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RISK MANAGEMENT IN INDUSTRIALISED BUILDING SYSTEM (IBS)

Final Project Submitted in partial fulfillment

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ABSTRACT

Risk management is a process where to identify, analyse, treat and control the risk that possible to occur during construction. By applying the risk management, certain risk in the project can be predicted and the parties involve can control the risk. Industrialised Building System (IBS) is a type of construction that using precast concrete- which are made from manufacture. In Malaysia, although IBS has been well known, only few contractors agree to do it. This is because the IBS components or structures are very expensive. So, there are three objectives to be achieved in this final project. The objectives are to identify the factors that contributed to high cost of using IBS, to identify the implication that occur due to high cost in IBS and to determine the precaution taken due to high cost in IBS. In order to achieve the objectives, primary and secondary research methodology had been applied. Primary data are gathered from interview session with few project's team members. In addition, secondary data are obtained from literature review. From the analysis, it can be concluded that risk management in IBS is very important as it will determine the project cost. If the project team can identify and control the risk that possibly to happen, so the project can be completely done as scheduled.

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1.1 INTRODUCTION

Risk management is a process which consists of identification of risks, assessment which qualitatively and quantitatively, responses which a suitable method for handling risks, and then controls the risks by monitoring (Mhetre *et al.* 2016). The element that will affect the achievement of the project is the risks. Risks and uncertainties inherent in the construction industries are larger than any other industries. Generally, risk management is a system to identify and quantify all risks which the business or project is exposed so that a conscious decision can be taken on how to manage the risks (Adnan, H., Jusoff, K., & Salim, 2008).

Industrialised Building System (IBS) is a term used in Malaysia for a technique of construction where by components are manufactured in a controlled environment, either at site or off site, placed and assembled into construction works. The construction industries in Malaysia is experiencing a migration from traditional methods to a more systematic and mechanical technique. Each state in Malaysia is currently examining the developments of the IBS and its potential to overcome the shortage of housing accommodations in this country (Othuman Mydin, Sani and Taib, 2014). In Malaysia, the IBS was started since the 1960s, when the Ministry of Housing and Local Government made a visit to several European municipalities, with the objectives of observing their housing development plan.

Although the IBS was initiated since 1960s, there were just several contractors who implemented the IBS. When they have lack of knowledge of IBS, so they do not want to take the risks by implementing the IBS. Despite the IBS being well-known and accepted by most construction firms due to its theoretical advantages in term of speed,