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FACULTY IN ADMINISTRATIVE SCIENCE AND POLICY STUDIES



PRACTICAL TRAINING REPORT AT PETRA ENERGY MIRI

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2015958689

SUPERVISOR

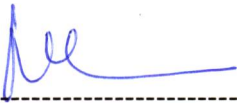
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JANUARI 2018

**CLEARANCE FOR SUBMISSION OF THE RESEARCH PROPOSAL BY THE
SUPERVISOR**

Madam Nur Aida binti Haji Kipli,

I have reviewed the final and complete practical report and approve the submission of this report for evaluation.



(Signature)

Date: 4 24/10/2017

DECLARATION

We hereby declare that the work contained in this practical training report is my own except those which have been duly identified and acknowledged. If we are later found to have committed plagiarism or other forms of academic dishonesty, action can be taken against us under the Academic Regulations of UiTM's.

Signed

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CHAPTER 1

INTRODUCTION TO THE ORGANIZATION

1.1 Chapter review

This chapter consists of six sections. Section 1.2 focuses the history of establishment, Section 1.3 explains the vision and mission, Section 1.4 discusses about Objectives, Section 1.5 explains about Core business and activities, Section 1.6 discusses Organization structure, and lastly in Section 1.7 Chapter Summary.

1.2 Company Background



Petra Energy Berhad (Petra Energy) is an organization that has been founded in early 1980's and is headquartered in Petaling Jaya, Malaysia. Petra Energy spearheads a consortium of subsidiary companies (together referred as the Group), provides a comprehensive range of integrated brown field services for the upstream oil & gas industry and specialist products and services for the petrochemical industry. The Group is also involved in development and production activities of small field cluster. In the corporate structure, the Petra Energy consists of 3 segment which are the service segment, the marine asset segment and the development and production segment. As for the each segment those segments have various kinds of units which help to support the Petra Energy group operation. For the service segment, there are four (4) units under the segment.

The first unit is the Petra energy Fabricator Sdn Bhd. Petra Energy Fabricator Sdn Bhd is been supported by the Petra Industrial resources Sdn Bhd. The Petra Energy Fabricator is specialize in the design and manufacture of heat transfer equipment, pressure vessels, process skid packages, storage tanks and other fabricated items. The company's end-users include EPCC contractors, offshore structure fabricators, process package specialists, and many more. Today Petra Energy's Process Equipment unit caters to the international markets in Angola, Australia, Brazil, Brunei Darussalam, India, Myanmar, New Zealand, Nigeria, Qatar, Saudi Arabia, Syria, Thailand, UAE, United Kingdom, Vietnam and Singapore. In maintaining its competitive edge, the Process Equipment unit has established

strategic alliances with world-renowned process designers to create greater value for its customers.

Second unit under the service segment is the Petra Energy Resources Sdn Bhd. Under the Petra Energy Resources Sdn Bhd., there is Petra Energy Resources Ltd. The Petra Energy Resources functioning to deal with the core competency business of the company. Petra Energy has firmly established itself as an integrated provider for topside major maintenance hook-up construction and commissioning of offshore and onshore oil and gas installations. The scope encompasses all surface engineering capabilities that include design, engineering, procurement, fabrication, installation, hook-up, construction, commissioning including offshore marine services. For maximum benefits to clients, the services are executed on a “single point of responsibility and accountability” or integrated basis that ensures operations efficiency, reduced costs and faster project turn-around. HSSE and QA/QC procedures are engaged at all levels of operations to ensure compliance with project requirements in reference to applicable laws, codes, standards, specifications and regulations.

The third unit of the service segment is the Petra Marine Sdn Bhd. and supported by the Petra Energy ship management Sdn Bhd. As for the Petra Marine Sdn Bhd, they provide support for the offshore marine support for their clients. As owner and operator of a fleet of marine vessels comprising accommodation work barges, accommodation workboats and anchor handling tug supply vessels. PETRA is able to facilitate brown field operations whilst optimizing client costs. The vessels provide support for the Group’s TMM/HuCC operations and are also leased on term charter to clients for offshore work in the oil and gas industry. The vessels are Malaysian and/or foreign flagged, and are fully equipped to meet stringent international and industry standards. All the vessels provided are able to accommodate roughly about up to 300 workers per vessels.

Lastly for the service segment is the Petra Energy services Sdn Bhd. The Petra Energy services Sdn Bhd is assign to manage all the service provided by the company must meet the requirement of the clients. The Petra Energy services Sdn Bhd also must ensure the quality of service provided by them are satisfying the clients and follows all the standard procedure along providing the services to the customer. One the the service provided by the group is providing the tug boat for the clients to pull the work barge.

The second segment is the Marine Assets Segment. This segment was formerly known as the Petra Energy Marine Capital Sdn Bhd. These segments are supported by 3 units

which are the Petra Energy Challenger, Petra Marine and Petra Marine One. All these units provide support to the Petra Marine by managing all the assets that are used for the business. For the information, the company own 9 vessels for the Petra Marine. Those vessels are Orbit, Challenger, Endeavour, Lyra, Galaxy, Discovery, Alya, Anis and Kas Marine. Other than that, these 3 units also have to manage the vessels of their clients such as the Salvin Princess. Other than that, they also manage all the equipment and tools that used for the offshore works.

The last segment of the Petra Energy resources is the Development and Production segment. This segment is run by the Petra Energy development Sdn Bhd and supported by Coastal Energy KBM Sdn Bhd. and Petra Energy development LTD. The Petra Energy Development Sd .Bhd deals with the development and production activities of Small Fields. Petra Energy, via its collaboration with CEC International Ltd, is involved in the Small Field Risk Service Contract (SFRSC) for the development and production of petroleum from the Kapal, Banang and Meranti small fields (KBM Cluster) offshore Peninsular Malaysia. Other than that they also deal with the Implementation of the Field Development Plan and implementation of Production operations to achieve the first oil date, and thereafter to sustain production activities.

1.3 Vision and Mission

The vision and mission of Petra Energy Berhad is to be a sustainable oil and gas company. The board of Petra Energy has endorsed the following vision of the company's future and role which is a strong independent oil and gas company, financially strong and well-respected in the industry, and prudently managed to provide a robust supply of oil, gas and energy related products to both the developed and developing countries which will enable them to sustain humanity and its basic living needs. It focuses for business integration and development in all areas and benefits to the community as a whole.

1.4 Core Businesses and Activities

1. Development and Production

Petra Energy business scope of operations includes Development and Production activities of Small Fields. Petra Energy involved in the Small Field Risk Service Contract (SFRSC) for the development and production of petroleum from the Kapal, Banang and Meranti small fields (KBM Cluster) offshore Peninsular Malaysia. The primary scope of

services, under the SFRSC, provided by Petra Energy and CEC International Ltd for the Petronas includes implementation of the field development plan and implementation of production operations to achieve the first oil date and thereafter to sustain production activities.

2. Top-Side Major Maintenance Hook-Up Construction & Commissioning

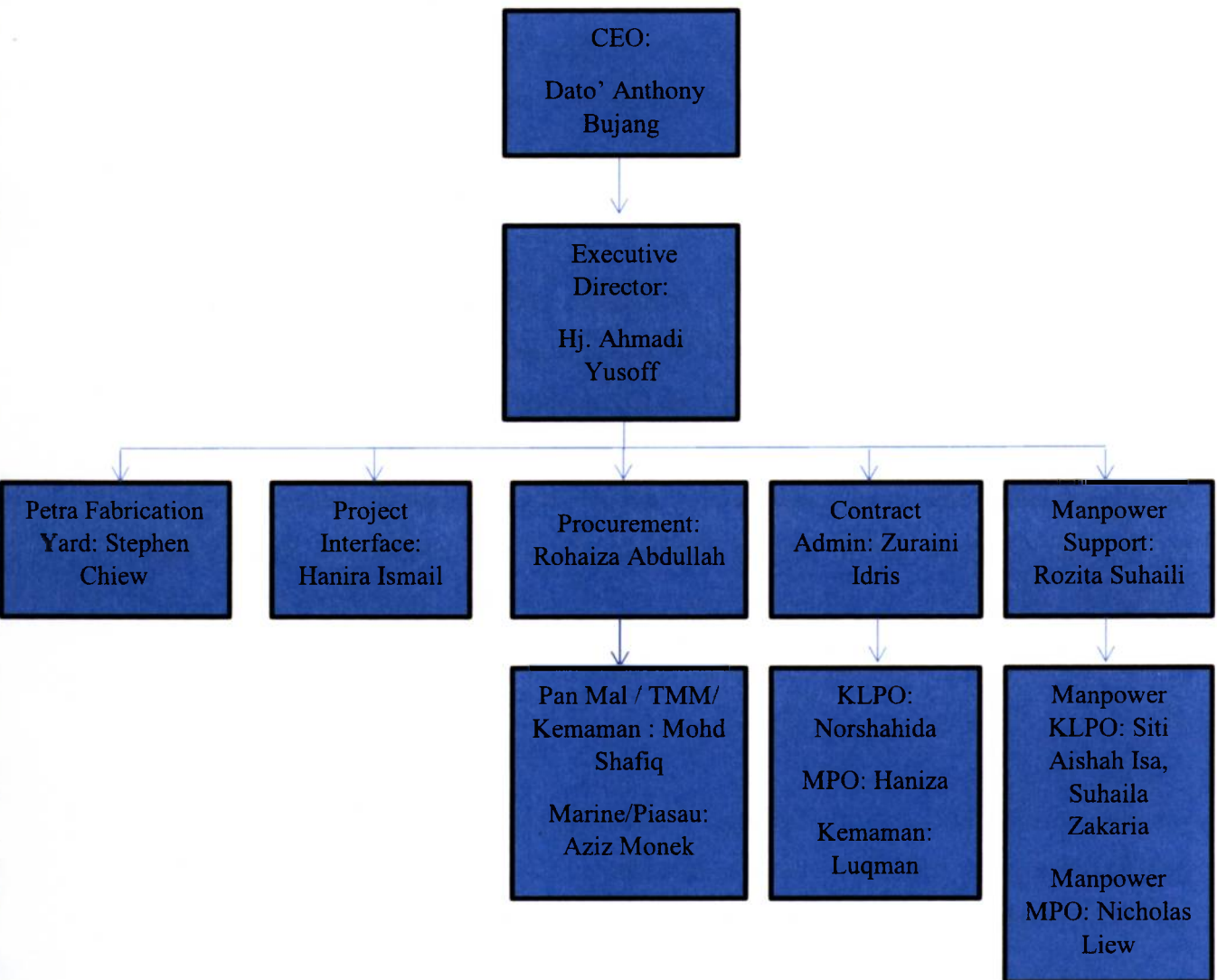
Petra Energy has firmly established itself as an integrated provider for topside major maintenance hook-up construction and commissioning of offshore and onshore oil and gas installations. The scope encompasses all surface engineering capabilities that include design, engineering, procurement, fabrication, installation, hook-up, construction, commissioning including offshore marine services. For maximum benefits to clients, our services are executed on a “single point of responsibility and accountability” or integrated basis that ensures operations efficiency, reduced costs and faster project turn-around. Their capabilities are:

- Pre-drill, post drill and well tie-ins
- Rejuvenation of platforms and living quarters
- Brown field tie-ins and modifications
- Green field installation, hook-up and commissioning
- Helideck removal and installation
- Onshore fabrication
- Engineering and work execution, planning & construction
- Provision of construction equipment and personnel
- Provision of offshore marine vessels
- Procurement of long lead project materials
- Mobilization of specialist vendors such as rope access, hydro blast and welding habitats
- Provision of specialist services such as bolt tensioning, cold cutting and flange facing, hot tapping, GRE fabrication works
- NDT(non-destructive testing) inspections and testing
- Support for well intervention and acidization

The services are managed by our project offices, which houses a highly competent team of industry professionals with extensive experience in project

management, works planning, design, engineering and implementation, Health, safety, security and the environment (HSSE), Quality Assurance/ Quality Control (QA/QC) and marine operations. For a particular project, Petra Energy clocked approximately 23 million man hours over a six year period, whilst operating a fleet of four work barges, three workboats, and anchor handling tugs, fast crew boats, material supply boats and more than 1,000 construction personnel offshore.

1.5 Organization Structure



CHAPTER 2

SCHEDULE OF PRACTICAL TRAINING

2.1 Chapter Review

This chapter is focused on the schedule of practical training which has been recorded on the logbook during the practical training. It begins with Section 2.2 focuses on the Introduction. Then, Section 2.3 explains the logbook, scope of works and the daily activities while undergo the practical training in the organization. Lastly in Section 2.4 explains the chapter summary.

2.2 Introduction

During the industrial training attachment, I'm Muhamad Afzal Bin Jahangir was given a practical training log book which is for the me to report and summarize the daily tasks that has being done while undergo for the two months of industrial training which is from 25th July 2017 until 15 September 2017. Thus, this chapter will be focused more on the tasks executed throughout the industrial training which have been undergoing at the Petra Energy. In addition, during the practical training, i was being allocated at the Procurement Department. Following is the practical training schedule of the daily tasks that has been carried out during their practical training which are in weekly order.

2.3 Practical Training Schedule

Daily operation hour of Petra Energy Berhad is from 8.00 am until 5.00 pm from Monday to Friday. The routine task by all staffs including all practical students is to do record of their daily attendance in the "Attendance Record Book". This is to ensure that all staff are carry out duties punctually and dedication with the amount of time allocated by the company.

During my practical training, I was provided with log book by UiTM Samarahan. All tasks has being done was recorded in the log book and all the recorded activities had being signed and approved by the supervisor, Mr. Abdul Aziz Bin Monek.

Table 2.1:

Practical Training Schedule

<p>Weeks (2017)</p>	<p>List of Activities</p>
<p>Week 1 (25 July – 28 July)</p>	<ul style="list-style-type: none"> • Introduction to the company’s staff by the supervisor. • Supervisor explains about the company’s background. • Explanation on procurement process by the staff. • Learn how to do the procurement process. • Key in the data. • Prepare TBE/CBE process. • Updating incoming master job list (PR) • Filing • Prepare TBE/CBE process. • Updating incoming master job list (PR). • Filing • Prepare TBE/CBE process. • Filing
<p>Week 2 (31 July – 4 August)</p>	<ul style="list-style-type: none"> • Prepare TBE/CBE process for Petra Marine Department. • Learn process for purchase. • Prepare TBE/CBE process for Petra Marine Department (Supply and configuration of Wi-Fi Router)

	<ul style="list-style-type: none"> • Prepare TBE/CBE process for Petra Marine Department. (Supply of parts for sea water pump) • Prepare RFQ under Petra Marine Department. • Key in master list incoming job report. • Prepare TBE/CBE process for Petra Marine Department.(Supply of kitchen utensils) • Prepare TCBE process for Petra Marine Department. • Prepare TCBE process for Petra Resources. • Prepare RFQ for Petra Marine. • Updating non-chargeable incoming master job list. • Prepare TBE/CBE process for Petra Marine Department. • Prepare TCBE process for Petra Resources. • Filing • Updating non-chargeable incoming master job list.
<p style="text-align: center;">Week 3 (7 August – 11 August)</p>	<ul style="list-style-type: none"> • Prepare TBE/CBE process for Petra Marine Department. • Prepare TCBE process for Petra Resources. • Updating PR tracking report. • Prepare RFQ process for Petra Marine Department.

	<ul style="list-style-type: none"> • Filing • Filing • Filing • Filing • Prepare TBE/CBE process for Petra Marine Department.
Week 4 (14 August – 18 August)	<ul style="list-style-type: none"> • Prepare TBE/CBE process for Petra Marine Department. • Register new PR in mr.tracking list. • Prepare TCBE process for Petra Marine Department (Berthing at ASB Jetty) • Prepare TBE/CBE process for Petra Marine Department. • Prepare RFQ (Request for Quotation) process for Petra Marine Department. • Filing • Prepare TBE/CBE process for Petra Marine Department. • Filing • Prepare TBE/CBE process for Petra Marine Department. • Prepare TBE/CBE process for Petra Marine Department.
Week 5 (21 August – 25 August)	<ul style="list-style-type: none"> • Filing under Petra Marine • Filing under Petra Marine • Filing under Petra Marine • Prepare TCBE for Petra Marine • Filing under Petra Marine
Week 6	<ul style="list-style-type: none"> • Filing under Petra Marine

<p align="center">(29 August – 30 August)</p>	<ul style="list-style-type: none"> • Office clearance • Filing under Petra Marine • Office clearance • Filing under Petra Marine • Office clearance
<p align="center">Week 7 (5 September – 6 September)</p>	<ul style="list-style-type: none"> • Filing • Prepare RFQ process under Petra Marine. • Filing
<p align="center">Week 8 (11 September – 14 September)</p>	<ul style="list-style-type: none"> • Filing • Filing • Office clearance • Office clearance

1.4 Chapter Summary

In this chapter, I had explained about the tasks that being carried out during the practical training. The task given to me is accordingly to the standard guidelines as provided by Faculty of Administrative Science and Policy Studies. Apart from that, it also can be concluded that I'm able to understand the Petra Energy working environment especially in this department. Besides, it is a valuable experience that can be gaining from the internship program where all the tasks that are being given by the supervisor can be useful for reality of working environment in the future.

CHAPTER 3

ANALYSIS

3.0 Introduction

In chapter 3, it's explaining on the analysis of the practical training by focusing on one specific task done along the period of practical training. The definition concept and theoretical aspects of the work and how the theory was applied to the task and the selected organization is included in this chapter. Other than that, a comparison between the theory and what I have been practice during my practical training together with the experiences I have gained along the training.

3.1 Task description

On the 25th of July 2017, I was reporting duty to my selected organization, Petra Energy Sdn Bhd, and started the practical training officially. I was assigned by Miss Yushima, the Petra Human Capital officer to work under the Procurement department for the whole period of practical training. Under procurement department, the leader is Encik Abdul Aziz and he also my supervisor for my internship program. I was asked to assist and do various task for the department which gave me the opportunities to gain many experiences and exposed me to the real working conditions. Besides, throughout the practical training, I was able to enhance my personal skills while I am doing the task requested by the staff.

My task was mostly related to the financial task which is the procurement process. I will explain briefly what is procurement, the steps and the documents required in the procurement process. The Procurement Department is the office responsible for the acquisition of supplies, services, and construction in support of the Authority's business. The Procurement Department is the entity within both Authorities authorized to issue Invitations to Bid, Requests for Proposal, Requests for Quotation and issue contracts. The Procurement Department issues purchase orders, develops term contracts, and acquires supplies and services. The Procurement Department also disposes of all surplus property and equipment.

3.2 Theory of Procurement and the Procurement Management

The procurement can be defined as the act of purchasing or otherwise taking possession of something, especially for business purposes. Procurement is essentially the acquisition of products and services. Both individuals and corporations have certain items which they must acquire; procurement is the name for the process by which they do so and that takes into account budgeting, supply chain and payment, among other factors (Investopedia, 2015).

According to Investopedia (2015), Procurement decisions involve many additional factors, including shipping and delivery, the marginal benefit of the good compared to the cost of procuring it, and the fluctuating prices of many goods and services. With good information, a consumer can analyze the costs and benefits of their acquisition and make the best decision. The expected benefits of procurement vary widely depending on the purchase; the value a household will reserve from a package of dish soap is very predictable compared to most large-scale investments. For a wholesaler, procuring products for retail entails the risk that the market value will drop before they can be sold.

Major corporate procurements can be a complex and lengthy process. Most companies employ a Chief Procurement Officer, or CPO, to handle major acquisitions for the company. Typically, in business, procurement involves identifying company needs, identifying and evaluating potential suppliers and negotiating with them over price and quantity to find the best fit for the company.

These procurements can be categorized as direct or indirect. Direct procurements are a part of the product that the company sells – a processor needed to assemble a printer, for example. Indirect procurements – like office supplies – help the company function internally. Procurement is a term commonly used in the energy industry as many retailers must procure gas, electricity and/or other energy sources through trading activities, such as buying futures contracts.

Procurement is also the term used for purchasing goods and services on behalf of the government. Government procurement accounts for more than 10% of the global GDP, though the proportion varies from country. Most countries have strong government procurement laws to protect against fraud or local protectionism.

The procurement is not the same as purchasing. According to John Spacey, 2016 Procurement is a broad term that includes the process of developing purchasing requirements, researching and selecting suppliers, requesting proposals and bids, negotiating contracts, managing supplier performance, the actual purchasing of goods and services. Purchasing can be defined as an administrative process concerned with the

purchasing goods and services including financial and operational control of purchase orders and payments.

Procurement is a broad practice with implications for competitive, sustainability, product development, operations, risk management and compliance. It may include processes such as vetting the suppliers, requesting proposals, negotiating contracts, competitive bidding, managing contracts, supplier performance evaluation and purchasing. Purchasing is a component of procurement process that involves managing purchase orders, tracking shipments, invoice, payments and related financial controls.

3.3 The Procurement Process in Petra Energy Sdn.Bhd.

In the Petra Energy Sdn Bhd, they have their own procurement department, which is the department that I was assigned to do my practical training. In the procurement department, we are doing all the procuring matter. This include the process of developing purchasing requirements, researching and selecting suppliers, requesting proposals and bids, negotiating contracts, managing supplier performance and the actual purchasing of goods and services. During the practical training, I have done most of the procurement task. The procurement process in the Petra Energy is most probably just like the other organization's procurement process.

In the first procurement process of the organization, developing purchasing requirement, the end user or the technical staffs or officers will receive a purchase requisition (PR) from any departments or units of the organization. The PR later will be passing to the procurement department to start the procuring process. When the procurement department received the PR, the PR will be register to give the procurement series number and receives stamp on the document. This is to ease the procurement department to record and identify the PR for the reference in the future. After the registration of the PR, it will be pass to the procurement lead to be review and approve. Then, the procurement lead will assign the PR to any buyer to do the purchasing of the items in the PR.

Next process is requesting proposals and bids, after the buyer received the PR from the procurement lead, the buyer will do the request for quotation (RFQ) documents. This RFQ document is prepared to request a quotation for the vendors or supplier for the organizations. This RFQ document is all the list of items in the PR which will be given to the vendors or suppliers to be review. In the RFQ document, the organization will state the

terms for the quotation to be responded by the vendors or suppliers. For example, usually the organization will give a maximum 3 days for the vendors or suppliers to review the RFQ. The vendors or suppliers will review the list and remark the items which they can provide or unavailable to provide. In other means, the vendors or supplier will respond the RFQ document with their quotation. In the quotation, the vendors or suppliers will include their price and availability of the items for the organization. The quotation given by the vendors or supplier is a bidding process where they will give their best price and the items availability that they can offer to the organization.

Next process is researching and selecting suppliers. This process started right after the buyer received the quotation document from the vendors or suppliers. In this step, the buyer will have to prepare the technical bid evaluation (TBE) and commercial bid evaluation (CBE) documents. The TBE document is list of items from the quotation of the vendors or suppliers and this TBE document will be review by the end user or the technical staff. The end user will check if there are necessary for the organization to do the purchasing of the items. In the TBE, the price of the items cannot be included in the document as it is confidential from the end user. As for the CBE documents, it is the same with the TBE document which contain the list of the item from the quotation document. The different are that the CBE document will be review by the buyer and it has the price of the quoted item. After the buyer and the end user done reviewing the TBE and CBE documents, the buyer will select the most suitable vendors or suppliers to proceed to the next process. both TBE and CBE documents must be approved by the higher authority of the organization such as the chief executive of the organization, the procurement lead, the marine captain (if goods and services are for the marine department), the cost control unit (CCU) of financial department and the technical manager before it can proceed.

Next process is negotiating contract with the supplier. The organization will do some negotiations with the vendors or suppliers after selecting the suitable vendors or suppliers. This is to ensure no party will do anything that can cause the transaction void. The contract between the vendors or suppliers and the organization will include the terms and condition of the tenders. Other than that, it also includes the delivery conditions of the goods or services which is agreed by both party and its payment terms. After the contract is agreed hence the organization may proceed to the next process of procurement.

The actual purchasing of goods and services is the next process of procurement. After selecting the right vendors or suppliers, the buyer will proceed by preparing the purchase order document (PO) or the service order documents (SO) to purchase the goods or

services from the selected vendors or suppliers. This document is prepared to notify the selected vendors or suppliers that the organization has selecting them to supply the goods and services for the organization. This document also needs approval from higher authority and also approval from the selected vendors or suppliers. If the approval is not complete, the process cannot proceed until all the approval is complete.

After the actual purchasing of goods and services process, next process is receipt of goods and services. In this process, all the goods and services received shall be checked against the corresponding PO/SO to ensure that the purchase has been approved and that correct goods and services are received. All the goods and services must be checked to ensure no damage or defective goods are being delivered. Other than that, the responsible buyer must ensure there are no unauthorized substitutions of goods and services and it is accordance to the quality assurance and quality control project quality plan. After all the goods and services has been checked and confirmed, retain copy of acknowledged delivery order as of receipt of goods or services and the delivery order must be submit to procurement. The completion of delivery is recorded in good receipt note and it need to be raised by the respective receiving user department who physically inspect and received goods or services. Then the payment process will be conducted after all the procurement process is done.

3.4 Comparison of the Theory with the Procurement in Petra Energy Sdn.Bhd

As we can see, the Petra Energy Sdn.Bhd. applied several processes of the procurement. 6 out of 7 processes of procurement by the John Spacey, 2016 were applied in Petra Energy. Meanwhile, Petra Energy has one process also that are not included in the procurement process by John Spacey, 2016.

The processes which are not applied by the Petra Energy is managing supplier performance. The procurement department of Petra Energy is not managing supplier performance. This is because any matter related to contract will deal with the contract administration department of Petra Energy. The procurement department only deals with any matter of the acquisition of products and services.

Other than that, John Spacey, 2016 did not mention the process of receipt of goods and services process. In the Petra Energy Sdn.Bhd., the procurement process end right after the process of receipt of goods and services process is done. This is the last process of

procurement for the organization. The procurement process is incomplete if this final process is not completed. In this final process is where the organization will do the inspection of the goods and services receipt from the vendors or suppliers. All the goods and services must meet the specifications and requirement against the delivery order notes without any defect or damage. Other than that, the payment for the goods and services cannot be made also if this process is not done yet. After this process the organization will retain copy of acknowledged delivery order as of receipt of goods or services and the delivery order must be submit to procurement. The completion of delivery is recorded in good receipt note and it need to be raised by the respective receiving user department who physically inspect and received goods or services. Then the payment process will be conducted after all the procurement process is done.

3.5 Summary

After finishing my practical training with Petra Energy under the procurement department, honestly, I have gained a lot of experiences especially in dealing with procurements matter. I am able to experience what it is like to do the procurement for an organization. Along the practical training, I have been given an opportunity to involve in the procurement process. With all the supports and guidance given by all the staffs to me, I was so enthusiastic to work with the procurement department again in the future. At first, it was a tough task since it involves much process to do procurement but then I was able to do it myself after doing many attempts with a lot of errors. Actually, those procurement processes are not so difficult to do if you have done it several times. Learning procurement process is enjoyable and very useful experience to me. In procurement, I am not just had to cooperate with all the staff but have to deal and communicate with the vendors or suppliers. From this experience, it helps me enhance my communications skill with other people too. Doing the procurement also help me to experience the real working environment.

Chapter 4

RECOMMENDATIONS

4.0 Introduction

Strengths and weaknesses are two elements that always exist in everything that we do. These two elements help us to identify what are the pros and cons of the task that we are dealing with. Other than that, these two elements also help us to improve what we are doing for the poor performances to the best performances and from the best performances to the excellent performances. From these two elements also, we can set a benchmark on our own performances and improves them. Apart from that, identifying what are the strengths and weaknesses of ourselves also can help us to know what are we best at and what need to be improves. Hence, after I have done with the practical training, I find that there are several strengths and weaknesses in the Petra Energy's procurement department. In this chapter also, I will include several recommendations which I think might improves the performances of the department itself.

4.1 Strengths of the procurement department.

There are several strengths that I have found in the procurement department. The first strength is the department is good in the record keeping. The procurement department has a good record keeping system. In the department, all the documents of transactions were kept in its own specific record system. Every document received will have their registrations number and will be kept in an order based on the registration number. All the documents were kept in the system according to the type. For example, the purchase requisition, this document has it owns record system known as the purchase requisition system. This system only records all the purchase requisition document and the other document will be recorded in their own system. Through this system, the procurement staffs will be easier to track any documents based on the record system and registrations number. This is important for the use in the future especially when the document is requested for auditing process.

Next strength that I have found is the procurement has a systematic procedure in doing every single task especially when it comes to the procurement processes. During the procurement processes, there are several procedures that must be done by all the staffs before

doing the procurement. One must not simply do the procuring without following the standard operation procedures of the company. For example, when receiving the new purchase requisition document, the staff must first pass the documents to the procurement lead to be reviewed and get an approval. No task is allowed to be done without the authority of the procurement lead. After the procurement lead review and approve the purchase requisitions, the procurement lead will instruct any of the staff for further actions to be taken. This is good to ensure that there is no fraud or misbehaving actions done in the department.

Next strength that I found is regarding the procurement tasks that I have done. The procurement task helps me to enhance my communication skills. This is because, when I am doing the task, I have to deal with many people other than my colleagues. I have to deal with the vendors or suppliers. I have to contact with the vendors or suppliers of the organization to request for their quotations. This slowly helps me to improve my communication skills and also my discipline when dealing with them. All the actions and the way I behave are representing the organization. So, I must do my best and learn the right way to communicate and deal with them.

4.2 Weaknesses and recommendation for the procurement department

There are several weaknesses that I found in the procurement department. First weaknesses are there is too much procedure to be done before doing the procurement processes. Too much procedure is a problem in an organization. In my opinion, it is not good to have much procedure or bureaucracy in an organization. This is because, some of the employees might just remember and follow the procedures but not understanding what the main reason of doing it. For example, when the end user received the new purchase requisition, the purchase requisition will be passing to the procurement lead to be reviewed and approved. Later on, the purchase requisition also will be returned to the end user again to be reviewed. Hence, my recommendation is that the new purchase requisition first will be received by the procurement lead to be reviewed and approved. Then, it can be passing to the buyer and the end user to proceed with next process. This can reduce the unnecessary procedure in the department which can slow down the operations. This first weakness leads to the second weaknesses which I can identify in the department.

The second weakness of the department is that too much time consumption. Too much time consumption can lead to the poor performance of the department. Since there are too

many unnecessary procedures, this can slow down the organizations activities and increase in the workload. The increase in workload can create a tension and stress working environment as there are many tasks that are not yet settled since the employees taking too much time doing the unnecessary procedure which slows them down. My recommendation is that to eliminate the unnecessary procedure since it consume so much time when it can be avoid or unnecessary to do it. When the unnecessary procedure eliminates, this can help saves more time and the workload might not be too much until it can create a tension and stress working environment which will affect the performance of the department.

Next is misinformation between the procurement department and the requesting department and the clients. This problem always occurred especially regarding the purchase requisition from the other department or units of the organization and clients. The purchases requisition received was done in the handwritten by the requestor. Some of the items listed are not clear and cannot be seen clearly as there is a problem with the handwritten which makes the staffs hard to understand what is requested and lead to misinformation of what to be purchase and what are the specifications of the items. I suggest that the organizations rule out that all the purchase requisition must be done in typing format not using the handwritten. This is because, typing format is tidier and using the standard font so that it can easily read by the procurement staffs.

Besides, regarding the procurement task that I have done, in one of the process of procurement, the request for quotation process, I noticed that the department gave only 3 days for the vendors or suppliers to respond to the request for quotation of the organization. 3 days might seem a long period for the vendors or suppliers to respond. However, 3 days are not enough for the vendors or suppliers to respond as they need to review and check their stock in the warehouse. If there is no stock for the item requested, they will have to order the items which will cost more time to respond to the request for quotation of the organization. Other than that, the 3 days given to respond to the request for quotation are not enough to attract the minimum numbers of vendors or suppliers as what demand by the procedure of the company. Usually, the company required at least 3 vendors or suppliers in order to proceed to next process. If the minimum requirement cannot be fulfilled hence the procurement department has to do another new request for quotation until the minimum requirement achieves. Therefore, I suggest that the organization extending the period to respond from 3 days to 5 days. This can give more time and more vendors or suppliers to respond to the request for

quotation. This also can help the procurement department not doing the request for quotations several times just to achieve the minimum number of vendors or suppliers to respond to the request for quotation.

4.3 Summary

The strengths and weaknesses are something which can help us to improve the performance especially the working performance. A good performance leads to a good result. Hence, there is little strength which can help improving the performance of procurement department. Among the strength that I can identify are good record keeping system, systematic procedure and the task which able to help enhance the employee communication skills. When there are strengths, there must be weaknesses too. Few weaknesses I can detect in the procurement department and give several recommendations for those weaknesses. Those weaknesses are too much procedure, too much time consumption in doing the task, misinformation between the procurement department and the requesting department and the clients and short period of responding the request for quotation given to the vendors or suppliers.

CHAPTER 5

CONCLUSION

5.1 Conclusion

I had done my practical training from 25th July 2017 until 14th September 2017 for eight consecutive weeks. During the practical training at Petra Energy, I had been placed at Procurement department. Procurement department is the office responsible for the acquisition of supplies, services and construction in support of the organization business. The members of the procurement department will issues purchase order, develop term contracts and acquires supplies and services. There are lots of experiences that I gained from the practical training in working environment for the first time. I also am able to make use most of the knowledge in studies to be applies to the real working environment, particularly in the task of handling event. From that, I am able to understand on how the work process had been done through the exposure during practical training period. On top of that, the practical training has aid me to improve the knowledge and other skills that definitely are useful for my future endeavours. The task and duties been performed has taught the spirit of teamwork, interpersonal skills, technical skills, critical thinking and also problem solving skills. The knowledge that I get are important as it will help me in dealing and adapting with the real life work environment once i started to work in future. Other than that, i would be able to know the abilities and this helps me to search for the right job and planning for the career path. Next, I also make a good relationship with the staffs in the organization. I constantly interact and communicate with the other employees by using few modes of communication that is face to face communication, emails and also phone calls. Through this, i am able to understand the job process and procedures that need to be done. The Procurement staffs are very cooperative and helpful in many ways that help me to go through the internship. Apart of that, the supervisor was very concern and professional on the trainee wellbeing during the period of practical training. The supervisor would give advices and constructive comments to me for every that had been done. Last but not least, I was able to learn about the company's workplace culture. The working culture of Petra Energy such as values, norms, systems, process, language, beliefs was progressive and practical that has always been the gene of the organization itself. In addition, the friendly behaviour of the staffs also makes me feel comfortable and welcomed to the organization. Their professionalism has also been portrayed whereby the staffs have been seen high work ethics in delivering their job. The experience gained is

very valuable and it helps me to improvise the skills and knowledge. The experience that I had will aid in the future choice of my career. The practical training has prepared me with essential skills that will be needed as part of my training before enters the real working environment.

If i get the chance to be part of the Petra Energy company under the procurement department, the new thing I want to apply to the organization is the Total Quality Management (TQM). TQM describes a management approach to long-term success through customer satisfaction. In a TQM effort, all members of the organization need to participate in improving the processes, products, services and the culture in which they work. TQM can be summarized as a management system for a customer-focused organization that involves all employees in continual improvement. It uses strategy, data and effective communications to integrate the quality discipline into the culture and activities of the organization. The principles that need to be use under TQM are customer-focused, total employee involvement, process centered, integrated system, strategic and systematic approach, continual improvement, fact-based decision making and communications. These elements are considered so essential to TQM that many organizations define them, in some format, as set of core values and principles on which the organization is to operate.

In the future, I hope that Petra Energy could be one of the biggest companies I Southeast Asia and their goals for the future can be achieved. Every negative effect in the company can be change if there is a hope. Hope is a thing that could be better and that can make it better. It also can help the company's profit. The leader of the organization need to understand what hope is and how to unleash its power in the workplace. First thing that need to be done is make goals meaningful. Petra Energy leaders must focus on their goals and they must explain to the customers and their employees about their goals. Second thing is the leaders of Petra Energy need to help their employees to understand how they can make the workplace as a better place for them. Leaders must be nice to the employees so that those employees enjoy their time during working hour and they also did not get stress if they enjoyed the work environment. So, leaders of every organization are the one who plays an important role to make the company to become better in the future.

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