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UNIVERSITI TUN HUSSEIN ONN MALAYSIA

**FINAL EXAMINATION
SEMESTER I
SESSION 2015/2016**

COURSE NAME : CONSTRUCTION PROCUREMENT
COURSE CODE : BPD 30703
PROGRAMME : 3 BPC
EXAMINATION DATE : DECEMBER 2015/JANUARY 2016
DURATION : 3 HOURS
INSTRUCTION : SECTION A
ANSWER ALL QUESTIONS

SECTION B
ANSWER **THREE (3)** QUESTIONS
ONLY

THIS QUESTION PAPER CONSIST OF **FOUR (4)** PAGES

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SECTION A

- Q1** Era Bina is a construction company (Grade G7) for a large infrastructure project in Kuala Terengganu by using design and build (DB) procurement system as shown in Figure Q1. Anuda Holdings Sdn. Bhd is a client which requires the project to be completed with the highest quality, at the lowest cost, and in the shortest time. This system is another variation of design bid and build (D-B-B) and it is considered a 'best-value' procurement method. The design consultant and the contractor are retained as a team. Competitive bids provide an innovative industry-driven design solution in response to the detailed client requirements/performance specifications that outline the owner's need.

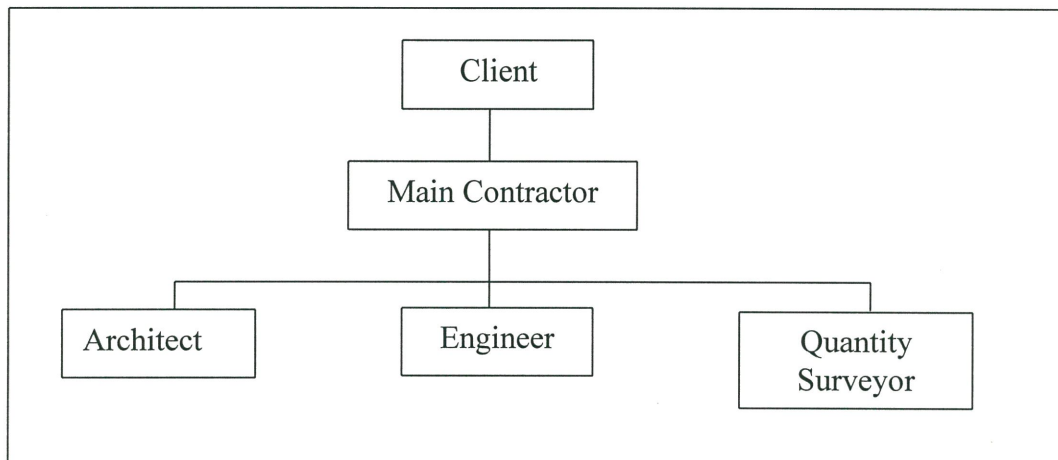


Figure Q1: Design and Build Procurement System

According to this scenario:

- (a) Explain **FIVE (5)** differences of responsibilities between client and contractor. (10 marks)
- (b) Discuss **FIVE (5)** key roles of consultants in achieving project's objectives (time, cost and quality). (10 marks)
- (c) Plan the process in design and build procurement system. (20 marks)

SECTION B

Q2 Institute Jati Cemerlang is located in Lumut will be built through conventional procurement system in January 2016. One of the unique characteristics of the system is that it is fragmented system. A number of variants of that method are comprises of open tendering, two-stage selective tendering, and negotiated tendering. As a procurement manager, you are required to advice your client on the following information:

(a) Describe with an illustration of the contractual and function relationship exist in the system.

(10 marks)

(b) Outline **FIVE (5)** key challenges of the system.

(10 marks)

Q3 Construction partnering is a commitment between a project's owner, the consulting engineers and/or architects, the contractor(s), and other key project stakeholders. The aim of this system is to create a cooperative project environment with a team committed to understanding one another. In this environment, the team works together to develop and follow processes and procedures which will optimise the successful completion of the project.

(a) Discuss **FIVE (5)** benefits of adopting partnering.

(10 marks)

(b) Analyse **FIVE (5)** risks in partnering as one of the innovative procurement systems in Malaysia.

(10 marks)

Q4 Management contracting is an approach that suitable for a high complexity project such as sewerage treatment plant, energy renewable plant and reclamation. This procurement system used where the management contractor manages the carrying out of the work through works contractors, and those works contractors are contractually accountable to the management contractor. The client normally engages the management contractor to take an active role in the project at an early stage, and because of this the management contractor is normally an experienced contractor.

(a) Analyse with the aid of a diagram of the contractual and functional relationships exist in the management contracting.

(10 marks)

- (b) Discuss **FIVE (5)** advantages of this method.

(10 marks)

Q5 In construction, Joint Ventures (JVs) are commonly used to deliver large projects by pooling expertise and resources. For example, one party does tunnelling, one builds the roads and one builds the houses. Each party has a crucial part to play and as a team, they are much better placed to pitch for big projects. JVs are also useful for both start-ups and more established enterprises. Traditionally, they have been used for smaller projects, but they are increasingly being used to help larger businesses diversify and cross-sell to their client base. They can also help with managing costs and gaining local knowledge, particularly in overseas markets.

- (a) Describe **FOUR (4)** criteria that important to be investigated in selecting prospect partner of JVs system.

(10 marks)

- (b) Outline **FIVE (5)** critical success factors of JVs.

(10 marks)

-END OF QUESTIONS -