

Minutes of Meeting No. 2
CITP IWG on National Construction Cost Centre
CITP-IWG12/P5a-N3C

Date : 4 April 2017 (Tuesday)
Time : 2.30 pm – 4.00 pm
Venue : Bilik Resak, Tingkat 32,
CIDB Malaysia, PWTC
Chairman : Dato' Sr Sri Kandan Kanagainthiram
President
Royal Institution of Surveyors Malaysia

ATTENDANCE

- | | |
|---|---|
| 1. Dato' Sr Sri Kandan Kanagainthiram
(Chairman) | Royal Institution of Surveyors Malaysia |
| 2. Ir. Mohd Zuki Muda | Indah Water Konsortium Sdn.Bhd. |
| 3. Sr Husnan Hussin | CKUB, Jabatan Kerja Raya |
| 4. Sr Ruzimah Othman | Jabatan Pengairan dan Saliran |
| 5. Datuk Ir. Abdul Kadir Mohd Din | Ranhill Holdings Berhad |
| 6. Sr Eddie Wong Weng Hong | Royal Institution of Surveyors Malaysia |
| 7. Sr Wan Ainon Zuraiha Wan Abdul Khalid | Royal Institution of Surveyors Malaysia |
| 8. Sr Gar Ti Wei | KPK Quantity Surveyors (Semenanjung)
S/B |
| 9. Sr Sariah Abd Karib | Corporate & Business Sector, CIDB
Malaysia |
| 10. Sr Noridah Shaffii | Programme Management Office, CIDB
Malaysia |
| 11. En. Nazir Muhamad Nor | Business Division, CIDB Malaysia |
| 12. Pn. Siti Fatin Amira Nasir | Business Division, CIDB Malaysia |
| 13. En. Muhammad Lutfi Khalil | Business Division, CIDB Malaysia |
| 14. En. Muhamad Fariq Abd. Hamid | Programme Management Office, CIDB
Malaysia |

ABSENT WITH APOLOGIES

- | | |
|---|---|
| 1. Sr Ratna Hj. Mahyuddin (Co-Chairman) | CKUB, Jabatan Kerja Raya |
| 2. Sr Abd Shukor Ibrahim | Board of Quantity Surveyors Malaysia |
| 3. Sr Dr. Mahmudah Yahya | Jabatan Pengairan dan Saliran |
| 4. Sr Umi Kalsum Zolkafli@Zulkifli | Royal Institution of Surveyors Malaysia |
| 5. Dr. Suraya Ismail | Khazanah Research Institute |
| 6. Mr. Kwan Foh Kwai | Sunway Construction Group Berhad |
| 7. Sr Amnah Mohammed Salleh | CIC-QS Services Sdn. Bhd. |
| 8. Pn. Zainora Zainal | Business Division, CIDB Malaysia |
| 9. Dato' Sr Aziz Abdullah | Lembaga Lebuhraya Malaysia |

1. WELCOMING ADDRESS BY CHAIRMAN

- 1.1. Chairman welcomed and thanked all committee members, initiative sponsor, initiative owner and secretariat for attending the second meeting for CITP IWG on National Construction Cost Centre (CITP-IWG12/P5a).
- 1.2. Chairman confirmed the minutes for meeting no. 1 with correction on item 4.4.1 i.e the Chair for Technical Committee on Construction Cost Information is Sr Wan Ainon Zuraiha and the Deputy is Sr Eddie Wong.

Technical Committee		Proposed Chairman	
1	Construction Cost Information	Chair	- Sr Wan Ainon Zuraiha
		Deputy	- Sr Eddie Wong
2	Tender Price Index	Chair	- Sr Husnan
		Deputy	- Sr Gar Ti Wei
3	Lifecycle Costing	Chair	- Dr. Suraya
		Deputy	- Sr Umi Kalsom
4	Labour & Plant Constant	Chair	- JKR (to nominate a name)
		Deputy	- MBAM (to nominate a name)

2. FEEDBACK FOR MEETING ON CITP IWG12/P5a No. 1

2.1 Feedback Minutes of Meeting IWG12/P5a No. 1

Item	Description	Feedback
4.4.1	<p>There are 4 Technical Committee (TC) to be set up by CIDB:-</p> <ul style="list-style-type: none"> i) Construction Cost Information (CCI) ii) Tender Price Index (TPI) iii) Life Cycle Costing (LCC) iv) Labour & Plant Constant (LPC) 	<p>i) Technical Committee Construction Cost Information (TC-CCI)</p> <p>Nazir raised his concerns that there may be conflict of interests in appointing RISM as Chair for TC-CCI as CIDB had signed an MoA with RISM</p> <p>DSK stated the appointment of RISM as Chair for TC-CCI is very relevant as TC-CCI needs the expertise of Quantity Surveyors; moreover, all IWG12/P5a committee members are members of RISM.</p>

Item	Description	Feedback
		<p>ii) Technical Committee Tender Price Index (TC-TPI)</p> <p>The first meeting will be held on 25 April 2017 and to be chaired by Sr Husnan Hussin.</p> <p>iii) Technical Committee Life Cycle Costing (TC-LCC)</p> <p>Secretariat informed that TC-LCC is actively supervising the progress of LCC research conducted by a consultant engaged by CIDB.</p> <p>iv) Technical Committee Labour & Plant Constant (TC-LPC)</p> <p>Secretariat informed that they had a meeting with Datuk Hj. Najib Hj. Mohd on 14 Mac 2017, inviting him to chair TC-LCC. Regrettably, Datuk Hj. Najib declined due to his other commitments. However, he had discussed with Sr Ratna Mahyuddin, requesting her to replace him. Sr Ratna had agreed to accept the appointment. DSK suggested the Deputy Chair to be a representative from MBAM.</p>

Action: Information

3. MATTERS ARISING

3.1 Technical Committee

DSK requested all four Technical Committees to be formed as soon as possible and regular meetings to be held at least once in 2 months. If required, the Chair may invite industry players to be in the Technical Committee.

Action: IO and OIC

3.2 Publication

DSK proposed that CIDB publish cost book similar to UK's BCIS cost book, for example *Comprehensive Building Price Book – Major Works* and also Rawlinson's price book (Australia). Nazir informed that BCIS also publish 5 years forecast data for TPI. Nazir informed that at the moment CIDB has 7 products which are published in the web.

Action: IO and OIC

4. PROGRESS REPORT OF IWG12/P5a 2016

4.1. KPI achievements of Initiative P5a

Officer in Charge (OIC) presented in detail the KPI achievement of Initiative P5a up till December 2016.

4.2. All targets for KPI Initiatives have been achieved:

KPI Initiative	Target 2016	Achievement 2016	Progress in 2016
78	20%	20%	<p>myN3C portal began its operation in March 2016 with main objective to provide construction cost information in :-</p> <ol style="list-style-type: none"> 1. Building materials price, labor wage rate, machinery hire rate & equipment purchase. 2. Cost indices pertaining to building materials, labour, machineries & equipment. 3. Construction costs indices for major building categories. <p>myN3C portal was launched on 14 November 2016 and currently, 5,000 users are registered.</p>

KPI Initiative	Target 2016	Achievement 2016	Progress in 2016
79	35%	35%	MOA with RISM to develop 60 models of Construction Cost Information was signed on 14 November 2016. 30 models of construction cost information had been completed. Exactal has been appointed to develop the Construction Cost Information System on 5 November 2016.
80	25%	25%	Tender Price Index measures the movement of prices in tenders. The methodology to formulate Tender Price Index for building contracts in Malaysia had been developed via CIDB-BCIS attachment program.
81	20%	15%	MCM Value was appointed on 16 November 2016 to complete the Life Cycle Costing Study in 6 months period. Scope of study had been expanded from feasibility to actual LCC study as requested by Technical Committee. Annual target to be reviewed by IWG12.
82	0%	0%	This KPI will commence in 2017

The overall achievement of initiative P5a is 24% compared to the target of 25%.

Action: Information

4.3. KPI 79 - Construction Cost Information

Nazir informed that LOA have been issued to Exactal, but due to some technical issues, Exactal has yet to revert with acceptance.

Sr Ainon informed that RISM has prepared Elemental Cost Analysis (ECA) for 30 projects. In order to proceed with cost modelling, a software system is required.

IWG agreed that the offer to Exactal will remain valid for another month. Nazir will follow up with Exactal on a weekly basis. If Exactal fail to response within that period, CIDB will start discussion with Turner & Townsend (cost-web).

4.4. KPI 80 – Tender Price Index

This methodology will be presented to the TC-TPI to endorse it. In order to prepare TPI, we need to develop Ready Reckoner (base rates), which is the base price to see the trend. These rates can be used for cost model also.

4.5. KPI 81 - Life Cycle Costing

- 4.5.1 The study is scheduled to be completed by May 2017, but due to data constraints and expanded scope of studies, there may be a delay in completing the study. See Appendix 1.
- 4.5.2 Sr Sariah proposed to replace Menara PjH with KeTTHA building as it is a “smart building”; the maintenance data for a smart building can be used to compare with normal buildings’ data.
- 4.5.3 DSK feels these 3 categories is not enough; the number of samples are still small. The committee need to look for more samples. He proposed to source for KLCC’s maintenance data. He informed that Kuala Lumpur City Centre (KLCC) has received the Malaysia’s Best Managed Property Awards 2017. DSK asked the committee to meet the CEO of KLCC, Dato’ Hashim Wahid.
- 4.5.4 DSK feel that LCC is more important for building such hospital due to its high capital cost, a lot of M&E services and maintenance.
- 4.5.5 OIC informed this study will focus on 3 categories first and if successful, we will expand to other categories.
- 4.5.6 DSK suggested to appoint PjH as an entity to provide cost data rather than seeking data from them.

5. CONSOLIDATION OF KPI for P5a INITIATIVES

5.1. Revised Annual Target KPI for P5a Initiatives

The proposal for consolidation of KPI for P5a initiatives was presented by OIC and endorsed by the committee; the revised KPIs are as follows:

Initiative	KPIs	Revised KPIs
P5a Enhance price and cost information on industry resources	KPI 78 N3C Portal in operations beginning Q1 2016	N3C Portal, covering 7 products on constructions prices and indices, with 2,000 unique users annually beginning 2016
	KPI 79 Construction Cost Information published by Q3 2017	Construction Cost Information on 60 models covering 5 categories published by Q3 2020
P5a Enhance price and cost information on industry resources	KPI 80 Tender Price Indices introduced by Q4 2018	Public & Private Tender Price Indices published by Q3 2020
	KPI 81 Lifecycle Costing published by Q4 2019	Lifecycle Costing Information covering residential, commercials and highways published by Q3 2020
	KPI 82 Labour and Plant Constant published by Q4 2019	Labour and Plant Constant covering 4 major trade and type of plants published by Q3 2020

5.2. Sub-annual target as per Appendix 2.

5.3. The KPI need to be revised to have S.M.A.R.T attributes (*specific, measurable, attainable, realistic dan time bound*).

Action: Information

6. OTHER MATTERS

6.1. Replacement of Initiative Owner for IWG12

OIC informed that the current Initiative Owner, Puan Zainora will be transferred to CIDB Wilayah Persekutuan Kuala Lumpur as the new State Director. The new Initiative Owner is Sr Mohd. Zaid Zakaria who is currently the Director of CIDB Selangor

Action: Information

6.2. Technical Committee Meetings

Datuk Kadir suggested that the number of meetings to be held by the Technical Committee to be included in the TOR for Technical Committee and all TC meetings to be reported to Chair of IWG12.

DSK stressed that TC need to be formed immediately and TC to hold regular meetings. DSK expects reports from TC to be presented at the next IWG12 meeting. Pn.Sariah suggest the reports from the 4 TC to be permanent agenda to IWG12 meeting.

Action: IO and OIC

6.3. Workshop for Technical Committee

IWG is for reporting and monitoring progress but the actual work, is done by the Technical Committee. The purpose of the workshop is to link and interphase each TC's KPI.

Action: IO and OIC

6.4. Collaboration with industry players

DSK suggested that CIDB should continue to collaborate with other industry stakeholder via subsidiary setup to work more on commercial moves. CIDB had already started its first collaboration by working with RISM.

Sr Sariah agreed with the suggestion to establish subsidiary which can be a profit centre.

6.5. Updates on IWG12 Committee Members

Item	Name	Organisation	Remarks
1.	Datuk Ir. Abdul Kadir Mohd Din	Ranhill Holdings Berhad	Changed of organisation
2.	Ir. Mohd ZukiMuda	Indah Water Konsortium (IWK)	Replacing Datuk Ir. Abdul Kadir
3.	Sr Ruzimah Othman	Jabatan Pengairan dan Saliran Malaysia (JPS)	Replacing Dr. Mahmudah

7. CLOSING

The next meeting will be held on Tuesday, 4 July 2017. Dato' Sri Kandan once again thanked all committee members and requested that the minutes to be circulated to IWG members prior to the next meeting.


Prepared by;



.....
Nazir Muhamad Nor
Officer in Charge (OIC)
CITP IWG12

Date : 5 April 2017

Reviewed by;



.....
Dato' Sri Srikandan Kanaganthiram
Chairman
CITP IWG12

Date : 5 April 2017

Appendix 1

Work progress as 31st March 2017

Item	Deliverable	Projected Progress (%)	Actual Progress (%)	Projected (Individual) (%)	Actual (Individual) (%)
1	Literature Review Report (15%)	15%	15%	100%	100%
2	Data Collection & Analysis Report (70%)	56%	27%	80%	38%
3	Framework for LCC System Application (15%)	0%	0%	0%	0%
Total		71%	42%		
Delay			-29%		

Data Collection Status

Type	Project	Construction	Maintenance	Operation	Disposal
Highway	NKVE	✓	✓		N/A
	ELITE	Gathered from MHA in brief.	Extracted from relevant Annual Reports.		N/A
	GCE	Pending details	×	×	N/A
Social Housing	PPRT 1	- Feedback from KPKT (30 March 2017)- letter minuted to Ir Zamhuri, TSUB. To follow up.			-
	PPRT 2	- Feedback from DBKL (21 March 2017)- letter minuted to PIC, En Imran. To follow up.			-
	PPRT 3				-
Office Buildings	Kompleks P'jaya	Feedback from JKR (23 Feb 2017) – letter minuted to Tim. Pengarah. To follow up.			-
	Menara PjH	×			-
	The Pinnacle	Feedback from PIC, Pn Rozita Ramli stated that the information is Private & Confidential. Received reply from PIC, Ir Fan Hong Poh (20 March 2017) that they are in the midst of collecting the required data.			-

P5a

Enhance price and cost information on industry resources

Appendix 2

CITP KPI

Annual Target for CITP KPI

		2016	2017	2018	2019	2020
78	N3C Portal, covering 7 products on constructions prices and indices, with 2,000 unique users annually beginning 2016	<p>2000 new users on myN3C portal registered</p> <p>N3C Portal Launched</p> <p>Weightage : 20%</p>	<p>2000 new users on myN3C portal registered</p> <p>7 products on construction price and index published in N3C portal</p> <p>Weightage : 20%</p>	<p>2000 new users on myN3C portal registered</p> <p>7 products on construction price and index published in N3C portal</p> <p>Weightage : 20%</p>	<p>2000 new users on myN3C portal registered</p> <p>7 products on construction price and index published in N3C portal</p> <p>Weightage : 20%</p>	<p>2000 new users on myN3C portal registered</p> <p>7 products on construction price and index published in N3C portal</p> <p>Weightage : 20%</p>
79	Construction Cost Information on 60 models covering 5 categories published by Q3 2020	<p>60 prototype models of construction project 50 % completed</p> <p>Weightage : 35%</p>	<p>60 prototype models of construction project 100 % completed</p> <p>Weightage : 25%</p>	<p>60 models of construction project & automation of construction cost information 50 % completed</p> <p>Weightage : 15%</p>	<p>60 models of construction project & automation of construction cost information 100 % completed</p> <p>Weightage : 15%</p>	<p>Online Construction Cost Information Published</p> <p>Weightage : 10%</p>
80	Public & Private Tender Price Indices published by Q3 2020	<p>Methodology of Tender Price Index completed</p> <p>Weightage : 25%</p>	<p>Ready Reckoner (RR) completed 30% completed</p> <p>Weightage : 15%</p>	<p>Ready Reckoner (RR) completed 100% completed</p> <p>Weightage : 15%</p>	<p>Automation of Tender Price Index completed</p> <p>Weightage : 35%</p>	<p>Online Tender Price Index published</p> <p>Weightage : 10%</p>

P5a

Enhance price and cost information on industry resources

Appendix 2

CITP KPI		Annual Target for CITP KPI				
		2016	2017	2018	2019	2020
81	Lifecycle Costing Information covering residential, commercials and highways published by Q3 2020	<p>Study On The Proposal For Management Of Data Life Cycle Costing (Lcc) For Construction Projects In Malaysia completed 15% completed</p> <p>Weightage : 20%</p>	<p>Study On The Proposal For Management Of Data Life Cycle Costing (Lcc) For Construction Projects In Malaysia completed 100% completed</p> <p>Weightage : 20%</p>	<p>Automation of LCC completed 50% completed</p> <p>Weightage : 30%</p>	<p>Automation of LCC completed 100% completed</p> <p>Weightage : 20%</p>	<p>Online LCC published</p> <p>Weightage : 10%</p>
82	Labour and Plant Constant covering 4 major trade and type of plants published by Q3 2020		<p>Methodology Labour & Plant Constant completed 30% completed</p> <p>Weightage : 20%</p>	<p>Methodology Labour & Plant Constant completed 100% completed</p> <p>Weightage : 20%</p>	<p>Labour & Plant Constant on Site Studies completed 50% completed</p> <p>Weightage : 50%</p>	<p>Labour & Plant Constant on Site Studies completed 100% completed</p> <p>Labour & Plant Constant Published</p> <p>Weightage : 10%</p>