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International Construction Measurement Standards (ICMS) Explained

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International Construction Measurement Standards (ICMS) Explained

Background

In 2015 the United Nations wrote to various construction cost bodies around the world seeking some form of uniformity in the reporting of construction costs worldwide. The UN concern was the variance of reported statistics globally for similar projects even when local economic factors were taken into account.

As a result a meeting was held for interested parties in the offices of the International Monetary Fund (IMF) in Washington D.C. in May 2015. This meeting became the inaugural meeting of what, today, is known as the International Construction Measurement Standards (ICMS) Coalition. The membership of the coalition is open to all groups whose members are involved in construction cost management. The current membership contains more than 45 organisations worldwide and is constantly growing.

What are Construction Measurement Standards?

Simply put, these are the way in which construction contract costs are calculated, classified and reported. They define what is included in the “*cost*” and what is not. It is imperative to note that they are not about the unit of measurement but instead about the “*line items*” in the calculations such as labour, land purchase, design and client costs.

Why are they important?

Knowing what is included and not included in the cost of construction projects is vital to:

- Understanding how it compares with other projects within or outside the market
- Accurately assessing value-for-money
- Assessing and benchmarking the “*footprint*” of a construction project.
- Reporting national and international construction statistics.

The standards used today differ within countries and from one jurisdiction to the next. Depending on where the project is located may have different items included or excluded.

The implications of such global inconsistency are:

- Inability to accurately compare project costs,
- Investment risk,
- Lack of transparency,

This may lead to:

- Under-investment in construction projects
- Time and cost over-runs

International Construction Measurement Standards (ICMS)

ICMS seeks to establish a global standard for assessing project costs by defining what should be included within the calculation of construction project costs. This will enable global consistency in project cost reporting. The ICMS does not seek to change the standard methods of measurement in use in any jurisdiction.

How is ICMS Structured?

An independent committee, the standard setting committee (SSC), has been established to write the international standard and consists of approximately 30 experts from around the world. Each member group of the coalition has appointed a trustee to represent them to the coalition.

Progress to date

The SSC has been debating and drafting since Q3 2015 and in July 2016 meet in the RICS offices in London to put the finishing touches to the standards. The editorial committee is reviewing the final document. Once this process is complete the document will be sent to parties for comment before the formal launch on the 11th of November 2011 after which it is envisaged that the standards will be incorporated into the daily reporting structures in many organisations and governments.