

Dealing with construction permits – Case assumptions

Case assumptions (part 1)

The company, BuildCo:	Operates in Vientiane and is 100% domestically and privately-owned.
	Is fully licensed and insured to carry out construction projects, such as building warehouses.
	Has already paid all taxes and subscribed to an All Risks Insurance to cover injuries to construction workers and third-person liability.
Ownership and employees	Has 60 builders and other employees, all of them nationals with the technical expertise and professional experience necessary to obtain construction permits and approvals.
	Has one licensed architect and one engineer, and both are registered with their local associations.
The land plot on which the warehouse is to be built	Is 929 square meters (10,000 square feet).
	Is 100% owned by BuildCo and is registered in the cadastre and land registry.
	Has road access and is located in the periurban area of Vientiane (i.e., on the fringes of the city but still within its official limits). It is not located in an economic or industrial zone that is subject to any special requirements (i.e., tax-free zone). However, the zoning requirements for warehouses are met by building it in an area where other similar warehouses can be found

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Case assumptions (part 2)

Warehouse specifications	Has two levels, both above ground (G + 1), with a total surface of approximately 1,300.6 square meters (14,000 square feet). The height of each floor is 3 meters (9 feet, 10 inches). It will be used for storage of non-hazardous and non-perishable goods (i.e., books, stationery, etc.).
Water and sewerage connection: new connection	The warehouse is 150 meters (492.1 feet) away from the existing water source and sewer tap. A fire extinguishing system (dry system) is used. If a wet fire protection system is required by law, it is assumed that the water demand listed below also covers the water needed for fire protection. Daily water consumption is 0.7 m ³ and wastewater flow is estimated at 0.6 m ³ . Peak water consumption is estimated at 1 m ³
	The water connection pipe is 1 inch in diameter, and the sewerage connection pipe is 4 inches in diameter. A septic tank in the smallest size available is installed or built if there is no sewerage infrastructure in the economy. A borehole is dug if there is no water delivery infrastructure in the economy. All material and labor costs should be taken into account in the cost to connect to water and sewerage (except for the overhead tank for the water connection).
Estimated value of the warehouse	LAK 914,417,149

What does “procedures, time and costs” mean for DwCP?

Parameters	Definition according to Doing Business
Number of procedures	A procedure is any interaction of BuildCo’s employees or managers with external parties, including government agencies, notaries, the land registry, the cadastre, utility companies, public and private inspectors, and technical experts apart from in-house architects and engineers. Procedures that can take place at the same time as another procedure are marked with an asterisk (*).
Time	Time is measured in calendar days (not working days). For a procedure that can be completed entirely online, the minimum time is 0.5 days. For a procedure that cannot be completed entirely online, the minimum time is 1 day.
Costs	Costs include only official fees. Nonrecurring taxes that are necessary for the completion of the specific project are recorded. Bribes are excluded. Refundable deposits are excluded.

DwCP Building Quality Control Index

Building quality control index (6.5-15)	Index	Answer	Score
Quality of building regulations index (0-2)	How accessible are building laws and regulations in your economy? (0-1)	Not easily accessible.	0.0
	Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents.	0.0
Quality control before construction index (1-1)	Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect; Licensed engineer.	1.0
Quality control during construction index (2-3)	What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer; Inspections at various phases.	1.0
	Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0

DwCP Building Quality Control Index (continued)

Building quality control index (6.5-15)	Index	Answer	Score
Quality control after construction index (3-3)	Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, final inspection is done by government agency.	2.0
	Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
Liability and insurance regimes index (0.5-2)	Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	Construction company.	0.5
	Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance .	0.0
Professional certifications index (0-4)	What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	Being a registered architect or engineer.	0.0
	What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)	Being a registered architect or engineer.	0.0

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Thank you!