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**UTHM**  
Universiti Tun Hussein Onn Malaysia

**UNIVERSITI TUN HUSSEIN ONN MALAYSIA**

**FINAL EXAMINATION  
SEMESTER I  
SESSION 2016/2017**

COURSE NAME : CONSTRUCTION PROCUREMENT

COURSE CODE : BPD 30703

PROGRAMME CODE : BPC

EXAMINATION DATE : DECEMBER 2016/JANUARY 2017

DURATION : 3 HOURS

INSTRUCTION : SECTION A  
ANSWER **ALL** QUESTIONS

SECTION B  
ANSWER **THREE (3)** QUESTIONS  
ONLY

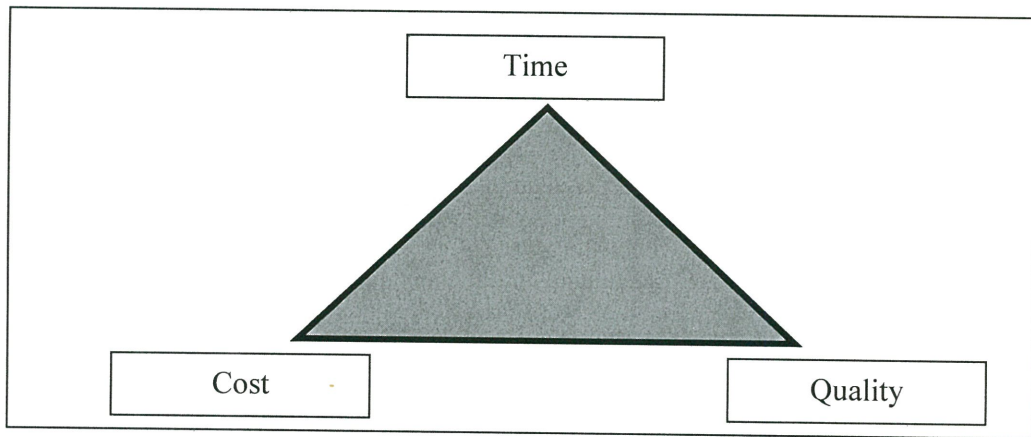
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THIS QUESTION PAPER CONSIST OF **FOUR (4)** PAGES

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**SECTION A**

**Q1** The procurement strategy identifies the best way of achieving the completion of a construction project which often taking into account the best value for money over the entire life cycle of the building or facility. The aim of a good procurement strategy is to achieve the optimum balance of risk, control and funding for a project. The choice of a particular procurement strategy largely depends on a client's required balance of cost, quality and time, also known as the Iron Triangle concept as shown in **Figure Q1**.



**Figure Q1: Iron Triangle**

According to this scenario:

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- (a) Explain **FIVE (5)** benefits of the Iron Triangle concept to clients. (10 marks)
- (b) Discuss **FIVE (5)** key roles of quantity surveyor (QS) in achieving project objectives (time, cost and quality). (10 marks)
- (c) Propose the best procurement strategies to the client based on the Iron Triangle concept. (20 marks)

**SECTION B**

- Q2** There are several procurement systems available to deliver a construction project. Traditional procurement approach is one of the systems in which the client contracts with an architect or an engineer to carry out the design. The client also enters into a separate contract with a contractor who undertakes the building works. The traditional approach remains popular to many participants in the construction industry, and this could be because it is very familiar to most client and contractors. Due to this scenario, it has been proposed to be used in constructing a new green theme park in Desaru, Kota Tinggi. As a project manager, you are required to provide your client on the following informations:
- (a) Describe with an illustration the contractual and functional relationship that exists in the traditional procurement system. (10 marks)
- (b) Outline **FIVE (5)** key challenges of the system. (10 marks)
- Q3** Partnering is best considered as a set of collaborative processes. This system emphasises the importance of common goals and raise such questions as how such goals are agreed upon, at what level are they specified and how are they articulated. The procurement system is also applied either in project situation known as project partnering or in a long-term relationship known as strategic partnering.
- (a) Explain **FIVE (5)** challenges of adopting partnering. (10 marks)
- (b) Outline **FIVE (5)** advantages of partnering as one of the innovative procurement systems in developing countries. (10 marks)
- Q4** The construction management procurement approach is a method whereby the construction manager (often a contractor or someone with sound project manager skills) undertakes to manage the carrying out of the work through trade contractors. Although the trade contracts are arranged and administered by the construction manager, contractually they are the client's risk, and the client forms direct contractual relationships with the trade contractors. Obviously for this to be effective, the construction management appointment and the trade contract for each trade contractor must be compatible.

- (a) Analyse with the aid of a diagram the contractual and functional relationships that exists in the construction management procurement. (10 marks)
- (b) Discuss **FIVE (5)** disadvantages of the construction management approach to contractor. (10 marks)

**Q5** Private Finance Initiative (PFI) in Malaysia is currently preferred procurement system in delivering all kinds of work for the public sector although other countries around the globe have initiated the implementation for other individual's, private sector's and semi-government's projects. Despite providing services of financing, constructing, managing, maintaining, refurbishing and replacing the public sector assets to the government as the client, PFI also provides the associated operational services at no cost to the government. Acting as a procurement manager, you are responsible to brief your public client on the following matters:

- (a) Describe **FIVE (5)** critical success criteria of PFI. (10 marks)
- (b) Outline **FIVE (5)** reasons of adopting PFI approach in Malaysia. (10 marks)

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**-END OF QUESTIONS -**