

## DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the result of my own work, unless otherwise indicated of acknowledge as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any other degree of qualification

In the event that my thesis be found to violate the conditions mentioned above, I voluntarily waive the right of conferment of my degree and agree to be subjected to the disciplinary rules and regulation of Universiti Teknologi MARA.

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Thesis Title : Contribution of Value Management in UiTM's PFI  
Project

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Date : 11 Jun 2012

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## **ABSTRACT**

Value management approach has been applied to construction industry for many years ago. That is the most successful approach to ensure value for money and buildability for the project and Private Financial Initiative (PFI) is one of the methods of funding the project. Government of Malaysia seriously implementing the PFI approach at the end of the Ninth Malaysia Plan (RMK Ke-9).

UiTM has been awarded by the government to build 12 new campuses with PFI approach. The construction of the campuses construct with 2 phases. Value management approach in UiTM start to implement for phase two project. So, this research is intent to understand value management approach in PFI project in UiTM. This research also intent to define the contribution of value management approached in PFI's UiTM.

Content of this research include in-depth study about PFI concept implement in UiTM. Studies include their characteristic, their procurement method and also their structure of communication in term of contract relationship. This research also covers about value management practice in UiTM as a part of the tool to control the overall project.

## ACKNOWLEDGMENT

Alhamdulillah, the greatest thankful to Allah at last, I'm manage to complete this research within the time given.

First of all, I would like to thank to all my family, my parent, and Mohamad Rasdi Awang for all their support along my life. To my supervisor, Sr. Mazlan Abu Bakar for their guidance to fulfil my dissertation requirements and for all my friend, without their encouragement its must be difficult for me to complete my study.

Lastly, I'am also would like to thank for anybody which contribute either directly or indirectly to my research. All of them are much appreciated.

Thank you

Mohd Safrin Mohamad Rasdi

## **INTRODUCTION**

This chapter will explain about the history of value management and private financial initiative. Apart from that, this chapter also will explain about the problem statement, the questioned and the objective of the research. Furthermore, the scope and limitation in conducting the research also explained in this part.

### **1.0 Value Management in the World**

Value Management originated in the United States emerging as a financial analysis resulted from components and materials shortage in the manufacturing sector during World War Two. It has become more significant branch of project management and cost engineering. Currently VM is widely adopted as one of the method of cost control in the capital development in many countries especially in United States, United Kingdom, Japan, Korea, Australia, and Saudi Arabia.

### **2.0 Value Management in Malaysia**

The value methodology evolved from VA in the 1940s to VE in the 1960s and later to VM in the 1980s (Jaapar and Torrance 2005). In Malaysia, VM was introduced by Assoc. Professor Roy Barton from Canberra University, Australia with his first visit to Universiti Teknologi Malaysia (UTM) in 1986 and for his second visit in year 1990, together with Mohd Mazlan Che Mat visited Petronas, The Ministry of Defence as well as Private Sectors to introduce Value Management concept.