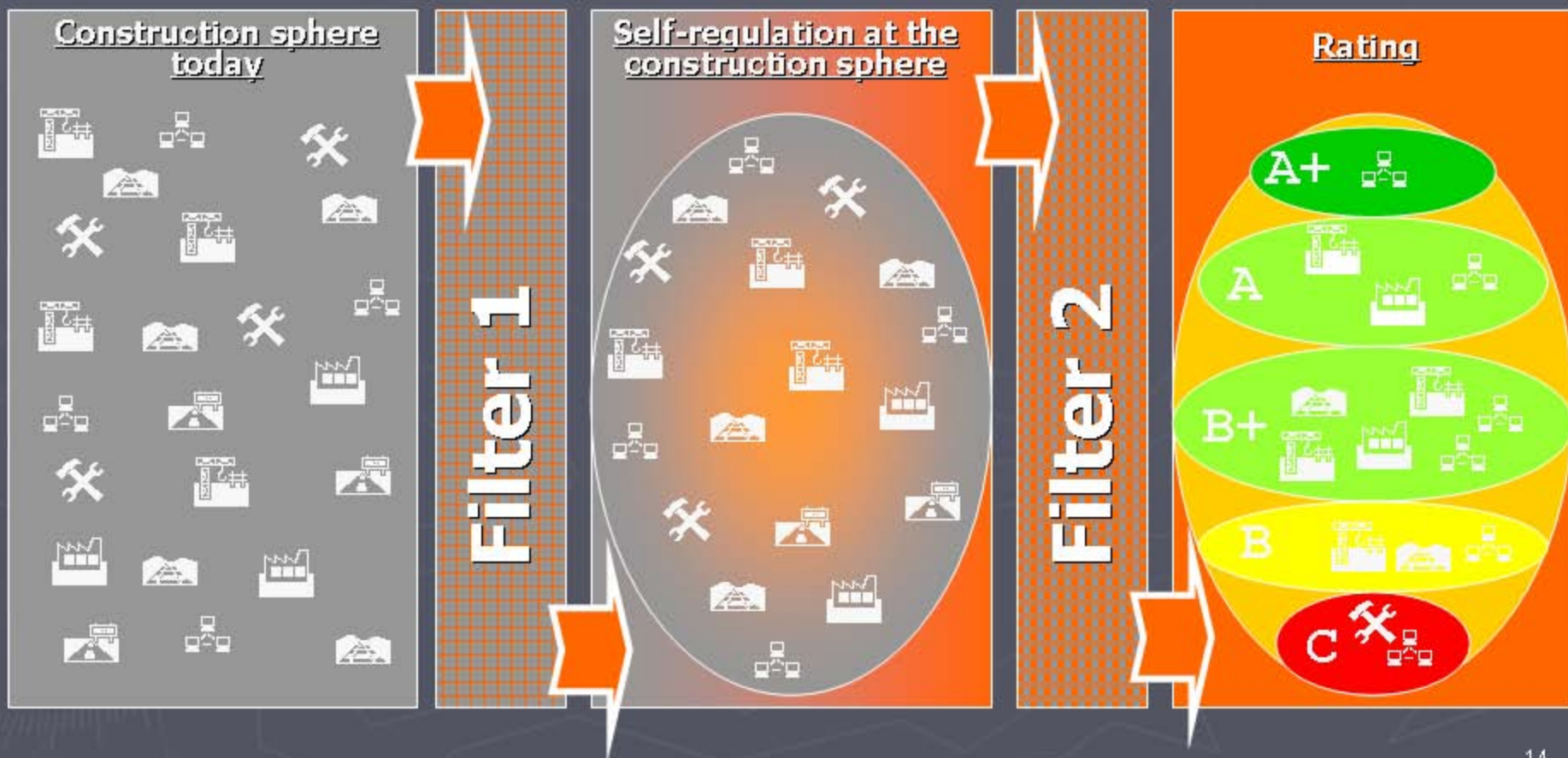


- fire,
- flood,
- accident,
- settling,
- damage caused to
the third party.



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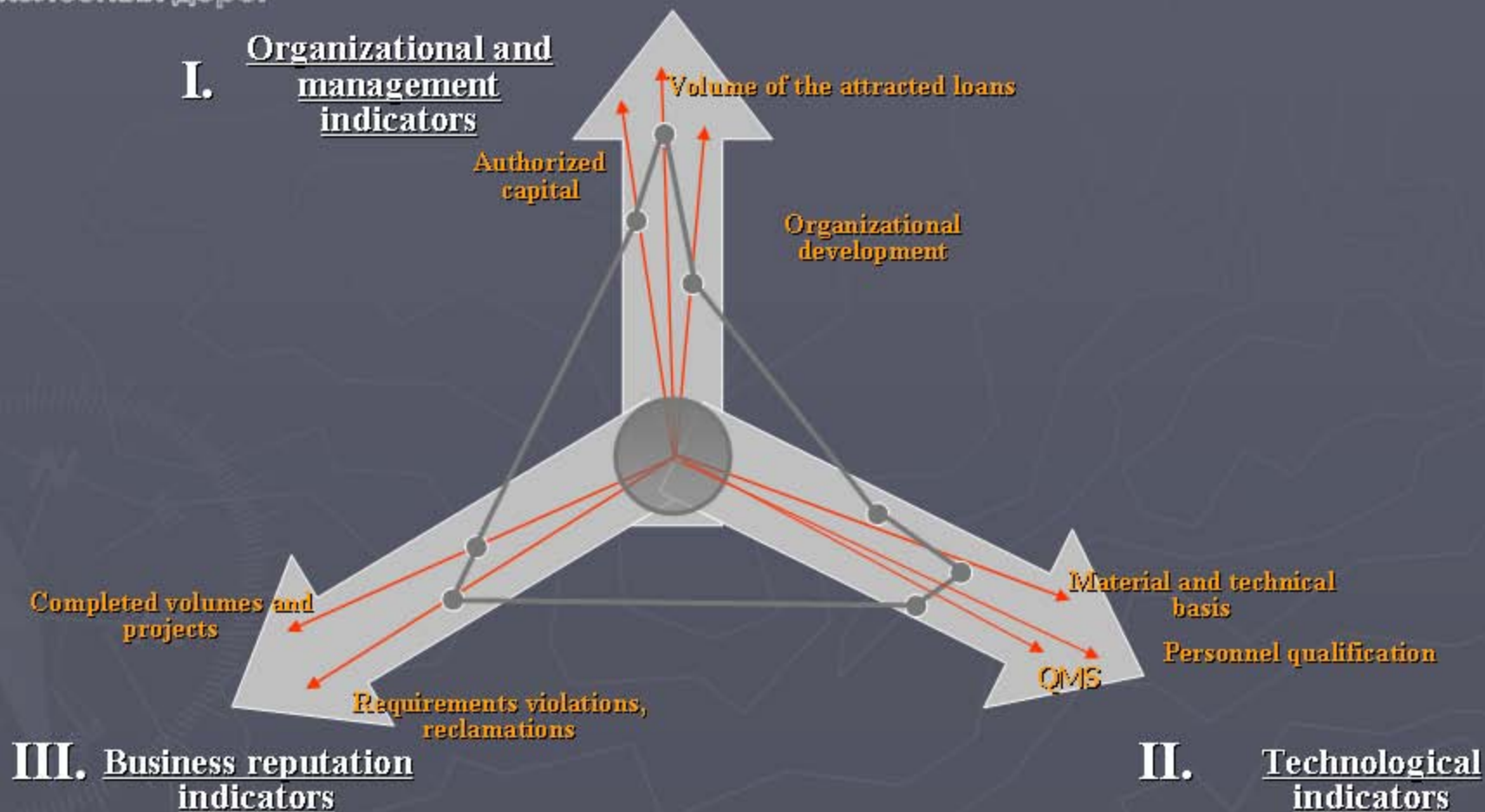
► Two-steps accreditation procedure





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► 3 types of indicators





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► Ratings of the companies

I. Organizational and management indicators

Authorized capital
Volume of the attracted loans
Organizational development

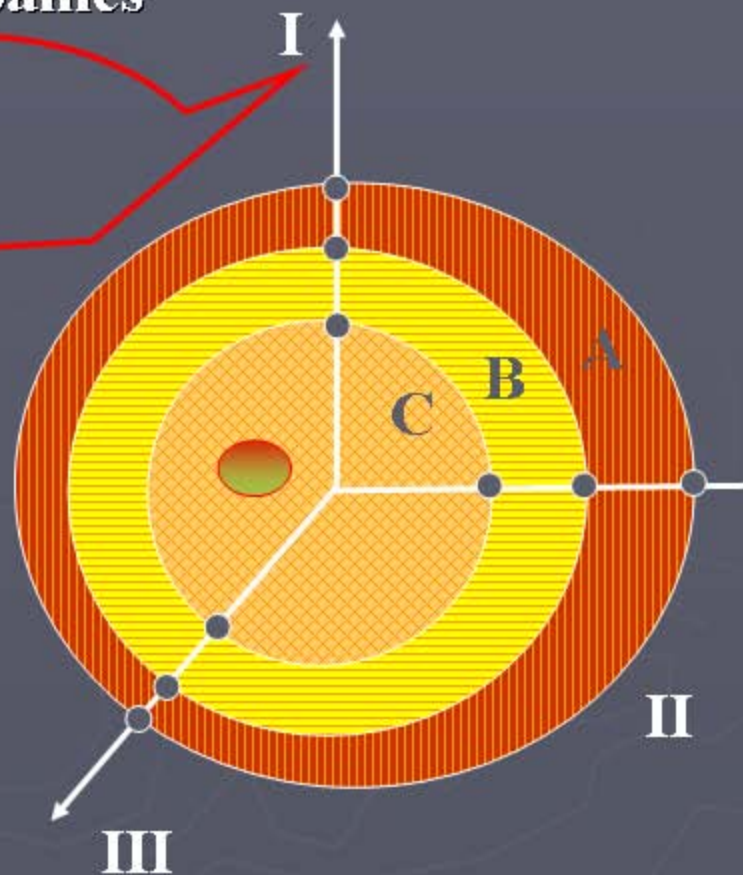
Completed volumes and projects

Requirements violations, reclamations

Material and technical basis
Personnel qualification
QMS

III. Business reputation indicators

II.





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- **Centralized structures providing SRO's activity and interacting with the building companies that form a part of them**

Self-regulated
organization

SRO

Building company

Conflict regulation
centre

Arbitration

Grievance commission

Mediation commission

Centre of the socio-
professional expertise of
the design
documentation

Personnel certification
centre

Certification body

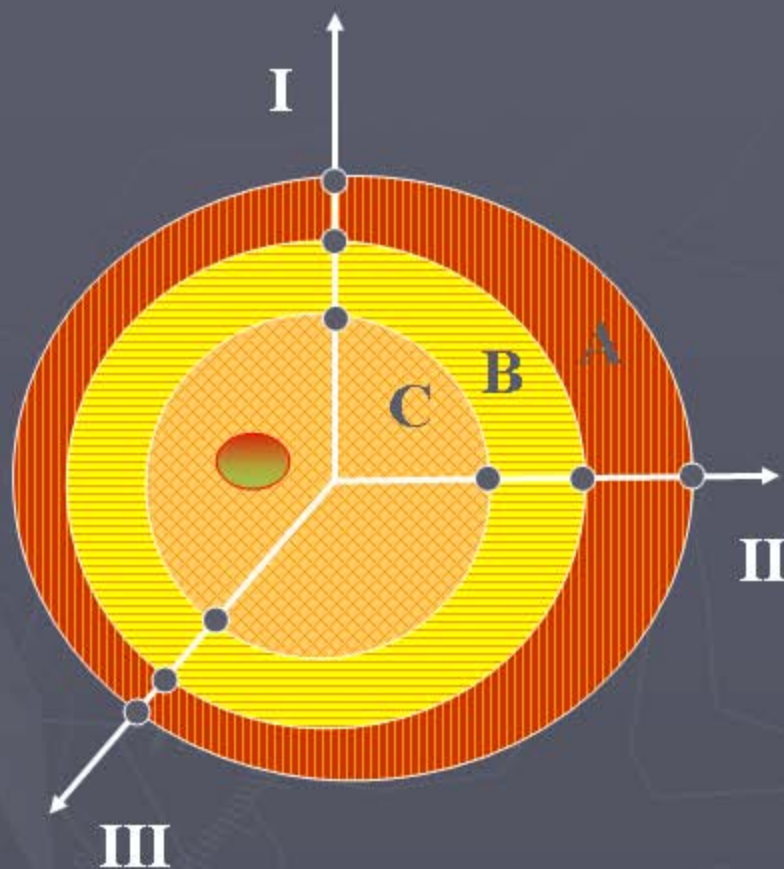
Audit body

Expertise centre of
the building
companies activity

Analytic and rating
centre

Requirements and conditions (figures)

«A+» rating



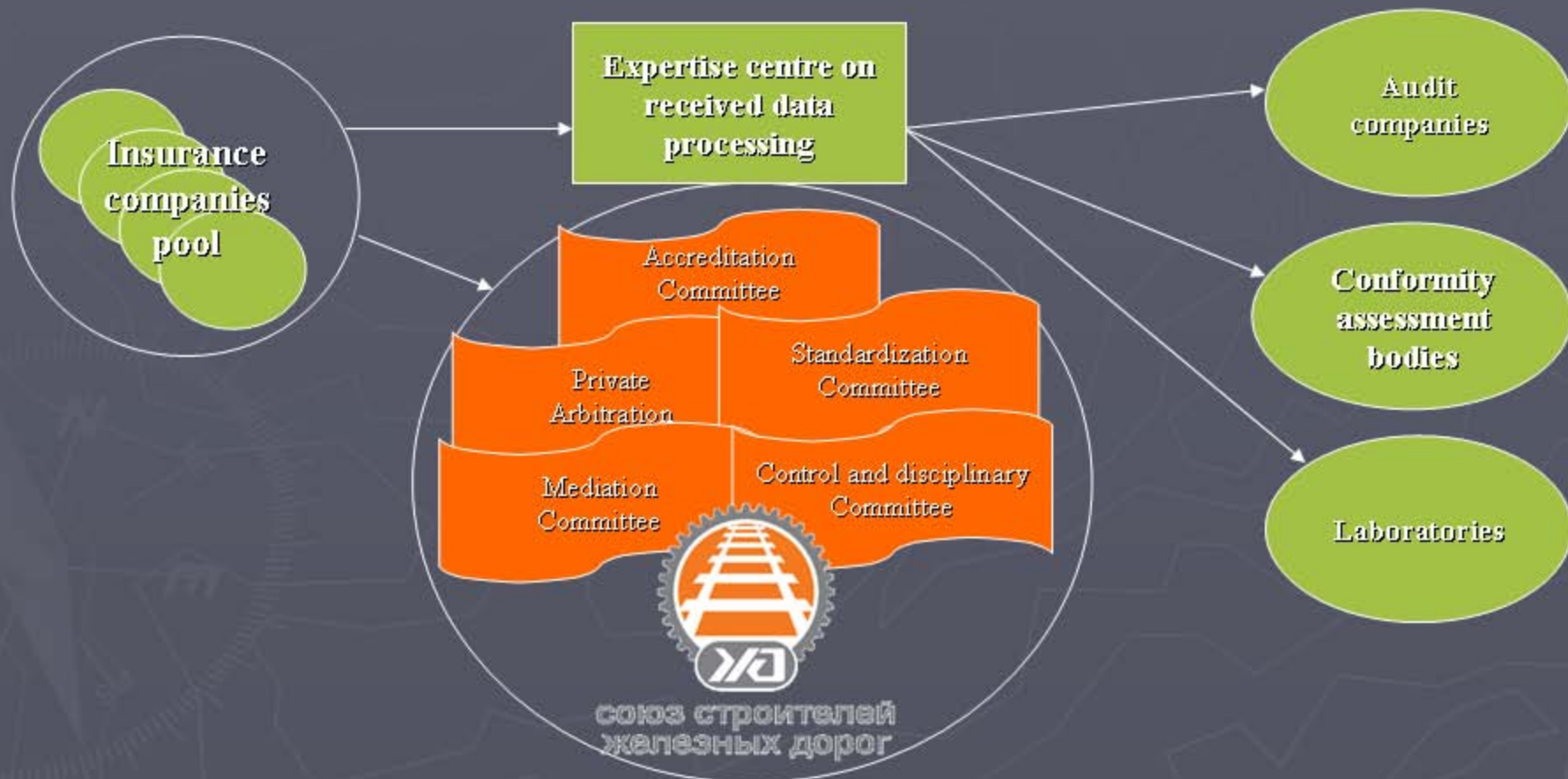
Description of the developer reached «A+» rating:

- authorized capital – not less than \$500 mln;
- attracted credits and loans – not less than \$450 mln;
- implemented ERP-system;
- 90% of the workers with the higher education;
- reporting according to international standards (GAAP, MSFO);
- put into operation minimum 100 000 sq.m., minimum 2 buildings occupied;
- more than 5 years at the market of building services.



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► Instruments of the self-regulated organization





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Thank you for the attention!

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