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



ARRANGEMENT OF REGULATIONS

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FEDERAL LEGISLATION ON ENGINEERING VALUATION

2. The Industrial Inspectorate Decree.

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4. Engineering Economy.

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— Diverse Functions of Engineering Economist.

5. Conflict of Interest.

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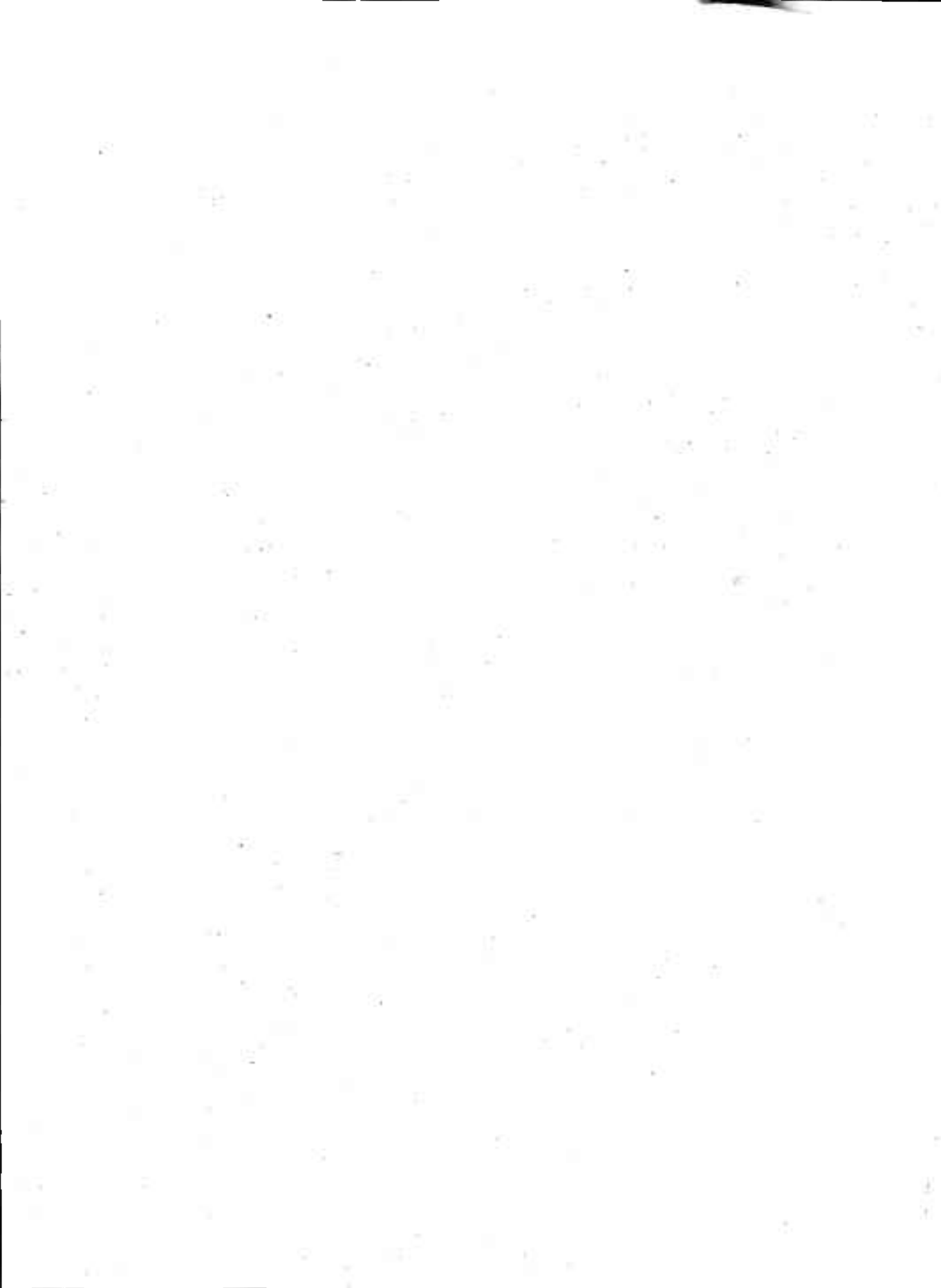
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S. I. No. 32 of 2018

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

COREN REGULATIONS FOR ENGINEERING ECONOMY

[30th Day of July, 2018]

Commence-
ment.

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

FEDERAL LEGISLATION ON ENGINEERING VALUATION

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

The
Industrial
Inspectorate
Decree.

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

CAM
Decree No.
46 of 1991.

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

4.—(1) Engineering Economy establishes the economic justification in the selection of competing alternatives with regards to projects/investments. It is essentially the science of formulating, estimating and evaluating the economic outcome of alternatives.

Engineering
Economy.

Definition of Engineering Economy.

(2) Engineering economy is the study of analytical approaches to economic decisions (selection from two or more courses of action) based on certain concepts and factors, evaluated in line with the defined goals and need necessitating such decision, and evaluation of such decisions over time until the goal is achieved. In a nutshell, it is the science of formulating, estimating and evaluating the economic outcomes of alternatives.

COREN Registered/Accredited Engineering Economist (AEEcon).

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

Diverse functions of Engineering Economist.

(4) Diverse functions of Engineering Economist—

(i) Study the economics/economy of alternative proposals—new projects, assets, infrastructure based life-cycle cost analysis to aid management/owners in decision making.

(ii) Replacement analysis/economic services life of assets, plants, machinery etc.

(iii) Break-Even analysis and pay-back period of plants, assets machinery etc.

(iv) Capital rationing among independent proposals - projects, assets, investments.

(v) Tracking, monitoring and sensitivity analysis of on-going proposals - projects, assets, investment to evaluate the performance in relation to changes in conception operational factors.

Conflict of Interest.

5.—(1) A Registered /Accredited, Accredited Engineering Economist, (AEEcon) shall not be involved in any activity, which causes improper behavior or conflict of interest between a registered /accredited, Accredited Engineering Economist between himself and other registered /accredited, Accredited Engineering Economist.

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

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

6.—(1) Without prejudice, Registered/Accredited, Accredited Engineering Economist, (AEEcon) shall not conduct himself in a manner which in the opinion of the Council may prejudice his professional status or the reputation of the Institution.

Professional
Conduct.

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

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

Unlawful
interference.

8. A Registered/Accredited, Accredited Engineering Economist or firm shall not issue a valuation report under his registered number unless such valuation—

Engineering
Economy
report.

(a) follows the prescribed standard set out by the board ; and

(b) bears the stamp and seal issued by IA&CE and Council.

9. A Registered/Accredited, Accredited Engineering Economist (AEEcon) shall charge fees in accordance with the current approved scale of professional charges - see COREN Engineering Consultancy and project Management Services agreement charges and conditions of engagement (ECOPACCE).

Professional
Charges.

10. Abbreviations and Acronyms—

Abbreviations
and
Acronyms.

Council : Council for the Regulation of Engineering in Nigeria ;

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

NSE : Nigerian Society of Engineers ;

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

AEEcon : Accredited Engineering Economist ;

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

11. This Regulation may be cited as the Regulation for Engineering Economy.

Citation.

B 446

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

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