



**DEPARTMENT OF BUILDING**  
**UNIVERSITI TEKNOLOGI MARA**  
**(PERAK)**

**TENDERING PROCESS**

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**UNIVERSITI TEKNOLOGI MARA**  
**(PERAK)**

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It is recommended that the report of this practical training provided

**By**

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**TENDERING PROCESS**

Be accepted in partial fulfillment of requirement has for obtaining Diploma in Building.

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**STUDENT'S DECLARATION**

I hereby declare that this report is my own work, except for extract and summaries for which the original references stated herein, prepared during a practical training session that I underwent at AZIJAUHARI RESOURCES for duration 20 weeks starting from 23 August 2021 and ended on 7 January 2020. It is submitted as one of the prerequisite requirements of BGN 310 and accepted as a partial fulfillment of the requirements for obtaining the Diploma in Building.

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## **ABSTRACT**

Generally this report briefly explained about the tendering process are done in company to getting project from client. Basically in this report about tendering process from invitation until delivery document tender to client. The aim to analyze the use, effectiveness and reliability of department building tender evaluating process. The objective this case study has explained about process of construction works, to know types of tender involve in tendering process and to investigate hoe tendering process are made.

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## CHAPTER 1.0

### INTRODUCTION

#### 1.1 Background of Study

In building construction, Tendering is the process of making an offer, bid or proposal, or expressing interest in response to an invitation or request for tender. Organizations will seek other businesses to respond to a particular need, such as the supply of goods and services, and will select an offer or tender that meets their needs and provides the best value for money. Tender request documents; also referred to as invitations to tender, Requests for Tender (RTF), Requests for Proposal (RFP) etc outline what is required, that is, what the requesting organization's needs are. These documents also outline the particular requirements, criteria, and instructions that are to be followed. Future tenders are generally widely advertised to offer opportunities to a number of suppliers, encourage competition and provide a greater pool of offers to select from.

Interested suppliers will then prepare a tender; the documents that outline the offer that they are making, and will include pricing, schedules as well as their eligibility for the project or procurement. They will outline their advantage over competitors; provide information on qualifications, competencies and experience. Further they have to demonstrate how their bid offers the best value for money. The submitted tenders are then evaluated with regard to defined criteria. In a normal tendering situation, this process should be conducted fairly and honestly, and in a manner that is free from bias or favor. The offer that best meets all of the requirements outlined in the request, and provides value for money should win the contract. The tendering process is generally utilized for procurements or contracts involving substantial amounts of money.

Tendering is utilized by:

1. Government departments, offices and agencies
2. Private sector companies and businesses
3. Non-Government Organizations
4. Overseas markets and businesses

## **1.2 Objective**

The aim of this study is to analyze the use< effective and reliability of department building in tender evaluating process. In order to archive this aim following objective have been determined:

1. To expose process are included in tendering process of construction works.
2. To know types of tender are involve in tendering process.
3. To investigate hoe the tendering process are made.

## **1.3 Scope of Study**

The scope of this internship work is limited to overall description of the company and its services. The scope of this study may be started as follow:

- The study would assist Quantity Survey (QS) Department in making purchase order, writing Building Quantity (BQ) tender.
- The study would help assist HR department deal with client and office work

## **1.4 Method of Study**

There are some data collection methods used to achieve the objectives of this report such as;

### **1. Observation**

This method is done directly when doing the site visit for the project due to the exposure to the real work. Observation was made to study on the procedure of defect inspection and the method of defect occur were clearly perceived and the ways to fix the defect could be figured out. Supported pictures and video were-taken along the observation process. Written notes also important during the observation so any vital information will not be missed.

## **2. Interviews**

Sufficient information can be collected through the interview. Untrusting interview process happens when questions can be directly asked and the answer can be gotten on the spot. A qualitative research is done by interviewing people who have experienced in construction industry such as supervisors, architect, engineer, quantity surveyors and the laborers on the site during the educational site visit. Different people have different skills and experience thus it will be helpful to understand more while doing the observation.

## **3. Document reviews.**

This method involves systematic data collection from the existing records that can be derived from the company such as construction drawings, company profile, monthly progress reports and pictures taken by the workers. Most of the important and confidential data about the company or project can be acquired and beneficial to accomplish the objective of this report.

## **CHAPTER 2.0**

### **COMPANY BACKGROUND**

#### **2.1 Introduction of Company**

Azijahhari Resources is company registered under the Malaysian Construction Company Development Board (CIDB). This company is registered in grade G1 in category B (building construction) for specialization B04, B015, B18, B24, CE (civil engineering construction) for CE01, CE21 and ME (mechanical and electrical) for M15 specialization under CIDB. Apart from being registered under CIDB, this company has SSM Business Registration certificate (CT0032530-W). This company is led by the founder Rahman Jauhari Bin Aziz, with wide experience and expertise in the field of construction. Azijahhari Resources has collaborated with several professional panel companies to meet client demands as well as facilitate all construction matters. There are also some general workers and skilled workers who have skills and experience in the fields of wiring, electricity, irrigation and construction. With the recognition from the Malaysian Construction Industry Board (CIDB) as a bumiputera contractor, Azijahhari Resources is able to expand the scope of work to manage and carry out road construction, piping, sewerage and civil engineering work. Azijahhari Resources has also implemented and completed projects that require expertise and abilities high such as the implementation of design and construction projects, bus terminals, housing, water supply works such as construction of dams, water treatment plants, specialist works construction of sports facilities, infrastructure works such as flood mitigation, earthworks, roads, completion abandoned projects, fast track projects and construction works in remote areas. With the support of extensively experienced management and technical staff yet trained as well as having machinery and plant equipment for adequate self- construction work as well as support increased suppliers of building materials and finance, if given the opportunity, in shaa Allah MMN will be able to complete the entrusted project perfectly.

## 2.2 Company Profile

Azijauhari Resources was established and started operating in 2020, and currently active in residential housing manufacturing, renovation, government project work tenders and other related work. This company based in Raub Pahang located at No. 26, Tingkat, 1, Jalan Lestari 17, Taman Amalina Lestari, 27600 Raub, Pahang.

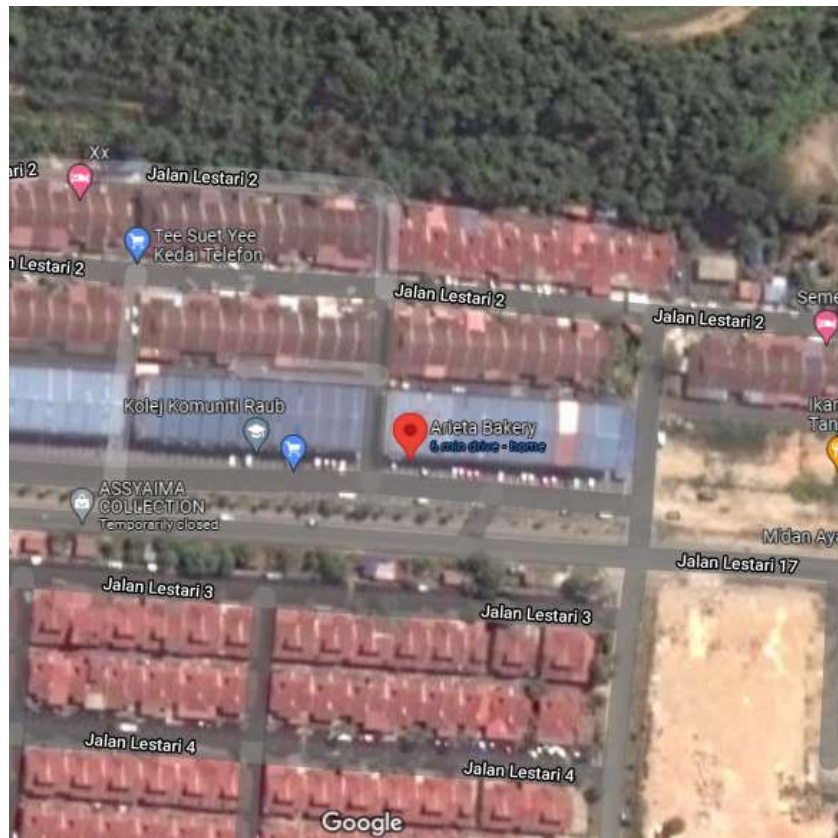


Figure 2.1: Location of the company based on the satellite map

Source: <https://www.google.com.my/maps>

With the company's mission to be one of the bumiputera construction companies that are able to provide the best, high quality and transparent services to all customers, this company is ready to achieve the company's vision of being a bumiputera company that actively contributes to national and international development. Azijauhari Resources can be contacted via company email [azijauhariresources@gamil.com](mailto:azijauhariresources@gamil.com) or directly contract through number (016 629 9252)

## 2.3 List of Project

### 2.3.1 Completed Projects

| No. | Project Title  | Project Value  | Start Date            | Completion Date         | Project Duration | Client                   |
|-----|--|--|-----------------------|-------------------------|------------------|--------------------------|
| 1.  | Membaikpulih Dan Menyenggara Wakaf Kubur Di Tanah Perkuburan Islam Kg Pawah Rawas Raub Pahang  | Fourty Hundred Thousand Malaysian Ringgit<br>( RM 40,000 )           | 13<br>JULY<br>2021    | 20<br>SEPTEMBER<br>2021 | 10 Weeks         | Pejabat Daerah Dan Tanah |
| 2.  | Kerja-kerja Penyelenggaraan Baik Pulih Tandas, Longkang Dan Perpaipan Luar Serta Kerja-Kerja Yang Berkaitan Di SK Ulu Gali Raub Pahang | Thirty-one Thousand Three Hundred and seventy-seven<br>( RM 31,377 ) | 25<br>FEBUARI<br>2021 | 12<br>APRIL<br>2021     | 6 Weeks          | Pendidikan Daerah Raub   |

### 2.3.2 Project in Progress

| No. | Project Title  | Project Value  | Start Date      | Completion Date  | Project Duration | Client                                 |
|-----|--|--|-----------------|------------------|------------------|--|
| 1.  | Kerja-kerja Penyediaan Tapak Untuk Pejabat Renjer Tersang Serta Lain Lain Kerja Berkaitann Di Daerah Raub Pahang                                       | One Hundred Twenty Thousand Malaysian Ringgit<br>( RM 120, 000 )     | 4 OCTOBER 2021  | 20 DECEMBER 2021 | 10 Weeks         | Jabatan Perhutanan Pahang Darul Makmur |
| 2.  | Kerja-Kerja Penyelenggaraan Baikpulih Perpaipan Luar, Bumbung, Tandas, Lantai Dan Pagar Serta Kerja Kerja Lain Berkaitan Di SK Tersang 3, Raub, Pahang | Fifty-Four Thousand Four Hundred and Forty Ringgit.<br>( RM 54, 440) | 19 OCTOBER 2021 | 29 NOVEMBER 2021 | 6 Weeks          | Pendidikan Daerah Raub.                |

## CHAPTER 3.0

### BACKGROUND OF PROJECT

#### 3.1 Introduction to Case Study

This is research make during the industrial training about tendering process at Azijauhari Resources and current project are running that time. All tendering process in this chapter are done by company step by step until document tender has sent to client. The research of tendering process show from first process are guide by supervisor until end process. Every detail process are done by company had in this chapter.

| Detail   | Description   |
|----------|---|
| Name     | KERJA-KERJA PENYEDIAN TAPAK UNTUK PEJABAT RENJER TERSANG SERTA LAIN-LAIN KERJA BERKAITANN DI DAERAH RAUB PAHANG |
| Location | Kampung Sempam Raub, Pahang   |
| Cost     | RM 120, 000   |
| Period   | 10 Weeks  |
| Client   | Jabatan Perhutanan Pahang Darul Makmur  |



## **3.2 Types of Tender**

Tender is the final price or bid submitted by the contractor to the customer. It also an invitation to bid or accept a formal offer, such as a takeover bid, for a project. The term tender also applies to the mechanism whereby shareholders, in response to a takeover bid, apply their shares or securities. Meanwhile, tendering is the process by which interested contractors are invited to tender for specific packages of construction work. There are 5 types of tender in construction which is open tender, selective tender, serial tendering, negotiated contract and package deal tendering and turkey contracts. In this case study the tender that Azijauhari Resources has apply is Selective Tender.

### **3.2.1 Open Tender**

Open tendering has been criticized for being a slow and expensive operation, attracting tenders or expressions of interest from large numbers of vendors, some of which may be totally inappropriate for the contract and may waste a lot of time, effort and money as a result. It also does not attract reputable and established contractor unless they are forced to, due to lack of work and uneconomic use of source.

However, it provides the greatest competition and has the benefit of allowing new or emerging suppliers to try to secure work and thereby promoting greater creativity, enabling tendering for any interested contractor. It therefore provides an incentive for an anonymous contractor to bid for the job, encouraging new or emerging suppliers to attempt to obtain work and thereby promoting greater innovation.

This technique employed by both the government and private sectors. The customer advertises the tender offer in the local newspaper, including descriptions of the planned works and key information and encouraging interested contractors to tender.

### **3.2.2 Selective Tender**

Selective tendering only requires vendors, by invitation, to request tenders. It is the only solution designed to overcome the drawbacks of the open tendering process. A short list of contractors is drawn up in this process and they are invited to request tenders. The aim of elective tendering is to

improve the quality of the bids received, to ensure the opportunity for contractors with the required expertise and competence to send the necessary bids, because of the urgent work involved, for particular employer purposes, and to make the tendering process more manageable and less burdensome for the parties involved.

Selective tendering would tend to be easier than competitive tendering which can be seen as less expensive because as part of the tender procedure itself, there is no prequalifying mechanism and only vendors considered to be ideal for the proposed contract are invited to prepare tenders. It can also give consumers greater confidence that their demands will be met.

Selective tendering can be either single stage or two stage. Single stage tendering is used where when tendering begins, all the information required to determine a fair price is available. Prospective suppliers are given an invitation to tender, tenders are prepared and returned, a chosen tenderer is selected and they can be named after negotiations. Meanwhile, two-stage tendering is used to encourage a supplier to be named early, prior to the completion of all the details needed to allow them to give a fixed price. A restricted appointment is accepted in the first stage, allowing them to start work, and a fixed price is negotiated for the contract in the second stage.

### **3.2.3 Serial Tendering**

In general, serial tendering includes the preparation of tenders based on a typical or national bill of quantities or work schedule. The submitted rates may be used for the valuation of works over a series of similar projects, often for a fixed period of time after which the tendering procedure may be repeated. Serial tendering may be used where the customer has a regular programme of works that a single contractor would like to undertake, often minor works, repetitive works (such as housing) or maintenance work. Serial tendering may reduce the cost of tendering and may allow suppliers to submit low tendering fees to ensure an ongoing work programme. It can be seen as anticompetitive and exclusive, however. This type of tender allows the contractor to apply costs for the performance of work, typically not against a specific project, but against sample quantity bills, work schedule, or price for a sample structure, knowing that others of a similar nature will be carried out.

### **3.2.4 Negotiated Contract**

Tendering for negotiations is commonly used in the engineering and construction industry, beginning from tendering to dispute resolution. It may be necessary to negotiate with a single supplier in the case of highly professional contracts or to expand the reach of an existing contract. Costs are lowered which allows for early participation of contractors because the contractor is part of the project team at the very stage of the project, better communication and information flow is achieved. However, unless the negotiating process is clearly laid out, there is the potential for the creation of an adversarial environment even before the contract has been awarded. It can be challenging and time-consuming to conduct negotiations in the absence of competition to ensure that all parties feel that the result is fair.

### **3.2.5 Package Deal Tendering and Turkey Contracts.**

These seek to provide the customer with a full service from enquiry to completion, with the responsibility of the contractor for all design, construction and related works. Usually, the Turnkey option would provide all the client requires to begin work and for the client to approach one or more contractors and carry out initial discussions before entering into formal design and contractual discussions with the selected contractor, this process is similar to negotiated tender process. Package deals are also popular in that they provide a service that usually involves only two parties, the builder and the customer, and the builder is responsible for securing and managing other construction professions in the construction process.

### 3.3 Tender Document

| Document                    | Purpose  | Examples of content   |
|-----------------------------|--|---|
| Condition of tender         | Set out the conditions under which a tender will be accepted for evaluation. | <ul style="list-style-type: none"> <li>• Evaluation criteria and any weightings to be applied.</li> <li>• Closing date, time and position for submitting tenders.</li> <li>• Agency contact details</li> <li>• Notification of pre-tender sessions for briefings.</li> <li>• Requirements for pricing (e.g. whether prices should include or exclude the GST).</li> <li>• Related policies and values of government.</li> </ul> |
| Specification               | Provides a detailed overview of what is needed.                              | <ul style="list-style-type: none"> <li>• Functional requirement</li> <li>• Technical requirement</li> <li>• Performance requirements.</li> </ul>  |
| Condition of contracts      | Set out the terms of the contract which will be used.                        | <ul style="list-style-type: none"> <li>• Data on your rights and commitments.</li> <li>• Information on the government's rights and obligations</li> </ul>  |
| Tenderer response schedules | To be finalized by tenderer to provide the specified information             | <ul style="list-style-type: none"> <li>• Supplier information to indicate their compliance with functional, technical, quality and contractual requirements, including where appropriate, a summary of costs</li> </ul>   |

### **3.4 Tender Process**

Tender process is the step on how the tender is conducted starting from tender advertisement, submission, selection and finally, the acceptance of tender. The purpose of the tendering process is to remove the favoritism and collusion of construction firms in awarding works. Customers can compare various rates quoted for a job by several contractors by means of a tender. Hence, the low price and experienced contractor is always the case to always win the tender.

#### **3.4.1 Tender Advertisement**

Tender advertisement is the first step of tender process. The advertisement is produced by the client who organize the project. This project involves various types of projects according to the needs of clients and it will be produced according to the types of tender. The contractors usually will find the advertisement in most of social media platforms and in the printed news.

The contents of the advertisements include the title of the project, the deadline to apply, the qualifications needed for the contractor, and the place to submit the tender document. The contractors who are interested will have to go for site visit for further information about the project conducted.

#### **3.4.2 Tender Submission**

For the contractors that are interested to conduct the project, they need to buy and fill up the tender document. The range of tender document's price is around RM50 to RM100 or could be more. Then, the tender document needs to be submitted according to the specific time and place.

Then with regard to specified requirements, the submitted tenders are evaluated. This procedure should be done equally and honestly, and in a way that is free of prejudice or favor, in a typical tendering situation. The contract should be won by the meets all the criteria outlined in the request and offers value for money. In general, the tendering mechanism is used for transactions or contracts involving large sums of money

### **3.4.3 Tender Selection**

Then with regard to specified requirements, the submitted tenders are evaluated. This procedure should be done equally and honestly, and in a way that is free of prejudice or favor, in a typical tendering situation. The contract should be won by the meets all the criteria outlined in the request and offers value for money. In general, the tendering mechanism is used for transactions or contracts involving large sums of money.

### **3.4.4 Tender Selection**

All suppliers who have submitted a tender will be notified via the portal of the decision to award the contract. Decision letters should include information of the good supplier and the score obtained in the tender submission evaluation. Then, the client and contractor who have chosen will have to sign up the contract according to the terms and condition before starting the work.

## **CHAPTER 4.0**

### **CONCLUSION**

We can conclude that tendering process and work with tendering method is a system or process that should use advisably, intelligently. Basically, these things are the job, duty and responsibilities of the Quantity Surveyor. As a Quantity Surveyor, we should have a better knowledge about tendering. If not, it is directly affect to the client, company and also our job of quantity surveying. If we use tendering method correctly and select a suitable contractor for the project, it will helps to build the project at the due time, with efficiently, quality and also can save money. For succeed these hopes of the client, best way is use the tendering to select suitable contractor. In this presentation and process of making this report, we got more knowledge about tendering. And also, I tried my best to describe these information as correctly.

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