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FACULTY OF ARCHITECTURE, PLANNING AND SURVEYING  
UNIVERSITI TEKNOLOGI MARA  
PERAK**

**TENDERING PROCESS FOR RENOVATION WORK**

**CASE STUDY:**

**MAYBANK MALAYAN BANKING**

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**PROGRAMME : DIPLOMA IN BUILDING SURVEYING**

**CODE : BSB 351**

**COURSE : PRACTICAL TRAINING**

**SEMESTER : JUNE – OCTOBER 2013**

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i. Abstract

Overall of this report is about tendering process for renovation work. This process been applied in the case study at Maybank Malayan Banking. There is a group of Technical Services Department that been manage the building management of Menara Maybank and Maybank branches. This group been built to delivers responsibilities on ensuring the services and building is maintain to its functionality.

This report also include an explanation on the types of tendering that been applied in the industry. The types of tendering are explain in general view and approach in Maybank. These types of tendering might have some differences in implementation of the process. This processes might having changes accordance with the client requirement. It also depends on the budgeting that they provided for the project.

Moreover, in this report there is one case study to help the readers understand more on the flows of tendering which includes the parties involve, total floor areas involved for renovation work, actual and current days for each of the process. By this, readers can differentiate the service level agreement that they need to follow by looking at actual and current days. Either they complete it accordance to the service level agreement that been called as policy in doing tendering for renovation work.

In this report, problems and recommendation during tendering process is identified in order to know better on the common problems that might happens during this process. Problems can happen anytime without any notification. Preparation for all of the parties involved has to be make in order to make sure the tendering process runs wells to achieve the policy.

ii. Acknowledgement

Firstly, I would like to thank to Allah for blessing me in completion of practical training report and during this internship session. I also would like to say thank you to Practical Training Coordinator and my respective supervisor Encik Mohd Nurfaizal Baharuddin that inspired and help me during this practical session. Without motivation from Practical Training Coordinator and my supervisor, I don't think I can through this practical training session. Besides that, I would like to say thank you to all lecturers that directly or indirectly helping me out for this practical training. Without them I will not be able to complete this practical training report.

Special thanks to Maybank as give me this opportunity to be part of them. The knowledge and experience that I have gain there cannot be compared with others. Compliment that they gave to me is too priceless and valuable. Special thanks to my Project Section 1 Head, Mr. Sinniah Karupiah and its officers Encik Zainal, Encik Zaini, Encik Nawawi, Encik Norazlan and Puan Syakinah as helping me along this practical session. Without them I would not be able complete this report successfully. By their guidance, I feel more confidence in facing the real working life in this industry.

I feel glad that this practical session running well and smoothly as been planned before. Nevertheless, there is some problem occurring during this session but I still can face the problems by following my supervisor advised. Moreover, I would like dedicated thank you to my classmates as they sharing their knowledge and experience with me.

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**Maybank**

# CHAPTER 1: INTRODUCTION



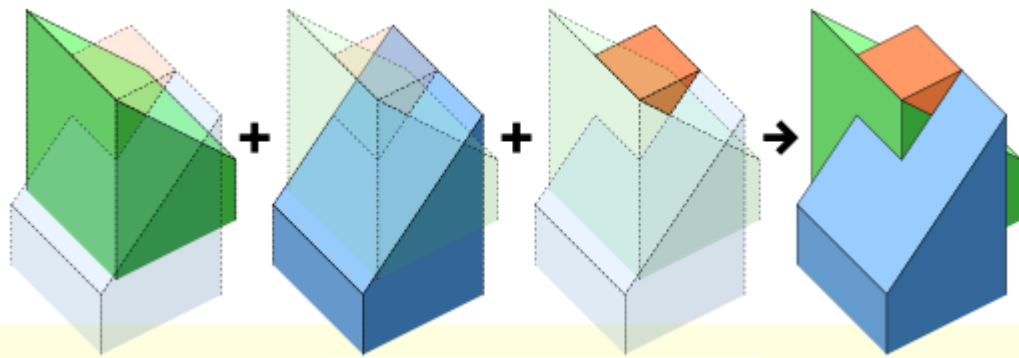
**Maybank**

## 1.1 Company Background



Picture 1.1: Menara Maybank

Maybank is the Southeast Asia's fourth largest bank by assets. Maybank headquarters is at Menara Maybank which locates in Kuala Lumpur. It is Malaysians largest company by market capitalization. Maybank Tower is one of the skyscraper building and landmark of Kuala Lumpur. This building located at 100 Jalan Tun Perak, 50050 Kuala Lumpur. The tower is the headquarters of Maybank. It is built in 1984 and finished in 1988. In addition, Maybank Tower is a tallest building before construction of Petronas Twin Towers in 1995 for about 244m. The architect for this building is Hijjas Kasturi Associates. Idea concept of floor plan design is added by combination of two square based blocks. It is interlock in between of the corners. The two blocks have a roof features and lower base that slant opposite of each other. In addition, at the midsection there is a perpendicular angle.



Picture 1.2: Design Concept

The Maybank Group has a global network of over 2,200 offices in 20 countries including all 10 Asean countries. This group start with commercial banking operations year 1960 in Malaysia. It been over 50 years experience in offering businesses and investors on the ability to get into the resources and network to meet their financial needs. Furthermore, the range of services includes Asset Management, Corporate and Consumer Banking, Investment Banking, Insurance and Takaful, Islamic Banking and much more.

Maybank has consistently leveraged on technology for innovation in products and services, as well as enhanced efficiency and built a competitive edge in the region. Today, Maybank is first rank among Malaysians banks and among the top 200 global banks by the Banker Magazine of UK.







## 1.2 Vision, Mission and Objective

### 1.2.1 General (Maybank)

NO	ITEMS	DESCRIPTION
1	Vision	To be a regional financial services leader.
2	Mission	Humanizing financial services across Asia.
3	Objective	a) Undisputed No1 retail financial services provider in Malaysia by 2015. b) Leading Asean wholesale bank, eventually expanding further into the Middle East, China and India. c) Undisputed Insurance & Takaful leader in Malaysia and emerging regional player. d) Truly regional organization with 40% of pre-tax profit derived from international operations by 2015. e) Global leader in Islamic Finance.

Table: 1.2.1 Vision, Mission and Objective of Maybank

### 1.2.2 Technical Services Department

NO	ITEMS	DESCRIPTION
1	Vision	Enhance the Bank's corporate image and maintain its status as a premier banking group by ensuring quality and good maintenance.
2	Mission	Committed to provide Maybank with superior quality premises, equipment, services and to maintain this standard in consonance with the image and expectation of the bank.



3	Objective	<ul style="list-style-type: none"> <li>a) Establish and adhere to an agreed standard of quality, delivery time and preventive maintenance standards.</li> <li>b) Adhere to the most cost effective and efficient approach in the execution of our objectives.</li> <li>c) Monitor and undertake good maintenance of the group properties on regular basis to ensure uptime and continuous uninterrupted use as a quality service.</li> <li>d) Optimize the use of technology in the maintenance and management of the group properties.</li> <li>e) Ensure a high level of transparency in all dealings and comply with policies and procedures laid down by the group.</li> <li>f) Optimize the utilization of human and physical resources for higher productivity, efficiency and effectiveness. Promptly act on and ceasing non productive and non-strategic operations.</li> <li>g) Optimize economics of scale to achieve operational efficiency in the group.</li> <li>h) Ensure the provision of safe and secure environment for customers, staff and the public.</li> </ul>
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Table: 1.2.2 Vision, Mission and Objective of Technical Services Department

1.3 Organization Chart (refer to A3 Organization) (2 pages)



## 1.3 Organization Chart

## 1.3.1 General Organization Chart

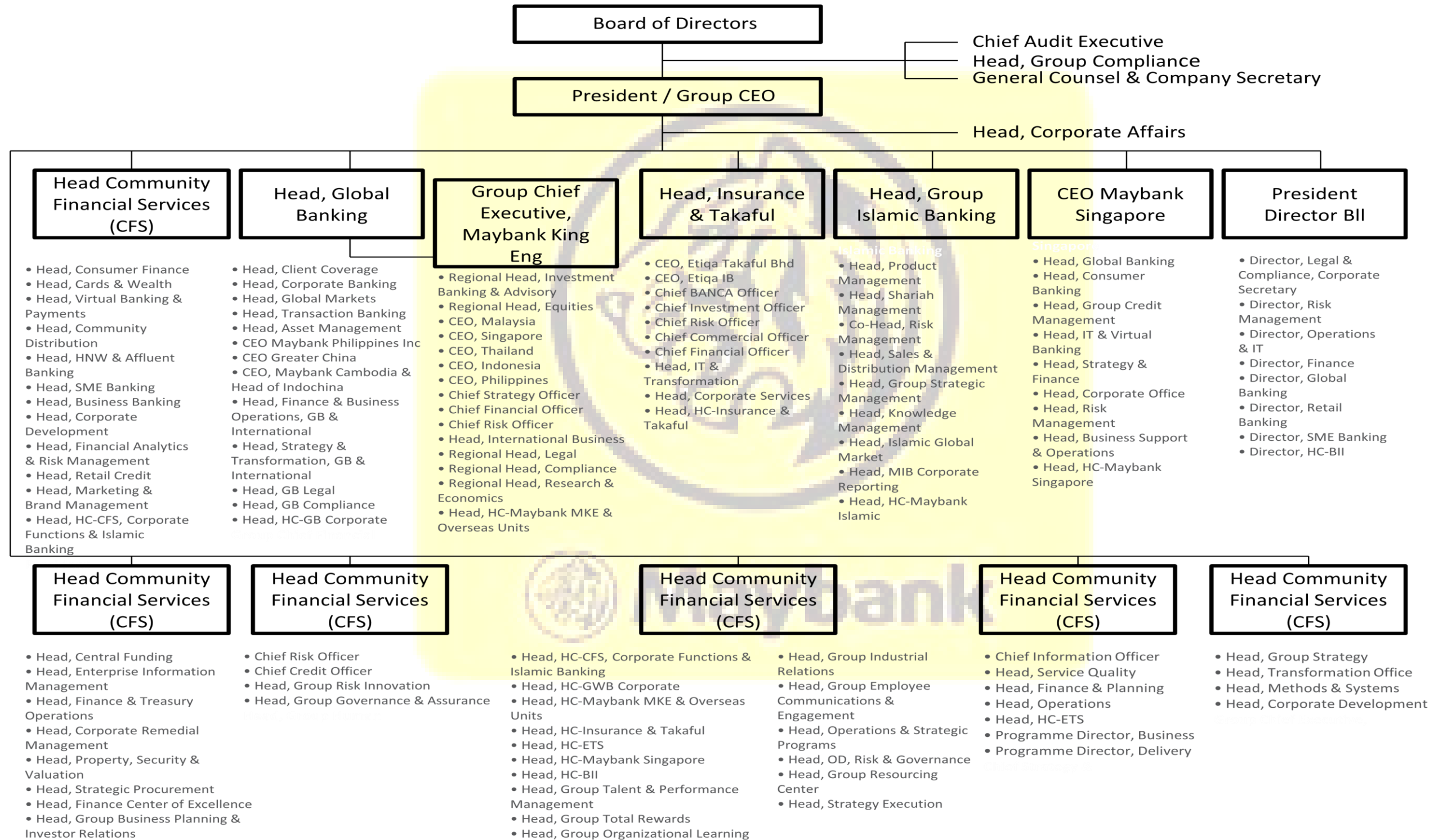


Figure 1.3.1 General Organization Chart (Maybank)

## 1.3.2 Technical Services Organization Chart

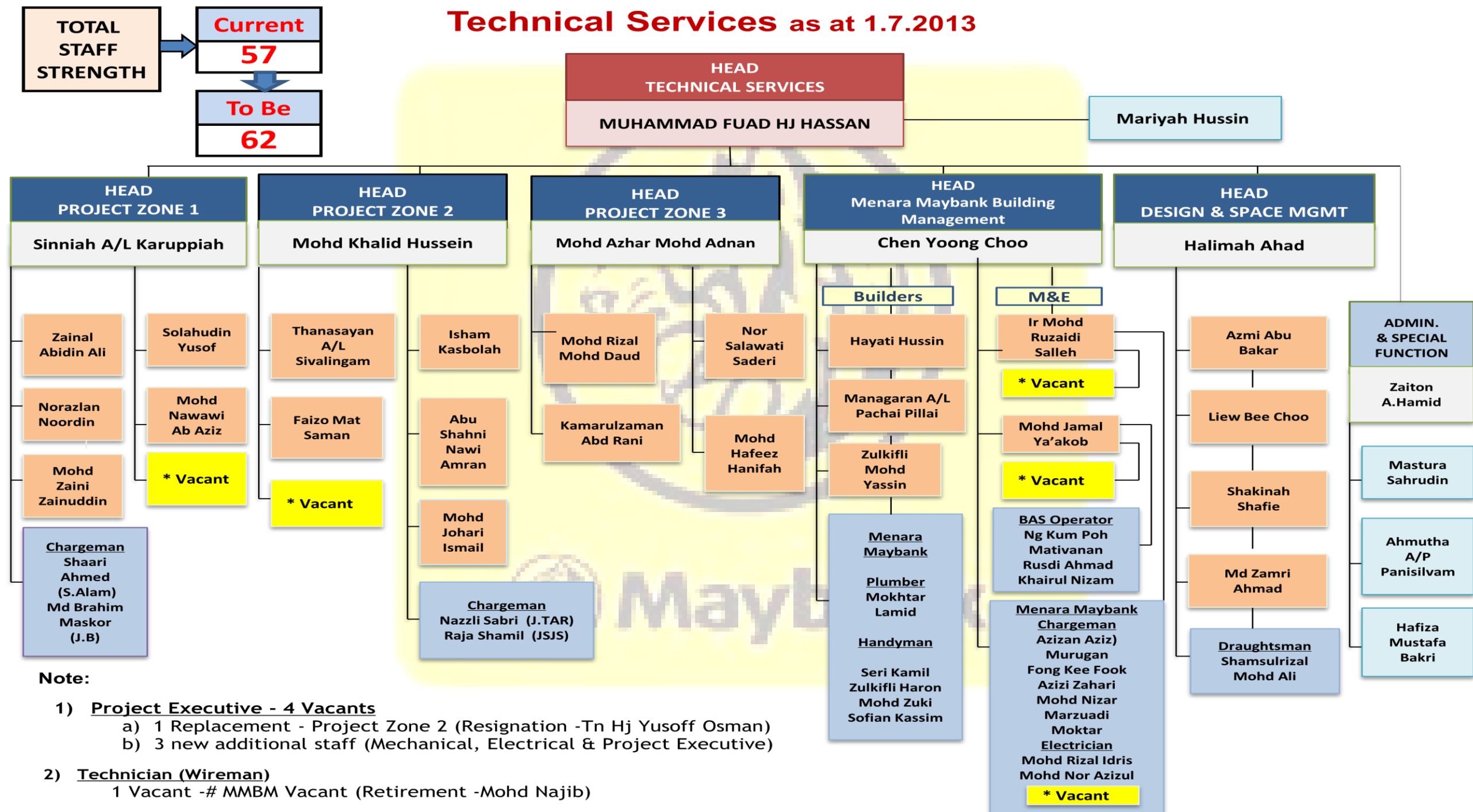


Figure 1.3.2 Technical Services Organization Chart



#### 1.4 Scope of Work

There are six sections under Technical Services Department namely Project Zone 1, Project Zone 2, Project Zone 3, Menara Maybank Building Management (MMBM), Design and Space Management and Administration and Special Function. Its primary roles is managing and supervising of groups premises design and space, renovation, construction and service maintenance including mechanical and electrical structural locally and internationally.

##### 1.4.1 Roles and Responsibilities

NO	SECTION	SCOPE OF WORK
1	Project Zone 1, Project Zone 2 and Project Zone 3	<ol style="list-style-type: none"> <li>1) Manage and coordinate project renovations and upgrading for branches (including oversea) and other business units accordance to acceptable quality and SLA timelines.</li> <li>2) Manage and coordinate the construction of new premises within the acceptable quality and cost all in accordance to SLA.</li> <li>3) Manage and coordinate repair/maintenance/upgrading works of Bank premises inclusive holiday bungalows and apartments based on periodic inspection are attended and rectified within the timelines and agreed budget.</li> <li>4) Manage and coordinate the preparation works for installation of ATM/e-Kawanku/Self-Service Terminal (SSTs) façade outlook/design at On Bank and Off Bank including providing liaison with the end users/business units and the external parties i.e. Telekom, TNB, landlord and ensure all machines</li> </ol>





		<p>are in working conditions and accordance to agreed timeline, budget, Bank's branding and compliance.</p> <p>5) Manage and coordinate the installation, repairs and maintenance of Mechanical &amp; Electrical systems i.e. Air-condition, electrical, firefighting, generator, lift/escalator, UPS are in good working condition after rollout and accordance Bank's compliance.</p> <p>6) Provide advisory and consultancy services on the technical and financial expertise to the business units/end users on suitability of premises based on building audit, selected material, colour, overall ambience of the premises, building laws and authorities requirements and consultant for projects accordance to Bank's policies and procedures.</p>
2	Menara Maybank Building Management (MMBM)	<p>1) Manage and monitor project renovations and upgrading, alternations and refurbishment of offices within Menara Maybank accordance within agreed timeline and budget.</p> <p>2) Manage and monitor regular maintenance &amp; up keep of building structure and common areas that need to be repaired/replaced within the acceptable quality and agreed timeline.</p> <p>3) Manage, monitor and assure that power supply to important servers', support building services i.e. air condition, lighting and fire fighting systems, lifts, escalators, fire fighting, generators sets are good, stable, reliable at all time.</p> <p>4) Manage and monitor the performance of daily operation for elevator and escalator system, energy efficiency of daily operation for HVAC (Heating, Ventilation &amp; Air Conditioning), mechanical pumps</p>





		<p>and its board controls system with minimum downtime, no explosion and no fatality records.</p> <p>5) Manage and monitor the installation of electrical and Fire protection system are safety and compliance with Government regulations i.e. Electrical Act 1994, Fire Service Act 1988 and OSCHA Act 1994</p> <p>6) Plan and develop tender and quotation specifications/documents and evaluation for offices renovations and M &amp; E systems within the agreed SLA timeline and approved budget.</p>
3	Design and Space Management	<p>1) Design, develop and manage space planning for setting up of new/expansion and other Business Units for Maybank Group to achieve a practical and space optimization towards a conducive working environment.</p> <p>2) Review, propose to the Management the need to upgrade and enhance the interior of Bank's premises to ensure Bank's corporate image is maintained and safeguard.</p> <p>3) Recommend the appointment of capable consultant for project management services to ensure the completion is in accordance to acceptable timeline and approved budget.</p> <p>4) Provide advisory and consultancy services on space planning and design to our customers to create awareness on Bank's policy and standard.</p> <p>5) Manage and monitor the consultants work to ensure consistently in the end product during renovation in progress and handover of the renovation works.</p>

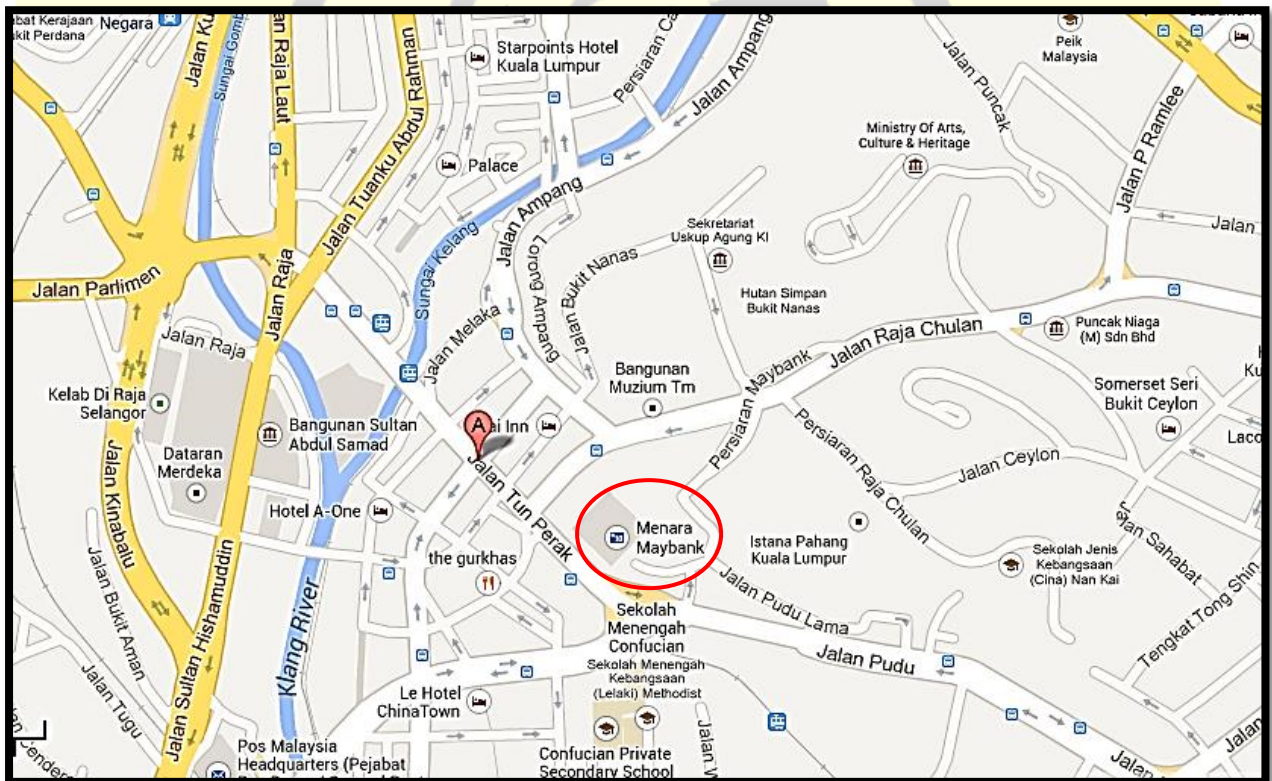


		<p>6) Assessment of the quality of workmanship, goods and services supplied under the contract including testing of the products are being delivered to specification to the required level of performance, SLA and quality.</p> <p>7) Manage and monitor the preparation of tender specifications by consultants comply with the Branch Transformation Blueprint to safeguard Bank Concept and corporate image.</p>
4	Administration and Special Function	<p>1) Administer and manage on staff tardiness, personal files, departmental housekeeping, audit report, earnest money and performance bond for renovation projects to ensure compliance to Bank's policies and procedures.</p> <p>2) Administer and manage departmental stationeries, infrastructures to ensure the overhead cost is within the budget and could provide better customer service.</p> <p>3) Manage and monitor departmental monthly reports and projects (HOD, SLA, Business Initiatives, Business Project, CAPEX Utilization, Cost saving, Chargeback for overtime, traveling, refreshment claims to business units/branch etc.) for strategic buildings i.e. Menara, Bukit Jelutong, Dataran Maybank to ensure meeting the PSV Sector SLA timelines.</p> <p>4) Manage and monitor departmental yearly budget comprises of IT Budget, HR Budget, Overhead, OPEX and CAPEX for strategic building i.e. Menara, Bukit Jelutong, Dataran Maybank and Staff Mess to ensure all expenditures are within the</p>

		<p>approved budget.</p> <p>5) Manage and monitor departmental Balance Scorecard, Job Descriptions and staff training to ensure meeting the HR's timelines and requirement.</p> <p>6) Coordinate and manage departmental Internal Customer Engagement Survey (ICES) and Mystery calls to ensure meeting the customers expectations.</p>
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Table 1.4.1 Roles and Responsibilities

## 1.5 Location Plan



Picture 1.5.1: Menara Maybank Maps

Menara Maybank is located at the middle town of Kuala Lumpur. The strategic location makes this building well known among the most Malaysians. Opposite of this building is Mydin Kota Raya and at the back of it is Bursa Malaysia. In addition, peak time at this area is in morning and afternoon due to many offices and schools located near Menara Maybank building. Location of Pudu Raya leads this area to having problem on traffic jam due to many buses and cab through Jalan Tun Perak.

#### 1.6 Company Logo



Picture 1.6.1: Previous Maybank Logo



Picture 1.6.2: New Maybank Logo

The first logo has been introduced since year 1993. Yellow colour and tiger motif been keeps and given refreshment. New written type on the signage is follow contemporary concept. Moreover, the new logo is up to date and gives a visual symbol that endears the bank to the hearts of the people. It also demonstrates the strength and leadership of Maybank Group.

## 1.7 Summary

This chapter is an introduction to the background of the company, vision, mission, objective, organization chart, roles and duty, location plan and company logo. The company background is to summarize on detailing of the company such built years, completion years and height. In addition, by this summarize people will understand much on the building even they have not seen it. The vision, mission and objective will explain much on the aim or target of the company and department in the future. Besides that, organization chart will help the readers to know better on the leaders and person to refer if there is any problem regard with Maybank Malayan Banking. Roles and duties of each party are important in this chapter to introduce on the responsibilities and their role in order to make sure the department or organization runs smoothly. Last but not least, a company logo is an image of the company in the market. It is important to design a simple and creative logo in order to easier people remembers and recognize the company.



# CHAPTER 2: LITERATURE REVIEW





## 2.1 Introduction

Tendering is a client instruction through its idea regard with the building. Confirmation on the design must be followed by working drawings from the architect. Bill of quantities is produced by quantity surveyor from client side. Furthermore, client will choose method of tendering accordance with their requirement. This tendering process is involved between the four (6) parties that are client or owner, project management, architect, quantity survey, contractor and consultant if needed. The duration of this process is depend on many factors such types of work, employer and workers disciplinary, communication between employer and contractor and etc. All of this factor might affect the completion period thus reflect on the high cost. Usually tendering been applied in government department and private sector.

## 2.2 Definition of Tendering

1. Tendering is defined by Brett (1997) as the production and submission of a tender price carrying out certain stated building works based on a study of the contract documents.
2. Chartered Institute of Building (CIOB) (2009) defined tendering as the process of preparing and submitting for acceptance a conforming offer to carry out work for a price, thus converting the estimate to a bid.

Tendering is an activity of invitation to offer for a certain works by interested contractors. Denbigshire Voluntary Services Council says there is involvement of written tender to demonstrate client need. It also stated that the tender opportunity is in wide range and been advertise such in newspaper and etc. Tenders is usually been used for a new facility, construction and maintenance on existing building. In addition, obtaining tenders need longer time depends on the works or projects. Client need to provide and brief on the specification for detailing. Tenderers are advised by the client on the evaluation of criteria and followed by selecting a successful bidder. The criteria such as in term of financial and comprise tender sums

have to take into account for this process. Tenderer may also include costing of whole operation for the completed project in future. Tendering process involved with tender document that give explanatory towards the project requirement such the detail drawing and etc. The process of tendering might be different accordance with different type of tendering. But some of the process for each tendering might be same such as invitation to tender, tender documents, award of tender and etc.

### 2.3 Types of tender

There are three types main categories of tender such open tender, selective tender and negotiated tender. Tender can be classified based on the client requirement.

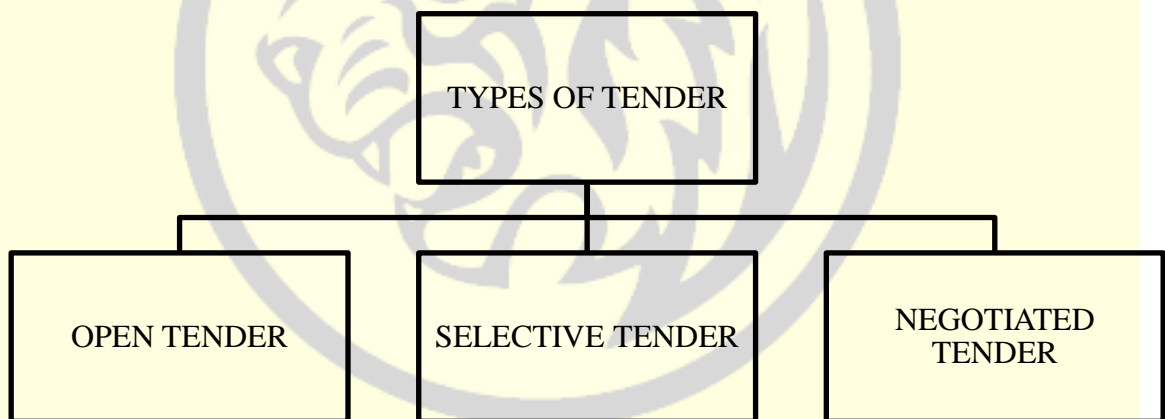


Diagram 2.3.1 Types of tender

NO	TYPES OF TENDER	DESCRIPTION
1	Open Tender	<ul style="list-style-type: none"> <li>• Open tender is intending to provide much of qualified contractor.</li> <li>• This type of tender process has been advertised in local newspaper and website.</li> <li>• It is open to the public to tender for the project.</li> </ul>





		<ul style="list-style-type: none"> <li>• All tenderer that have interest in it may respond on the advertisement of tender notice.</li> <li>• There is no limit for the numbers of tenderer. Thus, lead to high in cost and takes longer times for the tender analyze.</li> <li>• Tenderer will receive tender document as they submit their interest for the work.</li> <li>• The contractor need to give deposit to ensure the tenderer continue with their intention to enter the bidding.</li> <li>• Detailing full information of tender notice may be costly, thus it need to be the minimum information.</li> <li>• According to Tender Times (India First Tender Web Daily), the tender notice is as follows:             <ol style="list-style-type: none"> <li>1) Type of item or work</li> <li>2) Name and address of tender authority</li> <li>3) Tender reference number / date</li> <li>4) Fee and last date to collect bid document</li> <li>5) Earnest money or known as deposit</li> <li>6) Last date of submission tender</li> <li>7) Date, time and place for opening the seal tenders with presence of tenderers</li> <li>8) Evaluation of tender accordance with criteria and qualification</li> <li>9) Estimating cost of item or work</li> <li>10) Any instruction or information</li> </ol> </li> </ul>
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		<ul style="list-style-type: none"> <li>Besides that, it also involve with client needs, choosing tender, award of contract and monitoring of the contract.</li> <li>Contract awarded for this works to be given to the lowest price but still in client range budget.</li> <li>Tenderer is chosen based on the price and quantity.</li> <li>Sometimes, the lowest prices give impact to client in poor quality of work or late completion of work.</li> <li>Open tender can be described as transparent process and the only best prices will be choose to award for the project.</li> <li>It also gives high level of competition among the contractor.</li> <li>Last but not least, open tendering need a lot of time and effort to evaluating and awarding tender.</li> </ul>
2	Selective Tender	<ul style="list-style-type: none"> <li>Chartered Institute of Building (CIOB) (2009) defined selective tendering as a method of selecting tenderers and obtaining tenders whereby a limited number of contractors are invited to tender. The tender list is made up of contractors who are considered suitable and able to carry out the work. This suitability is usually determined by pre-selection procedures.</li> <li>By referring to Gopal Misha, Founder of The Constructor Civil Engineering says that this</li> </ul>



		<p>tendering process is involved with the list of contractor that been choose for this project or work.</p> <ul style="list-style-type: none"><li>• The contractor that might not been working together with the client before this can also get the opportunity.</li><li>• Only potential contractor will be invited to submit a tender.</li><li>• Contractor need to give sufficient information about themselves for pre-qualification process.</li><li>• Client or owner can choose by themselves the eligible contractor for the job.</li><li>• They are some criteria for the pre-qualification such experience, company financial, capability and competence.</li><li>• By pre-qualification process, even the lowest prices could be able to reduce problem such delaying of project except there is obvious mistake in the work.</li><li>• Thus, this process of tendering is widely used for tendering process as it is effective and quicker than open tender in awarding contract.</li><li>• Quality control can be developed as the participant is among pre-qualified contractor.</li></ul>
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3	Negotiated Tender	<ul style="list-style-type: none"> <li>• Negotiated tenders is consists of one or more contractors company that been listed out.</li> <li>• Gopal Misha of Foundation of The Constructor Civil Engineering says that the choice of contractor is made by referring to past working experience with this company or experience in related projects.</li> <li>• Contractors that is new and don't perform in the last project would be difficult to enter negotiated process.</li> <li>• Besides that, the contractors might be chose due to specialization of works such lift and etc.</li> <li>• This process is involved discussion between the client or owner and the contractor to negotiate regard with the work.</li> <li>• In addition, the negotiated processes need early involvement of contractor for the work.</li> <li>• The contractors need to submit their prices for the work.</li> <li>• In addition, negotiation tenders allow in obtaining the best pricing.</li> <li>• Furthermore, this process is applied to some emergency work, tight deadline and etc.</li> <li>• Negotiated process usually ended with client or owner satisfactory as the work been done together with the contractor.</li> </ul>
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		<ul style="list-style-type: none"> <li>• This process also can save time and eliminate unnecessary costs.</li> <li>• Problems arise in the project will easy to solve as it can be directly discuss between client and contractor.</li> <li>• Last but not least, this tendering process results on a better quality and performance.</li> </ul>
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Table 2.3.2 Summarize Types of Tender

## 2.4 Tender Process

### 2.4.1 Open Tender

Open tender procedure starting with whoever that interest in joins the project. There is no short-listed company for the project, thus give opportunity to all eligible company to take part in the project. Moreover, this process is competitive process have to bid with many company. They may submit to the respective company. It may be done after publication of the notice tender in the newspaper or in website but only in the country which the work is been carried out. The tender procedure is as follows:

#### 1) Publication of the tender notice

Advertise in local newspaper and website. This tender notice is to provide adequate publicity for the potential tenderer. Information on the requirement of work is clearly explains in the tender notice.

#### 2) Tender Documents

The tender documents are to be placed in online or to be sent to the tenderer who requests. Tenderer should read the instruction and all information stated in the tender

document. Usually deposit is needed for the copy of tender documents. Tender documents are as follows:

- a) Cover Letter
  - b) Invitation to tender
  - c) Instruction to bidders
  - d) Specifications and detailed descriptions of goods and services to be purchased including criteria for evaluation
  - e) Details of other professionals and parties involved
  - f) Basic terms and conditions of contracts
  - g) Standard forms for tenders includes quality and price schedules
  - h) Details of information required for tender submission
- 3) Fill in Bill of Quantities

In the bill of quantities forms there is stated description item, rate and amount. The rate and amount need to fill up by the tenderer.

4) Submission of Tender

Tender need to submit on time and at the right place as stated in the tender document. The tender must be submitting in sealed envelopes on or before the dateline. If tenderer fail to submit on the right time, even a few minutes the tender will not be consider. In addition, the tender shall be open with presence of at least two officers.

5) Evaluation of tenders

This process is undertaken after opening tender by evaluation committee behalf of the client side. Tenderers need to submit required information to evaluate based on the selective criteria. In addition, tenders that do not meet requirement such correct format, tender document has been signed and etc. will be rejected. It is important to undertaken the evaluation with consistently and without bias to any of the company.

#### 6) Award of contract

This award of contract is done by evaluation committee accordance with award criteria. The award criteria were measured using company experience, quality, financial, duration of the project and many more. Notice award of contract for successful tenderer and letter for unsuccessful tenderer is prepared. The notice will be distributed one week after the decision of award has been made. Usually the lowest tender will be awarded for the contract.

#### 2.4.2 Selective tendering

This process is usually applied for private sector. Selective tendering is very quick and faster job compared to other tendering methods. The process is as follows:

##### 1) Invitation to tender

This invitation is given to the specified list of contractors that will be invited in bidding for the project. The invitation must state place, date and time of the tender must be received. Sufficient time must be given to the contractor depend on the project size. The contractors will be given information on the pre-qualification criteria.

##### 2) Pre-qualification criteria

The pre-qualification criteria are company financial, company experience and technical capabilities to meet the tender requirements. If they not meet the criteria they will be disqualified. This process will help to make short-list of companies that capable for this job. It also needs to fulfil standard requirement for the works without consider pricing into the account. This process might be necessary for large or complex projects.

### 3) Contract Documents

The content of contract documents is same as open tender. There may be involved slightly difference for the content as selective tender is used for a big project than open tendering.

### 4) Fill in Bill of Quantities

The bill of quantities is also same as open tendering process. They might choose to pricing in lump sum or separate the prices for each of the item.

### 5) Submission of Tender

Submission of tender need to be done in the tender box that will be placed at specific places as stated in the tender document. Late submission than the time and date stipulate in tender document will be not consider.

### 6) Evaluation of tenders

This evaluation process is same as open tendering. The evaluation of tender is made up after submission of tender was complete by selected tenderer. Tenderer will be evaluate based on the criteria that been stipulated in tender document.

### 7) Award of contract

The award of contract is based on the report by the evaluation committee. After letter of award been issued, the notification to the unsuccessful tenderer will be given out in writing. Thus, this tendering process will ended with contract or agreement.



### 2.4.3 Negotiated tender

Negotiation process is all about the trust between client and contractor itself as it been appointed based on past working experience together. This process is without advertised notice of contract. The negotiation tendering is as follows:

#### 1) Invitation to tender

The invitation is given to a contractors that been chose to submit their pricing. This invitation is sent together with the tender document such contract, contract notice, invitation letter, instruction to tenderers, tender form and any related documents.

#### 2) Tender Documents

The content of contract documents is same as open tender. There may be involved slightly difference for the content as selective tender is used for a big project than open tendering.

#### 3) Fill in Bill of Quantities

The negotiation is based on previous tender rates. It needs to fill up by the tenderer.

#### 4) Submission of Tender

Tender must be submit on time and at the place that been stipulated at the tender document. Submission after dateline will not be entertained. Submission of tender is usually 30 days after getting the letter of invitation to tender.

#### 5) Evaluation of Tender

This tender will be open and evaluated by evaluation committee that have expertise in technical.

#### 6) Awarding Contract

Negotiated, finalised and signed of contract need to be done before awarded the contractor. The form of tender and letter of acceptance will be given to the contractor.

This letter needs to make copy and submit back original copy to the client.

## 2.5 Comparison Types of Tender in Terms of Process

NO	TYPES OF TENDER		
	OPEN	SELECTIVE	NEGOTIATED
1	<b>Publication of the tender notice</b>  In open tendering, client will advertise the tender notice to public to tender for the project.	<b>Invitation to tender</b>  In selective tendering, the invitation is given to selective tender in order to tender for the project.	<b>Invitation to tender</b>  In negotiated tendering, a contractor been invited for the project.
2	<b>No pre- qualification stages</b>  	<b>Pre-qualification stages</b>  The tenderer has to fulfill all the requirements of pre-qualification criteria in order to shortlisted the list of contractors.	<b>No pre- qualification stages</b>  
3	<b>Tender documents</b>  The tender documents by in-charged officer or consultant if any are prepared which include all the instruction and information.	<b>Tender documents</b>  Tender documents are prepared by in-charged officer of consultant if any. Content of tender document is also same as open tender. There is only involved of slightly difference in terms of contents because these types of tender are usually for large project.	<b>Tender documents</b>  Tender documents are prepared by in-charged officer of consultant if any. Content for tender documents is also same as open tender but there is slightly difference in terms of content such bills of quantities and etc. because these types of process usually involved of specialized works.
4	<b>Fill in bill of quantities</b>  Tenderer has to fill up the rate and amount of bill of quantities. The amount might be in lump sum or by item.	<b>Fill in bill of quantities</b>  This process is same as open tender.	<b>Fill in bill of quantities</b>  This process is same as open tender and selective tender.



5	<b>Submission of tender</b>  The tender documents need to submit on right time and place.	<b>Submission of tender</b>  This process is same as open tender.	<b>Submission of tender</b>  This process is same as open tender and selective tender.
6	<b>Evaluation of tenders</b>  The evaluation of tender is based on selective criteria such that been stipulated in tender documents. Evaluation is made up by evaluation committee on behalf of client side.	<b>Evaluation of tenders</b>  This process is same as open tender.	<b>Evaluation of tender</b>  This process is same as open tender and selective tender but the evaluation committee has to expertise in technical.
7	<b>Award of contract</b>  Award of contract is based on the lowest pricing from the contactors.	<b>Award of contract</b>  Award of contract is based on the lowest from the list of invitees that gone through the pre-qualification process.	<b>Award of contract</b>  The contractor will receive form of tender and letter of acceptance after they were awarded.

Table: 2.5.1: Comparison of three types of tender

## 2.6 Summary

The data of this chapter is gathered by secondary sources such internets and magazine. This chapter is an introduction on tendering, definition of tendering, types of tendering, tender process and comparison between all types of tender. By this chapter, we can know exactly what is tender before enter to the case study chapter. This chapter is an overall view of tender in nowadays industry. This chapter will explain more on the current types of tendering process that will help an organisation to select their types of tendering. In addition, this chapter is just a basis before an organisation chooses their approach in an organisation. By this chapter, we will know the advantage and disadvantage in each types of tendering process. Different type of works will used different type of tendering method. An organisation should know better in each of the tendering process before enter in it especially in selective of contractor thus they might want to gain more profit on the project.

# CHAPTER 3: CASE STUDY



### 3.1 Introduction

Major work process usually involved of more than one department. The tendering process is whereby for the work undergoing at the bank premises in Maybank Group such branches, business units including overseas branches. These processes begin with request for new or on-going renovation, upgrading and realignment. There are two groups that manage tender for renovation work that is Project Zone and Menara Maybank Building Management (MMBM).

The type of tender is depending on the budget and types of work. Preparation of tender may be conduct in house or by consultant. Process of preparing tender may be different as it done by different team.



### 3.2 Type of Processes

This is four types of process that been applied in Maybank. The selection of process is depending on the value amount of work to be undertaken. Besides that, the type of process is depend on the type of work either minor or major work. The minor work is such maintenance, repairing and major work is such renovation. The process is as follows:

Type of Process	Value of Amount	Description
Closed quotation	<RM 5,000	3 quotations are required and by invitation from Technical Services Department or Branch Head. The approval need to be done by Head of Technical Services. This been applied in minor work such repairing air conditioning as they follow the Maybank standard rate. In addition, this type of process have tender document that is prepared by the Office In-Charged from Technical Services. There is no tender fee for the tender documents.
Closed quotation	>RM 5,000 - <RM 50,000	Standard of at least of 3 quotations are received through the fax room at Strategic Procurement level <sup>34</sup> . This quotation will be received after the invitation is agreed by the Head of Technical Services. The approval for this type of process is by Executive Vice President. Tender documents are prepared by Technical Services Officer In-Charged. There is no tender fee for this type of process.



Closed tender	>RM 50,000 - RM 1,000,000	<p>The invitation for tender is made from the Executive Vice President decision. There are tender documents for this type of process. There is tender fee. The approval is made by person with Discretionary Power. The person with Discretionary Power is appointing by approving authorities to act on behalf of the bank in making decision. The person involved is Executive Vice President of Head and Technical Services Head. This process is used for a major work such renovation and etc.</p>
Open tender	Above RM 1,000,000	<p>Normally these process is involve with pre-qualification tenders that required consultant due to:</p> <ul style="list-style-type: none"> <li>a) Complexity of job</li> <li>b) Submission to various authority</li> <li>c) Structural requirements which need a registered engineer confirmation</li> <li>d) Extensive mechanical and electrical work</li> </ul> <p>The consultant is selected based on big scale of project. Pre-qualifications are prepared by the appointed consultant with advice of Technical Services. The pre-qualification process is then is advertise. Consultant need to make shortlisted and recommend to Technical Services.</p>



		<p>Approval of contractor or supplier is gain by Discretionary Approval of relevant approving authority. Tender documents are need for this type of process. Thus, there is tender fee for the tender documents. If there is consultant, therefore the tender documents is made up by the consultant. This type of process is been applied in major work such renovation.</p>
Turnkey approach	RM300,000 and above	<p>The invited company is a consortium of consultant and contractor. They have to perform the role as a consultant such Architect, Mechanical and Electrical Engineer, Civil and Structure Engineer besides performing the contracting jobs. The consultant will deliver the project professionally in line with local authorities requirement and building by laws. The consortium also needs to do necessary submission to the authorities. To maintain the transparency of tender and cost competitiveness, bank still called at least of three companies to bid for the tender. The entire consortium is made in a group of six to seven companies. This turnkey approach is for project involving new premises. Turnkey consortium is prepared the tender documents.</p> <p>Turnkey approach is a process to appoint a</p>





		single party responsible to take charge from preparing scope of works, construction drawings until completion of renovation with water and electricity supply connected to the premises including coordination with items supply by others such alarm, CCTV and need to obtain renovation plan approval.
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Table 3.2.1 Types of Process at Maybank

**Maybank**



### 3.3 Components

This component is required in the process of major and minor work. The components are as follows:

Components	Description
Quotation Committee	The quotation committee comprise of Head of Facility Management, three officers and one or two clerk. The quotations are opened in the presence of at least of three officers and one clerk.
Tender Committee	The tender committee comprise of Chairman Audit Head, Executive Vice President and Head of Security. The secretary is Facility Management Head.
Tender Period	A minimum period of 5 days to be allowed for the contractors to collect and submit their tender. A longer period shall be allowed for outstation, major and special projects.
Validity Periods	The validity period of a tender shall normally be 90 days.
Documentation Fee	For quotation there is no documentation fee are required but for tenders non-refundable



	<p>documentation fees ranging from RM100 to RM200 are to be paid depending on the size of the project.</p> <table><tr><th>Estimated Project</th><th>Fees Amount</th></tr><tr><td>Below RM 50,000</td><td>Free of charged</td></tr><tr><td>RM 50,000 to RM 500,000</td><td>RM 100</td></tr><tr><td>Exceeding RM 500,000</td><td>RM 200</td></tr></table>	Estimated Project	Fees Amount	Below RM 50,000	Free of charged	RM 50,000 to RM 500,000	RM 100	Exceeding RM 500,000	RM 200
Estimated Project	Fees Amount								
Below RM 50,000	Free of charged								
RM 50,000 to RM 500,000	RM 100								
Exceeding RM 500,000	RM 200								
Earnest Money	<p>For contracts worth RM 50,001 to &gt; RM 10,000,000 earnest money will be collected in the form of banker cheque / bank draft or bank guarantee valid for 90 days. The earnest money is refund to unsuccessful bidders after the tender been award to the successful tender.</p> <p>It is forfeited as the tenderer refuse to accept the tender after they have been awarded. For the bank panel they need to open a Fixed deposit Account with the bank as replacement of tender earnest money.</p>								
The amount of earnest money is as follows:									
No	Estimated Cost of Work (RM)	Amount (RM- Refundable)							
1	Up to 50,000	-							
2	50,001 – 100,000	1,000							



3	100,01 – 250,000	2,000
4	250,001 – 500,000	3,000
5	500,001 – 750,000	5,000
6	750,001 – 1,000,000	7,000
7	1,000,001 – 10,000,000	10,000
8	More than 10,000,000	To be advised by consultant

**Performance Bond**

Performance bond is provided by the successful tenderer in the form of bank guarantee. The bond is usually 5% of the tender sum and the validity is same as contract period. It is returned to tenderer upon the issuance of Certification of Practical Completion.

**Insurance**

Insurance has to be taken by successful contractor from Etiqa Insurance. The period of insurance should be same as contract period with additional of four weeks.

The insurance taken is the Contactor All Risks and Workman Compensation Insurance. The policies should cover at least the value of the contract and public liability.

**Liquidified and Ascertained Damages(LAD)**

This is a form of penalty imposed by the bank on the contractor for late completion of work. The estimated of LAD is depending on the



		amount of contract or work involved.																											
<p>Estimated of Liquidified and Ascertained Damages(LAD) is as follows:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Estimated Cost of Work (RM)</th> <th>LAD (RM per day)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Below 10,000</td> <td>50</td> </tr> <tr> <td>2</td> <td>RM10,001 to RM20,000</td> <td>RM100</td> </tr> <tr> <td>3</td> <td>RM20,001 to RM50,000</td> <td>RM200</td> </tr> <tr> <td>4</td> <td>RM50,001 to RM100,000</td> <td>RM400</td> </tr> <tr> <td>5</td> <td>RM100,001 to RM250,000</td> <td>RM600</td> </tr> <tr> <td>6</td> <td>RM250,001 to RM500,000</td> <td>RM800</td> </tr> <tr> <td>7</td> <td>RM500,001 to RM1,000,000</td> <td>RM1,000</td> </tr> <tr> <td>8</td> <td>Above RM1,000,001</td> <td>0.1% or subject to consultant recommendations</td> </tr> </tbody> </table>			No	Estimated Cost of Work (RM)	LAD (RM per day)	1	Below 10,000	50	2	RM10,001 to RM20,000	RM100	3	RM20,001 to RM50,000	RM200	4	RM50,001 to RM100,000	RM400	5	RM100,001 to RM250,000	RM600	6	RM250,001 to RM500,000	RM800	7	RM500,001 to RM1,000,000	RM1,000	8	Above RM1,000,001	0.1% or subject to consultant recommendations
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8	Above RM1,000,001	0.1% or subject to consultant recommendations																											
<p>Defects Liability Period / Retention Sum</p>		<p>The defects liability period usually 12 months and retention sum is 5% of the contract sum. Defects are to be rectified immediately after been identify.</p> <p>For project with consultant the Certificate Making Good Defect will be issued by consultant with validated by officer in-charged, Head of Section and Head of Technical Services.</p>																											
<p>The retention period and sums is as follows:</p> <table border="1"> <thead> <tr> <th>Value of Work (RM)</th> <th>Retention Period</th> <th>Retention Sum (Refundable)</th> </tr> </thead> <tbody> <tr> <td>&lt;20,000</td> <td>-</td> <td>-</td> </tr> <tr> <td>&gt;20,000</td> <td>12 months</td> <td>5 % of contract sum or according to PAM</td> </tr> </tbody> </table>			Value of Work (RM)	Retention Period	Retention Sum (Refundable)	<20,000	-	-	>20,000	12 months	5 % of contract sum or according to PAM																		
Value of Work (RM)	Retention Period	Retention Sum (Refundable)																											
<20,000	-	-																											
>20,000	12 months	5 % of contract sum or according to PAM																											

> 5,000,000	12 months	2.5 % of contract sum or according to PAM
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Table 3.3.1 Components Used in Minor and Major Works

### 3.4 Renovations Flows

Renovations of premises is undertaken to upgrade branch premises or to expand existing layout according to development plans of the bank. The renovation also can be extensive in involving major changes to the whole branch or for small scale project that concern in minor changes to a section of the premises. Major renovation of branches been done due to new concept that been change for every five years. Minor renovation can take form of repairs or installation of air-conditioners for the branch. All renovation works must be comply with the authorities requirements of local council, fire safety by laws of Fire Brigade Department, TNB and Suruhanjaya Tenaga requirements on electrical and lighting works. In addition, the renovations plans need to be submit for approval of respective authority such Fire Brigade Department and City Hall or Municipal Councils before commencement of work.

### 3.5 Tender Exercise

#### 3.5.1 Tender Documents

The tender documents are prepared by the consultant if any or by Project Section Officers from Technical Services. The tender documents is checked and scrutinized by the Project Officers and verified by Head of Section.

### 3.5.2 Tender Procedure

1) Competitive bids is obtain through as follows:

- a) Open tender- Advertised in local newspaper where estimate cost is over RM1 million for single service centre and over RM2 million for more than one business units in one building.
  - b) Close tender- Estimated cost of project is less than RM 1 million. The lists to be invited have to be approved by Executive Vice President.
  - c) Quotation- Estimated cost of the work is less than RM 50,000. The lists of contractors have to be approved by Head of Technical Services.
- 2) A non-refundable documentation fee is follow above component item.
- 3) Tenderer for projects costing more than RM50, 000 are required to submit earnest money based on the proved policies. Projects or works estimated less than RM50, 000 no earnest money is required. The earnest money is to be in the form of banker cheque.
- 4) Performance Bond is required for contract that more than RM50, 000. The performance bond is 5% from the contract cost in the form of bank guarantee or banker cheque.
- 5) Tender are to be submit in the tender box that locate at Strategic Procurement, 34<sup>th</sup> floor of Menara Maybank. The tender are closed at 2.30 pm every Monday and Thursday and the tender opening is at 3.30 pm on the same day or any time that instructed by the Executive Vice President.
- 6) The period of submission is not less than five days.
- 7) Tender is to be open in the presence of tender opening committee. Tenders received after the dateline is to be rejected.
- 8) Quotation is to be open in the presence of Section or Unit Head and at least of one officer. A schedule of the tenders/ quotations received is to be prepared.

9) Tenders are sent to the consultant for analysing and convert it into report and recommendations. Whereby projects without consultant it will be done by the Officer of Project Section.

10) The tender then are submitted to appropriate authority to get an approval on award of tender.

11) Recommendation on award of tender is based on follows:

- a) Compliance to specifications
- b) Prices
- c) The schedules of rates
- d) Completion period
- e) Tenderer experience, track records, current workload and financial standing.
- f) Bank policy on the award of Bumiputra contractors.

12) Upon approval of award of tender, Project Section will notify the successful tenderer and inform the Architectural Consultant to award the tender.

13) Whereby for the project without consultant is completely handled by Project Section.

The award of tender is to be sign by Head of Section. Award of letter will include the following:

- a) Contract price
- b) Contract completion period
- c) Date of taking possession
- d) Date of commencement
- e) Performance bond
- f) Insurance
- g) Defect liability period
- h) Contracts document



- i) Liquidified and Ascertained Damages for delay on completion of work
- j) Subject to signing of a contract

14) The contract is to be signed with the successful contractor.

### 3.6 Case Study

#### 3.6.1 Introduction

My case study is located at No. 28-30, Jalan Tukang, 43000 Kajang, Selangor Darul Ehsan. This renovation project is for 5- storey building that includes ground floor, mezzanine, 1<sup>st</sup> floor and 2<sup>nd</sup> floor for Maybank Kajang Branch. This renovation is excluding the fifth floor as the floor is already renovated for last year. Each of the floors is belong to difference section such at the ground floor and mezzanine is called branch, 1<sup>st</sup> floor is combination between Private Banking (PBC) and Small Medium Enterprise (SME), and 2<sup>nd</sup> floor Equities Investment Centres (EIC) and Business Banking (BB). This branch will be undergoing major renovation due to age of this building is over than 20 years and it is owned by Maybank itself. Parties that involved in this tender for renovation is Channel Development(CD), Strategic Procurement(SP), Technical Services(TS), Design and Space Management(DSM) and Ehwan Architect as a consultant.



Picture 3.6.1.1 Maybank Kajang Branch

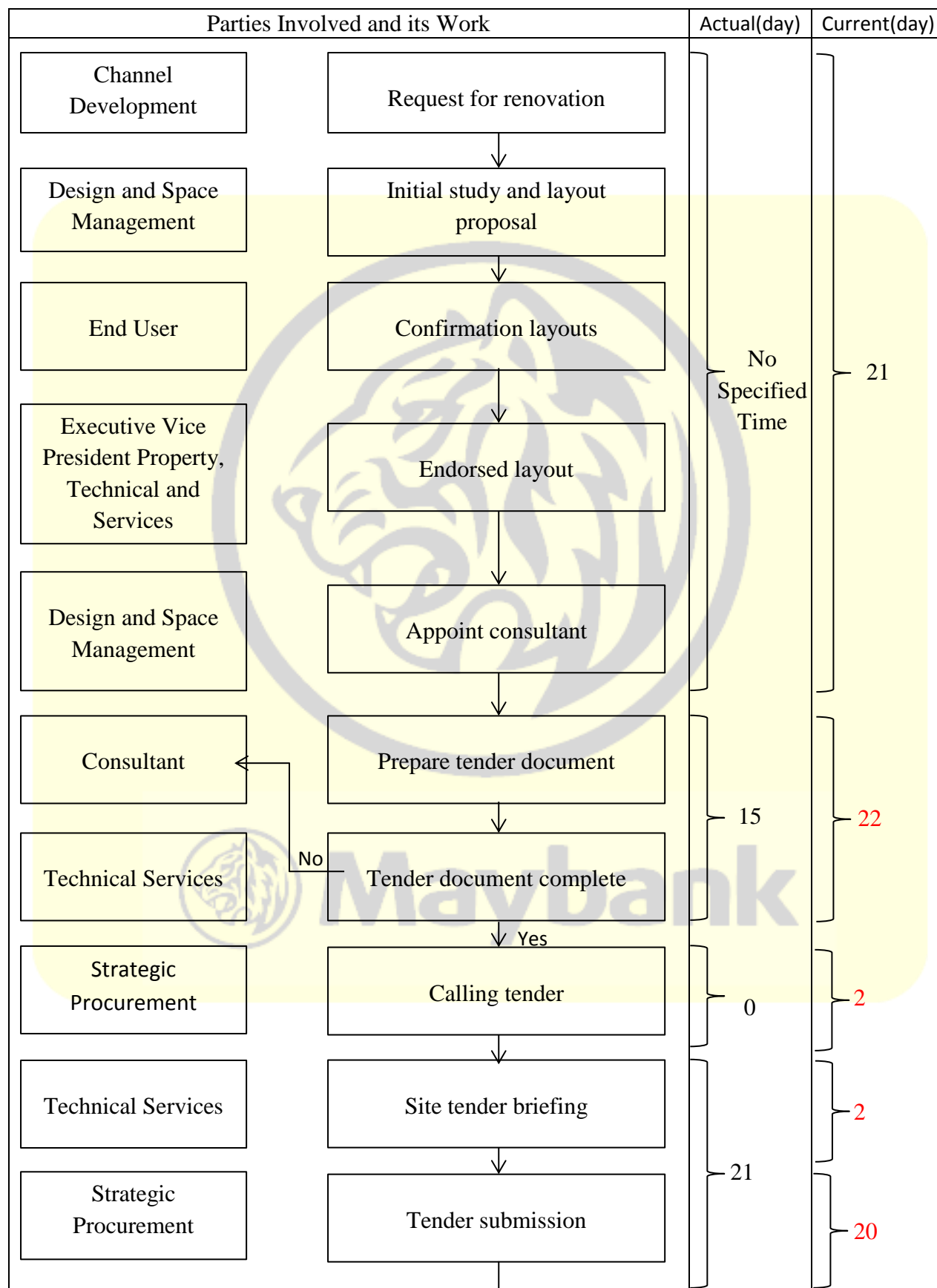
### 3.6.2 Renovation Timeline for Maybank Kajang Branch

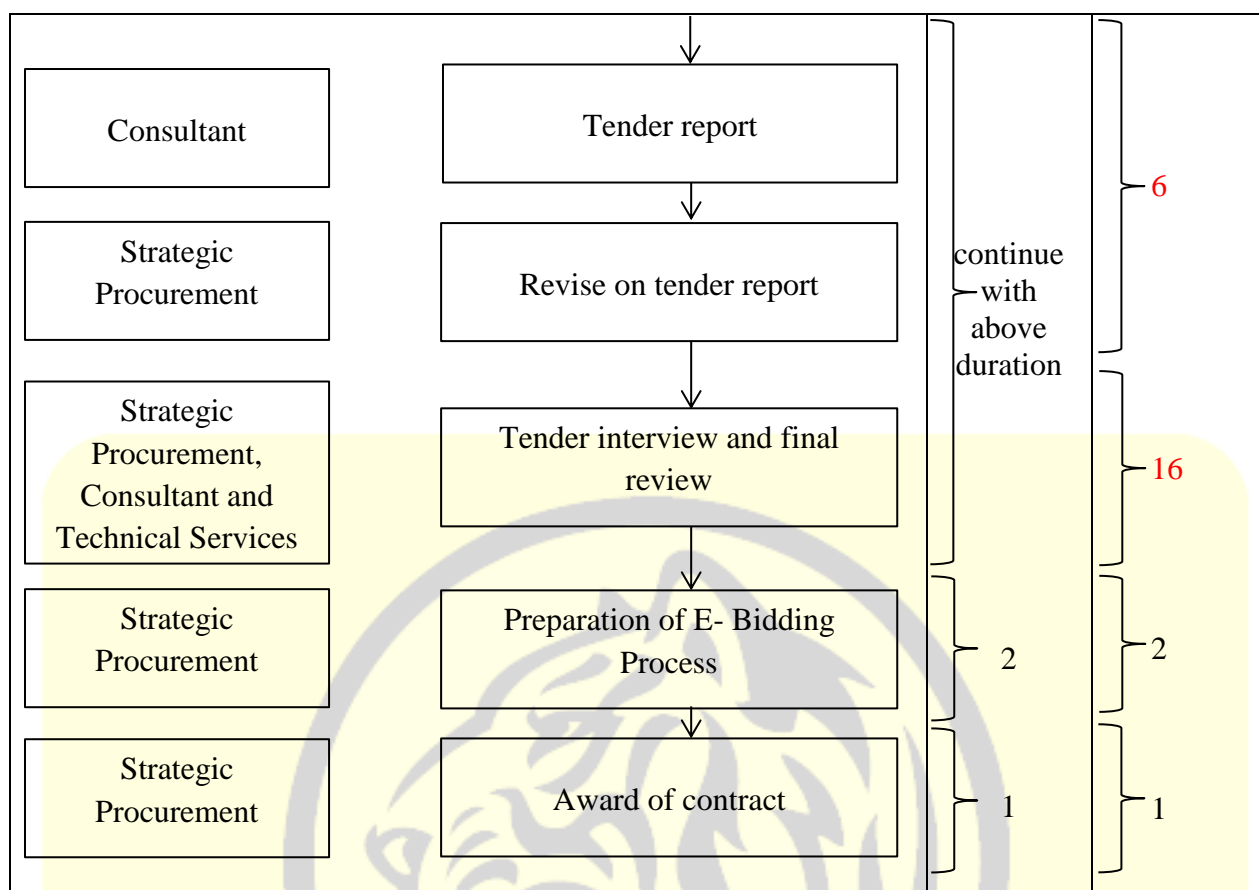
This timeline is made by estimate using the previous project by project manager. There is maybe has slightly changes for the renovation timeline as this process is involve with many parties such Channel Development(CD), Strategic Procurement(SP), Design and Space Management(DSM), Technical Services(TS) and Consultant.

No	Description	Date
1	Tender Ready	29/7/2013
2	Tender Invitation	30/7/2013
3	Tender Closing	19/8/2013
4	Tender Process <ul style="list-style-type: none"> <li>• Tender report and review</li> </ul>	20/8 – 26/8/2013
5	Tender Interview and Final Review	27/8 – 11/9/2013
6	Preparation of e-bidding Process	12/9 – 13/9/2013
7	Approval	14/9 – 29/9/2013
8	Award of Contract	30/9/2013
9	Mobilization	1/10 – 7/10/2013
10	Work Commencement and Completion	8/10 – 30/12/2013

Table 3.6.2.1 Timeline for Renovation Project Maybank Kajang Branch

## 3.6.3 General Overview of Renovation at Maybank Kajang Branch





### 3.6.3 Flow chart of Tendering Process for Renovation at Maybank Kajang Branch

Note: Red colour is for exceeding actual duration

### 3.6.4 Renovation Process for Maybank Kajang Branch

1. This renovation is done by advice from Channel Development as they found this building is too old. The consideration of profit for this branch also needs to take into account before the branch is deciding for any renovation works.
2. Design and Space management appoint a consultant to work out for this project.
3. Channel Development will get Design and Space Management to make the layout as per discuss between this two parties.
4. Design and Space Management will work out for the layout until the layout been endorsed and submitted to consultant and officer in-charged of Technical Services.

5. The consultant will prepare the tender documents thus include with estimate budget for this project that include bill of quantities for M & E and Builders work and drawing.
6. The tender document will be submitted to Technical Services and officer in-charged will informed strategic procurement for preparation of invitation to tender.
7. Strategic procurement will be work out the list of panel contractor with Design and Space Management.
8. Short listed contractors company will be called for site tender briefing by officer in-charged Technical Services.
9. On site tender briefing, contractors need to pay the tender documents fees RM300 after they been brief and if they interested with the project. It was conducted on 6<sup>th</sup> August 2013 at 10.30 am. Eight tenderers are attending the tender briefing. Further instruction by Maybank, a second site visit and tender briefing is conducted on 13<sup>th</sup> August 2013 at 11.30 am. Three tenderers attended the second tender briefing. The list of contractors are as follows:
  - a) Tender briefing on 6<sup>th</sup> August 2013
    - i. Twin Technic Sdn. Bhd.
    - ii. Intrex Industries Sdn. Bhd.
    - iii. Wycon Construction Sdn. Bhd.
    - iv. Meng Fai Renovation Sdn. Bhd.
    - v. Puncak Semerah Sdn. Bhd.
    - vi. Tackor Design Sdn. Bhd.
    - vii. Tetris Sdn. Bhd.
    - viii. Galak Maju Sdn. Bhd.
  - b) Tender briefing on 13<sup>th</sup> August 2013
    - i. Kindah Builders Sdn. Bhd.
    - ii. Tulip Harmony Sdn. Bhd.

iii. Perkasa Iring Sdn. Bhd.

10. The following tenderers did not attend the compulsory tender briefing, therefore the listed tenderers listed below were not allowed to participate in the tender exercise.

i. Deconstbuilt Sdn. Bhd.

ii. Rizkika Bina Sdn. Bhd.

11. The site tender briefing for this renovation projects is done twice due to technical error as there is amendment of date site tender briefing and some of the contractors been missed out for the notification by email on the actual date.

12. All of the contractors were visit all floors that need to undergoing renovation.

13. The tenderers need to submit all of the tender documents to Strategic Procurement on dateline that been stated in Tender Document. If they fail to submit the tender document, therefore these contractors will be disqualified to tender for this project.

14. Bill of quantities for this renovation project is price in lump sum.

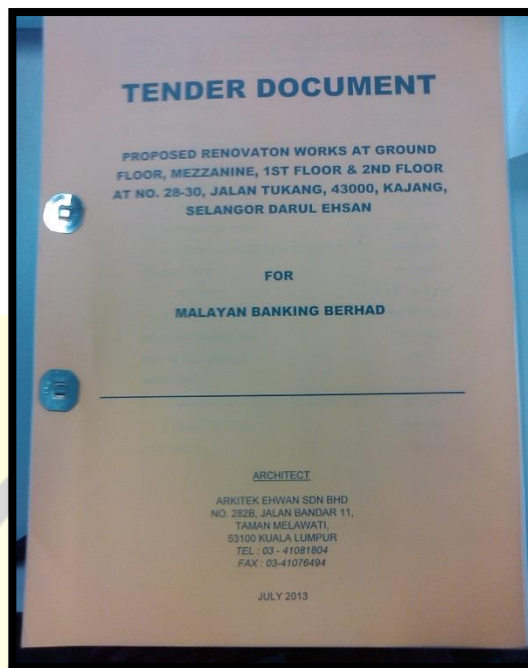
15. The Strategic Procurement will work out with the list of tenderer to get shortlisted company by according to their pricing. In this process, there are 6 shortlisted companies to tender for this project after been evaluated based on the best price. The lists of contactors are as follows:

- a) Twin Technic Sdn. Bhd.
- b) Meng Fai Renovation Sdn. Bhd.
- c) Tackor Design
- d) Galak Maju Sdn. Bhd.
- e) Tetris Sdn. Bhd.
- f) Waycon Construction Sdn. Bhd.

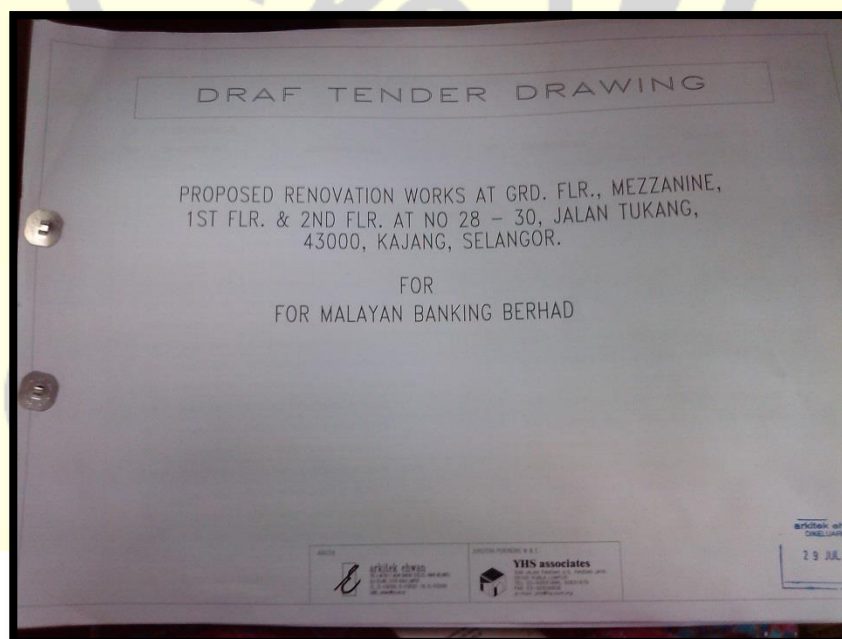
16. After been review the tender report there is amendment in the drawing as the estimated budgeting by consultant for this project is too high than the expected budget by Channel Development.
17. Therefore, there is amendment for some of the layout that been identified, thus also make changes to the bill of quantities for this renovation project.
18. All shortlisted tenderers were notifying on the changes of layout as they will be provided with new layout and bills of quantities as they need to fill up again.
19. Tenderers need to resubmit the tender documents before evaluation was made by Strategic Procurement.
20. Strategic Procurement need to work out with preparation of E- bidding. The contractors need to put their pricing online based on the starting price and limit price. The lowest pricing will be chosen.
21. The award of contactors is been done after the E- bidding process.

**Maybank**





Picture 3.6.4.1 Tender Document for Kajang Branch Renovation



Picture 3.6.4.2 Draft Tender Drawing for Kajang Branch Renovation





## 3.6.5 Total Floor Area Undergoing Renovation

Area / Level	Ground Floor	Mezzanine	1 <sup>st</sup> Floor	2 <sup>nd</sup> Floor
	sq. ft.	sq. ft.	sq. ft.	sq. ft.
<b>Branch</b>	3,120.00	2,797.00	-	-
<b>Private Banking (PBC)</b>	-	-	1,226.00	-
<b>Small Medium Enterprise (SME)</b>	-	-	1,215.00	-
<b>Business Banking (BB)</b>	-	-	-	1,710.00
<b>Equities Investment Centres (EIC)</b>	-	-	-	742.00
<b>Common Area</b>	<b>sq. ft.</b>	<b>sq. ft.</b>	<b>sq. ft.</b>	<b>sq. ft.</b>
<b>Staircase</b>	161.00	161.00	161.00	161.00
<b>Prayer Male</b>	-	-	53.80	53.80
<b>Prayer Female</b>	-	-	53.80	53.80
<b>Meeting Room</b>	-	-	301.00	-
<b>Corridor</b>	473.00	-	-	-
<b>Gen Set</b>	215.00	-	-	-
<b>Pantry</b>	-	-	107.60	-
<b>Toilet Male</b>	118.00	118.00	118.00	118.00

<b>Toilet Female</b>	86.00	86.00	86.00	86.00
<b>DVR Room</b>	-	-	43.00	102.00
<b>Exist Com Room</b>	-	-	43.00	102.00
<b>Sub- Total Common</b>	1,053.00	365.00	1,505.20	1,375.60
<b>Total</b>	<b>4,173.00</b>	<b>3,162.00</b>	<b>3,946.20</b>	<b>3,827.60</b>

Table 3.6.5.1 Total Floor Areas

### 3.7 Summary

This chapter is an introduction to the Maybank Malayan Banking approach in terms of tendering such types of process for minor and major, components, renovation flows and case study. The uses of closed quotation is for minor work such repairing or maintenance and close tender, open tender and turnkey approach is for major work such built up new premises and renovation. Nevertheless, all types of tendering have its tender documents but with different parties according to the types of works. In this chapter, there is explanation on term for the components that they might use in the tendering process. The renovation flows in this chapter is a common tendering procedure that been used in Maybank Malayan Banking. Case study in this report is focussing at Maybank Kajang Branch whereby undergoing renovation that estimated going to start before end of the year. This case study is focussing on only one type of tendering that is selective tendering. The selection of contractors are among panel contractors that having experience working for the Maybank in such work.

# CHAPTER 4: PROBLEM AND RECOMMENDATION

#### 4.1 Problem

##### a) Site Tender Visit

During briefing session on additional works or addendum for any renovation works, sometimes the contractor has to make new quote for the works. The problems occur during contractor forgotten to quote some of the works. This make difficult to the client as the contractor may charge the work for variation order work. The contractor makes take chances to make profit.

##### b) Price

For some types of tendering process such open tender, client usually award the tender to the lowest contractor. The contractor may want the project because they do not have any current workloads. Thus, contractors just quote their pricing as they get the project. The pricing might be too low in compared to the market. It also may impact on low quality of materials.

##### c) Withdraw from Tender

Contractor might withdraw from the tender process as they been awarding. The earnest money will be forfeit. Thus, it affects the time management for the renovation works and waste the officer time.

##### d) Insufficient budget

Estimated budget may be even higher the budget cost for the renovation works. It may effect on timing of the renovation supposed to be done. For example in Maybank, they supposedly to make preparation in budgeting for third quarter before starting with any renovation works. If the budgeting exceeds the amount of budget for respective project, they have to wait until they get new budget for the renovation works or they have to cut cost for the certain works.

e) Tenderer Disqualified

Contractors do not submit tender earnest money will be disqualified to tender for the project. Thus, it will affect time during tendering process as it takes times to short list the lists of eligible contractor for renovation projects.

f) Different Representative of Contractor

Different representative during site briefing and tender interview will lead to problem such the person on behalf of contractors does not know about the projects. They came only to take note and it is possible wrong information was given to the contractor side. Besides that, it will take time to explain on any changes in the drawing or bill of quantities.

g) Changes in Layout or Finishing

For changes such in the drawing or material for the renovation works will affect the timeline for renovation works as the contractors have to quote again the pricing for the items that involved and may end with increase in pricing. For example in Maybank, they change the old concept to new concept that is 'Branch Transformation Concept'. At last the end users does not have enough budget for the renovation works, thus will affect the process for renovation works.

h) Time for Tendering Process

This problem often happens for some type of tendering such open tender. It takes longer period in getting the contractors to bid for the tender until the completion of work.

Besides that, the participation of many contractors also can lead to changes of original timeline.

i) Experience

For selective tendering, the process is invited to the short listed company to take part in the renovation work. They may be more eligible than the short listed company. In addition, these types of tendering process might close opportunity for the contactor to joint venture in the bidding. Some of the contractors might not be able to get experience in such tendering process.

4.2 Recommendation

a) Site Tender Visit

On the client side, they have to make clear on the briefing and send notification on their company email besides inform them on call. Contactors have to be more alert and take note on any changes on additional works or addendum.

b) Price

The client or owner should know the current market of every item before they award the contractor. It is better to get a little bit higher in pricing rather than the lowest as it not guarantee on the quality of work that contactor do.

c) Withdraw from Tender

Client has to choose carefully and know the contractors background before award the tender. Client may take precaution by fined the contractors with increasing the amount of earnest money.

d) Insufficient budget

Client supposed to start with planning on budgeting before doing renovation work because it involved with large amount of money. The planning should be sufficient accordance to size of projects. Without planning, contractors might take benefit to gain profit.

e) Tenderer Disqualified

Time can be saving by on call or notification by using email for contractor to submit the earnest money. The tenderer might not familiar or clear with the procedure of tendering. Thus, client has to dispute in the site briefing and make clear on site on the tendering procedure. The contractor also has to take initiative by meet or call the client to know how the procedure of tendering process.

f) Different Representative of Contractor

The contractors should decide on the person in-charged for each of the different project. This should be consistently to be done as it will affect the timeline for renovation projects. Moreover, contractors also can take initiative by notified the client on the reason that they would not able to come to the site tender briefing or tender interview. Thus, the client might postpone the day and give a new date for all eligible contractors to bid for the projects.

g) Changes in Layout or Finishing

Any changes of layout or finishes need to be identified before starting with tendering process. Thus, it may lead on repetition work such in bills of quantities. They have to quote the price of items to make sure the calculation is correct. By identifying the changes of layout or finishes, the both sides could be able to save time and money to spend for the project.

h) Time for Tendering Process

The type of tendering should be considering accordance with size and budget of the renovation projects. Client has to make scheduling in order to meet the standard guideline of renovation projects of the respective company.



i) Experience

The client should not bias to any company that they invited. Tendering process also should be transparent. Contactors should be given opportunity in this construction industry as they may be more eligible for the project than the short listed contractors. The client has to explore more on the contactors background to open opportunity to the others.



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# CHAPTER 5: CONCLUSION



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## 5.1 Conclusion

The tendering is to identify and appoint eligible contractor for a work or project. It is involve with appoint a contractor to complete either in giving services such repairing or for the construction project such renovation and etc. There are many things that involve in tendering process such drawings, documents and etc. There are many things that we could learn in this tender process as it involved of many parties. We could gain various experience as working with professional parties such architect, quantity surveyor, engineer and etc.

In addition, the tendering process is all about the responsibilities of each party to take serious on this matter as it will effect on project failure. Client, architect, engineer, quantity survey and etc. has to play their role in order to make sure of the projects is successful. The cooperation of each party is important to make sure there is no misunderstanding between the client and contactors. The renovation projects either small or big scale has to have a good planning in timeline in order to achieve the objective for the organization.

The scheduling of renovation works has to be planning in order to avoid any problems occurs. We can conclude that factors for all the problems for tendering are related more on time management and pricing. For example, the delaying of renovation project will make the rent for machineries increases as the project finished late from the actual date of completion. Pricing might also increases as there is change of the work in project such drawing or bills of quantities.

## 5.2 References

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