



# INSTITUTE OF APPRAISERS & COST ENGINEERS

A Division of

The Nigerian Society of Engineers

Newsletter



2010 / VOLUME 1

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JUNE, 12TH 2010

## Interview with Engr. Otis Anyaji, FNSE on IACE in Nigeria.

*Engr. Otis Anyaji, is the Chairman of the Institute of Appraisers and Cost Engineers (IACE). He is a Mechanical Engineer. Engr. Otis is an Accredited Valuer, Accredited Cost Engineer and Accredited Engineering Economist; these specializations are the three mandatory areas in the Institute of Appraisers and Cost Engineers.*

*Newsletter: Please Engr. Otis; can you explain what the Institute does in Nigeria?*



Engr. Otis Anyaji, FNSE

**Engr. Otis:** The Institute of Appraisals and Cost Engineers (IACE) is actually a division of the Nigerian Society of Engineers and we can say that it was chartered by the Nigeria Society of Engineers in 2003; to mould the advancement of the specialized areas of Engineering Appraisal which is also evaluation of assets, cost engineering and also engineering economics. So the institute is an association of members who basically are members of the Nigerian Society of Engineers, but who have interest in and pursue their professional lives in the areas I have just mentioned: valuation, cost engineering and engineering economics. Now, we have of course, our qualification procedure for admitting members to the institute and this is by way of a training program for those who are members of the Nigerian Society of Engineers but who desire to specialize or who are specializing in the fields of evaluation of assets, cost engineering and engineering economy. We have designed courses that we present and which various members take. For example, the institute has a constitution which prescribes the establishment of the principles of appraisal practices, code of ethics and standards and also the principles for cost engineering practices, code of ethics and standards and the same thing for the engineering economy. Now we start the journey towards accreditation from there. Each person who desires to get accredited would first of all take this training in the principles and then sit for the exam and pass. From there, he can now advance to the two stage course in the specialized area of valuation that the person wants to practice in or in cost engineering or in engineering economy. For valuation, of course we have numbers of specialized areas like machinery and equipment, civil engineering assets, agricultural chattel, oil and gas valuation, mine and quarry valuation, manufacturing facilities valuation, valuation of bulk quantity, aircraft valuation, ship or marine valuation and so on and so forth. We take these courses basically for what we can call machinery and technical specialties. The persons have to specialize in machinery and equipment first and then they can take on any of these specialized areas later. We also have the course on personal properties that have to do with residential, office buildings, certain other building content, furniture, fittings, fixtures and things like that. People undertake such training and get certified or accredited. So that is how we journey through to the level of specialization or accreditation in the institute and then our members of course work in various

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## Message from the Chairman

Hello, Engineering Valuation, Cost Engineering & Engineering Economy practitioners!

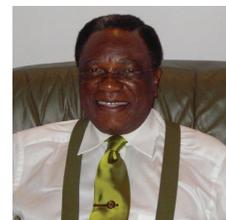
Rejoice, the time has come for your professional conference this year. It is correct to say engineering valuation or appraisal is a distinct profession from cost engineering and engineering economy itself also a separate practice. The latter however weaves a coordinating thread on the science and art of these fields of engineering that are denominated in prices, costs, values, and monetary concerns. At this conference, the interplay of these specialties with different sectors of the Nigerian economy will be discussed. And speakers and discussants on this occasion have promised abundant professional, and intellectual 'take-aways'.

Outside the conference hall, Abuja the Capital City beckons on you with her beauty, serenity, and effusive hospitality. Come and enjoy the salubrious territory that boasts of natural monuments like Aso & Zuma Rocks, national assets like the engineer-made Jabi & Lower Usama Dams. Behold and savour the sheer splendour of the hills and valleys that have circumscribed and delineated the capital of the Federal Republic of Nigeria. Not to forget the sea, aerial, and ground delicacies offered from the numerous 'hang-out' gardens of Abuja.

Our organisers in certainty ask you invitingly to come, taste and see that the Conference and Abuja are delicious! I happily and proudly endorse this invitation.

Wishing you a safe journey, and looking forward to seeing you in Abuja come 30th June-02nd July 2010.

God bless you.



**Engr. Otis Anyaeji,**  
FNSE A.Val., A.CostE, AEEcon  
Chairman



Institute of Appraisers & Cost Engineers board members in a meeting on the 26th April, 2010 in Abuja.

places where they practice these specialties and help in getting the will of the economy to work properly.

*Newsletter:* So, which of the objectives of the institute have been reached?

**Engr. Otis:** Thank you for that. From the last statement, definitely the institute has achieved the fit of having trained out many people in these various areas as accredited valuers, accredited cost engineers, accredited engineering economist. We have about thirty (30) accredited valuers now. We are about fifty accredited cost engineers and ten engineering economists that are qualified and even over and above these, we have some people that have been certified in the area of project planning and scheduling, in the area of electrical estimating and civil quantity estimating and so on. That is the major achievement. We also have sensitized the country to the fact that there are certain aspects to this field; valuation, estimation and economics that can only be gotten from a sound basis of engineering knowledge, experience and judgment. So it is easy for people to appreciate that if you want to value a factory, that you need engineers to carry out bulk of the appraisal or valuation you have to do on a factory or on mine or vehicle assets or any specialized buildings etc. that you need to have an engineer to participate in carrying out the valuation of such assets. People now know that and it is part of

what the institute has done. And then we also help to bring in efficiency in the utilization of scarce resources in projects and due to the careful estimating and analysis that our members have been trained to put in the process of the project delivery. These are things we are really proud of; and we hope that the effect will continue to increase with time.

*Newsletter:* Our last question. What is the contribution of the Institute to the development of Nigeria?

**Engr. Otis:** Well as I was just saying, the very big vacuum that have been there in trying to determine what and the resources that are required for developing new project for example because it is really engineers that provide the cost estimate for projects for use by economist and not the other way round. And this is what we are trying to see, that it is becoming prevalent in the economy. That once project is formulated, that cost engineers pay an active role in project preparation stage to make sure that they estimate carefully and accurately to determine the resources that will be needed for the project. And for existing assets that you want to revalue, you want to determine the value of existing assets, that also those that have the knowledge with engineering background for estimating the value of such assets are the ones that are called upon to do the job so that such asset will neither be over value nor

under value but just given the right value that will make it useful and realistic within the accounting system and not the type that people who do not have that background would go and do and either they ridiculously inflate the value or they ignorantly deflate the value to very low levels that really don't give you the value of the assets that are paid. So that is what we are working on and we hope that in no time, that there will be enough experts in these areas that will help in determining the cost of resources that would be used for developing projects and also the value of assets that already exist. Of course, on engineering economy, we are dealing on issues like present worth of money, like profitability analysis and all those things on which the health and sustainability of business depend on, in which engineers help to really make the economy analysis that would form the basis for decision making in enterprises that are going concern. So in those areas too, we are trying to sensitize our people by starting even with the budgeting process, and the taxation process. Engineering economy has a lot to contribute to those areas so that government activities and its effect on the public would be better rationalized and made more efficient.

*Newsletter:* Thank you very much Engr. Otis.



The **Institute of Appraisers & Cost Engineers (IACE)** would be hosting its annual conference with the theme **“The Nigerian Engineer In Valuation and Cost Engineering Practice”**

**Venue:** Raw Materials Research & Development Council Auditorium, Aguiyi Ironsi Street, Maitama, Abuja.

**Date:** 30th—2nd July, 2010.

**Time:** 9.00am - 5.00pm

**Conference Fees:**

<b>Members</b>	-	N25,000.00
<b>Non-members</b>	-	N30,000.00
<b>Students/Spouses</b>	-	N5,000.00

Members would be inducted and certificates issued to deserving members during the conference. Endeavour to register early by paying.

For further enquiries contact **Robert** 08033002156 or **Joe** 08022238729