



الجامعة الإسلامية العالمية ماليزيا
INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA
يُؤَيِّدُ بَرَكَاتُهَا أَيْدِيَنَا مَلِيْسِيَا

CONSULTANCY SERVICE PROPOSAL FOR THE

**STUDY ON THE POTENTIAL INCENTIVES FOR
INFRASTRUCTURE PROJECTS IN ADOPTING
SUSTAINABILITY RATING TOOLS**

JULY 2019

FOR

**SUSTAINABLE CONSTRUCTION EXCELLENCE CENTRE (MAMPAN)
&
CONSTRUCTION RESEARCH INSTITUTE MALAYSIA (CREAM)**

1.0 INTRODUCTION

The aim of this document is to propose consultancy services to the Construction Industry Development Board (CIDB) through Sustainable Construction Excellence Centre (MAMPAN) & Construction Research Institute of Malaysia (CREAM) for the following area:

STUDY ON THE POTENTIAL INCENTIVES FOR INFRASTRUCTURE PROJECTS TO ADOPT SUSTAINABILITY RATING TOOL.

The above area presents a crucial target under the Environmental Sustainability Strategic Thrust (ST02) under the CIDB's CIP 2016-2020 where **KPI ET01** requires the following target to be implemented:

"50% of new infrastructure projects of more than RM 100 Million to be certified in Sustainable INFRASTAR or any acceptable sustainability infrastructure tool from December 2020 onwards"

The achievement of this KPI require concerted effort from various parties and stakeholders in gearing up strategic plan for its achievement. In consistent with this KPI, the proposal is prepared in response to the Term of Reference issued on 21st June 2019 by the Sustainable Construction Excellence Centre (MAMPAN).

2.0 CONSULTANCY OBJECTIVES AND WORK SCOPE

There are three (3) main objectives and six (6) work scope as outlined in the Term of Reference which are listed as follows:

Objectives

- OB1** To identify various incentive in Malaysia
- OB2** To determine possible incentive and its feasibility to be carried out with respect to industry contact.
- OB3** To propose incentive model to be carried out in Malaysian Construction Industry.

Work Scope

- WS1** Identify the incentive related to material readily available in Malaysia
- WS2** Identify incentive related to material readily available in other countries
- WS3** Assessment on incentive feasibility to be carried out in construction industry context.
- WS4** Develop incentive model with industry feedback and syndication
- WS5** Prepare the proposal on potential incentive for new infrastructure projects that adopt sustainability tool.
- WS6** Establish paper for approval of new incentive to relevant authority.

Based on the above objectives and work scope, there are six deliverables which are required to be completed for the service. In achieving these deliverables, the following is the proposed mapping of the deliverables against the objectives and work scope for the consultancy service:

Deliverables Mapping Against Objectives and Work Scope

Objectives	Work Scope	ID	Deliverables Outputs
OB1-3	WS1-6	D1	<i>A work plan at the start of the consultancy, which clearly indicates the methodology and anticipated to achieve target outputs</i>
OB1	WS1 & 2	D2	<i>Project Progress Report 1: Compendium on Incentive on Construction Materials</i>
OB2	WS3	D3	<i>Project Progress Report 2: Feasibility Report on Incentive on Construction Materials</i>
OB3	WS4 & 5	D4	<i>Project Progress Report 3: Incentive Model on Infrastructure Projects to Adopt Sustainability Rating Tool.</i>
OB1-3	WS1-6	D5	<i>Executive Summary on Incentive Study on Infrastructure Projects to Adopt Sustainability Rating Tools</i>
OB1-3	WS1-6	D6	<i>Final Project Report: Full Report that include all aspect including technical report describing the methodology used in developing the incentive model, data findings and suggesting areas for improvement.</i>

The purpose of the mapping is to demonstrate the plan by the Consultant to the Client (MAMPAN) on the expected delivery target which will be completed by end of each milestones. The proposed mapping is subject to the approval by the Client and its flexible in nature.

3.0 REPORT DELIVERY, COVERAGE & CONTENT

There are **three (3)** main reports required in this service apart from the Work Plan (D1). The consultant has conducted a preliminary overview on the area of consultancy service and its scope in identifying key possible areas where the achievement of this consultancy objective can be ascertained. The following section provide a proposed content coverage of work scope based on the reports:

Reports Deliverables

3.1 Progress Report 1 (PR01) - Incentive on Construction Materials (Deliverable D2)

Proposed Coverage Areas	
Overview on Construction Project Statistics in Malaysia (<i>Private, Public and Different Type of Project</i>)	Theory of Incentives
Overview on Construction Materials Usage/Trend/Development in Malaysia and other countries	Incentives Influence on Construction Project Stakeholders and Decision Making
Economic Outlook on the Construction Materials in Malaysia (Price, Supply and Demand, Import, Export, Scarcity etc)	Type of Incentives in Construction Industry (Malaysia and Other Countries)
Categorization of Construction Materials	Incentives stakeholders
Green Materials	Incentives in Malaysia (MIDA, Green Tech and other)
Sustainability Rating Tools in Construction Industry (Malaysia and other countries)	

3.2 Progress Report 2 (PR02)- Feasibility Report on Incentive on Construction Materials (Deliverable D3)

Proposed Coverage Areas	
Identification of all types of incentives available in the construction industry (Malaysia and other countries)	SWOT Analysis of incentives available in the construction industry (Malaysia and other countries)
Assessment on the adaptation possibility of incentives from other countries into Malaysian context	Opportunities and challenges of incentives for rating tools
Industry expert consultation report on the adaptation assessment findings.	Proposal on selected incentives appropriate for INFRASTAR rating tool.

3.3 Progress Report 3 (PR03) - Incentive Model on Infrastructure Projects to Adopt Sustainability Rating Tools (Deliverable D4)

Proposed Coverage Areas	
Development of Incentive Model based on findings made from PR01 and PR03	Industry expert consultation and validation of the proposed Incentive Model
Framework of Incentive Model application in the industry.	Supporting justification on the proposed Incentive Model.

3.4 Final Report (FPR) - Final Full Report (Deliverable D6)

The final report will comprise of all aspect of the consultancy services work as outlined in the term of reference.

4.0 METHODOLOGY

This section proposed the approach and methodology for collecting data and management of resources for the purpose of consultancy report delivery. There are three main approaches to data collection designed to achieve the deliverables, which consist of a **questionnaire survey**, **semi-structured interviews** and **Focus Group Discussion (FGD)**. Each methodology aims to collect specific data from different target respondents.

4.1 Data Collection Design

There are six (6) deliverables for the consultancy but with three (3) major deliverables that constitute fundamental part of this work that are Deliverable 2, 3 and 4 with each set has its aim. Therefore, a plan for multiple approaches to data collection in achieving all these deliverables are crucial. In addition, various approaches to data collection planned for this task is expected to enhance the quality and transparency of the report delivery.

The following Table 1 summarised a matrix of data collection designed for each deliverables achievement in this report.

Table 1: Data Collection Matrix

DATA COLLECTION MATRIX		Desktop Study	Document Review	Questionnaire	Interviews	Focus Group
Deliverable	Aim					
Deliverable D1	A work plan at the start of the consultancy, which clearly indicates the methodology and anticipated to achieve target outputs	•				
Deliverable D2	Project Progress Report 1: Compendium on Incentive on Construction Materials	•	•			
Deliverable D3	Project Progress Report 2: Feasibility Report on Incentive on Construction Materials	•			•	•
Deliverable D4	Project Progress Report 3: Incentive Model on Infrastructure Projects to Adopt Sustainability Rating Tool.	•			•	•
Deliverable D5	Executive Summary on Incentive Study on Infrastructure Projects to Adopt Sustainability Rating Tools <i>(Resulting from D1-D4 Delivery)</i>		•			
Deliverable D6	Final Project Report: Full Report that include all aspect including technical report describing the methodology used in developing the incentive model, data findings and suggesting areas for improvement. <i>(Resulting from D1-D5 Delivery)</i>		•		•	•

A minimum of two (2) methodologies designed for each deliverable (*exception for D1, D5 and D6*) achievement and all findings are referred to the FGD panels for validation and verification.

4.2 Validation of Data and Result

All deliverables achievement undergoes similar starting point of data collection, which is the desktop study. The desktop study primarily set the direction of the study and identifies the current gap between existing data availability and required information. Throughout the desktop study process, various resources are referred and used for further development of instruments for subsequent data collection. The interview question act as instruments for this work is being piloted in ensuring the quality and ethical conduct of data collection are followed. However, throughout the process of data collection, all raw data collected from the consultants are not subject to any validation and verification by the expert panel.

Realizing the fact that validation of findings is crucial in verifying findings made from the data collected, an additional methodology which is the Focus Group Discussion (FGD) is introduce as measure to validate all finding made for this report. A detail discussion on the FGD arrangement is explained in **Section 4.4** of this report.

4.3 Interview

A standard set of interview question is designed with the aim to explore and probe deep into interviewee's views on the industry readiness on INFRASTAR implementation and incentives application. The purpose of the interview is to understand the feasibility of its enforcement. The interviewing process will be conducted with selected respondents based on expert involved in the development of INFRASTAR tools and other industry expert. This method ensures that only qualified person with sufficient level of experience on green rating tool and its relevant areas of application is interviewed. Therefore, eliminating unnecessary ambiguity in the responses.

The selection of interview respondents is based on the following target groups:

- i. Public Sector Professional (PWD)
- ii. Private Sector Professional (Architect, Engineers, Quantity Surveyors, etc.
- iii. Private Representative Body for Private Property Developer (i.e. REHDA)
- iv. Academician
- v. Representative from related Ministries

4.4 Focus Group Discussion (FGD)

Findings obtained from data collection are analysed and summarised into key findings. However, it requires a specific validation process in term of verifying the findings made. It ensures that what has been achieved is consistent with the industry standard and ethical conduct. Therefore, a Focus Group Discussion (FGD) is employed as means to validate findings made from the interview and survey.

The FGD is a process whereby selected panel of experts was brought together to discuss and critically challenge the findings made by the analysed survey and interview. The group of experts consists of professionals within the construction industry who are independent of the respondent's list (both survey and interview). This will ensure any form of suggestion and comments made are unbiased and transparent.

Results from the FGD are taken on board for improvement and forming part of the report delivery in achieving the aim.

4.5 Risk and Limitation

Throughout the process of achieving the deliverables, the expected scope coverage for this study is expected to face with a risk and challenges that indirectly influence the result of this study. The effect of such risk is considered as low and is expected not to change the direction of the study result, but is confine within the quality of data that may influence the generalizability of the finding made.

The risk associated to influence on the outcome of the study is focussed towards panel experts' willingness and time availability to participate in the Focus Group Discussion (FGD). FGD requires discussion to be made between two or more panels identified (based on study suitability that represent stakeholders) at one particular time and venue. The objective is to ascertain a collective views and comments on the findings made for further improvement and industry's worthy. The effective way is through face-to-face conduct and held in one session that lasted between 1 hour to a half-day session.

However, in minimising the impact of such potential risk, the consultant proposed for the FGD to be carried via in-depth interview at the convenient of expert's availability (non-forum discussion base). Such measure allows for similar result (as if FGD is conducted) except for immediate analysis result which need to be done by the consultant separately. Please take note that this alternative measure will ONLY be implemented with the consent and approval by the Client.

5.0 DELIVERABLES MILESTONES

The following are the proposed Deliverables milestones which is subject to Client's approval:

ID	Deliverables Outputs	Target Date
D1	A work plan at the start of the consultancy, which clearly indicates the methodology and anticipated to achieve target outputs	8 th July 2019
D2	Project Progress Report 1: Compendium on Incentive on Construction Materials	29 th July 2019
D3	Project Progress Report 2: Feasibility Report on Incentive on Construction Materials	30 th August 2019
D4	Project Progress Report 3: Incentive Model on Infrastructure Projects to Adopt Sustainability Rating Tool.	16 th September 2019
D5	Executive Summary on Incentive Study on Infrastructure Projects to Adopt Sustainability Rating Tools	16 th September 2019
D6	Final Project Report: Full Report that include all aspect including technical report describing the methodology used in developing the incentive model, data findings and suggesting areas for improvement.	30 th September 2019

6.0 PROPOSED CONSULTANCY SERVICE QUOTATION

The following is the proposed consultancy service quotation proposed with man-month approximately 3.0 month where 1 consultant and 1 research assistant is involved. The price quotation is prepared based on the IIUM Consultancy Unit standard formula adopted from the MOF (*Bahasa Malaysia version*).

6.1 YURAN PERKHIDMATAN PERUNDINGAN

Nama		Tempoh Pengalaman Bekerja	# of Manmonth	Gaji Pokok	Multiplier factor	Jumlah (RM)
1	Dr Mohamad Saiful Nizam Suhaimi	15	3.0	7,087.00	2.2	46,774.20
JUMLAH						46,774.20

6.2 YURAN KAKITANGAN SOKONGAN

Nama		Tempoh Pengalaman Bekerja	# of Manmonth	Gaji Pokok	Multiplier factor	Jumlah (RM)
1	Hafifah Abdul Ghaffar	10	3.0	3,600.00	2.1	22,680.00
JUMLAH						22,680.00

6.3 KOS IMBUHAN BALIK

	Jumlah Kecil	Jumlah (RM)	Remarks
PENGUMPULAN DATA			
Focus Group Discussion (FGD) RM300 x 15 Orang x 1 hari <i>Untuk Serahan Kerja D3 dan D4</i>	4,500.00	4,500.00	RM200.00 kos pengurusan FGD yang merangkumi makan, minuman, emolument dsb.
Laporan Laporan Awal (PR01, PR02 & PR03) Laporan Akhir (FPR) x 3 salinan	150.00 180.00	150.00 180.00	
JUMLAH		4,830.00	

JUMLAH KESELURUHAN

YURAN		(RM)
A	Yuran Perkhidmatan Perundingan	46,774.20
B	Yuran Kakitangan Sokongan	22,680.00
C	Kos Imbuhan Balik	4,830.00
JUMLAH		74,284.20
C	6% SST	4,457.05
JUMLAH KESELURUHAN		78,741.25

7.0 PRINCIPAL CONSULTANT PAST CONSULTANCY PROJECT WITH CIDB

7.1 CIDB 2017 (MyCREST) – Tax Incentive Documentation

Perlaksanaan Sistem Tatacara Kerja Insentif Pengecualian Cukai Di Dalam Sistem MyCREST Consultancy

Status : Completed October 2017

7.2 CIDB 2016 (MyCREST) – Mandatory Enforcement Study

Perlaksanaan Penilaian MyCREST Secara Mandatori Untuk Projek-Projek Bernilai RM100 Juta Dan Ke Atas

Status : Completed on January 2017

Consultant Team:

1. Prof. Dato Dr' Mansor Ibrahim
2. Prof. Ir. Dr. Maisarah Ali
3. Assistant Professor Dr. Khairusyi Syakirin Has-Yun Hashim
4. Assistant Professor Dr. Mohamad Saifulnizam Mohd Suhaimi
5. Assistant Professor Dr. Sharifah Mazlina Syed Khuzzan

7.3 CIDB 2016 (MyCREST) – Tax Incentive Study

Perlaksanaan Sistem Tatacara Kerja Insentif Pengecualian Cukai Di Dalam Sistem MyCREST

Status: Completed on November 2016

8.0 CORRESPONDING CONSULTANCY UNIT OFFICE AND CONSULTANT DETAILS

Manager
IIUM Entrepreneurship and Consultancies Sdn Bhd
Level 3, Research Centre Building
International Islamic University Malaysia,
P.O. Box 10, 50728 Kuala Lumpur
Tel: 03-6196 5434 Fax: 03-6196 5439

(Attn: En. Muhammad Nur Azraei Shahbudin)

Prepared By

Asst. Prof. Dr. Mohamad Saiful Nizam Mohamad Suhaimi
Principal Consultant
Department of Quantity Surveying,
Kulliyah of Architecture and Environmental Design
International Islamic University Malaysia (IIUM), Gombak
Tel: 012-4921066
Email: saifulnizam@iium.edu.my