CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

The term traditional work process can be literally understood as the common practice inherited from the long established custom of delivering the construction project based on fragmented work process. In general this practiced has dominated the industry with the separation of design and construction function. In the fields of architecture and civil engineering, construction is a process that consists of the building or assembling of infrastructure. Far from being a single activity, large scale construction is a feat of multitasking. Normally the job is managed by the project manager and supervised by the construction manager, design engineer, construction engineer or project architect. Efficiency in management is needed to gain a higher level in competitiveness.

Project Management Consultancy (PMC) is one of the management solutions to improve the efficiency of a project in construction. The use of these services has been increased construction industry around the world. Even though the practice of using PMC services is quite new in Malaysia, more widely applied only after Malaysia had successfully completed the PETRONAS Twin Tower Project and the KL International Airport (KLIA Project), there are more than 100 private companies of various sizes and track records registered under the Treasury that have procured Project Management Consultancy (PMC) services since 1999 (Dzulkarnaen, 2005).
The question is whether the services provide by PMC is adequate in ensuring that projects are completed accordingly within the budget or cheaper, are high quality and meet the client needs. Hence, this study was carried out to investigate the services that are currently and should be provided by Project Management Consultants (PMC) in the Malaysian construction industry as well as to measure the level of satisfaction which is the effectiveness of the services provided by Project Management Consultant in the construction industry.

1.2 BACKGROUND OF PROBLEM

Most individual companies and organizations, which require the Project Management Consultancy services, do not have enough resources and expertise to carry the role of PMC. By considering these factors, the government of Malaysia under the Ministry of Finance had entrusted the Project Management Consultant (PMC) to manage government projects with the intention that these projects are completed efficiently on time, within budget and of the specified quality.

However, the government’s good intention to obtain services provided by Project Management Consultants has recently raised several issues and problem that are discussed by the public and government. From the issues of computer labs and 16 “sick” schools and five community colleges with structural defects, the closing of Sultan Ismail Hospital in Johor Bharu due to fungal outbreak caused by faulty air conditioning and the latest issue where the key Middle Ring Road in Kuala Lumpur had to be closed after cracks were found (Dzulkarnaen Ismail, 2005).

The Board of Bintulu Port should act against a consultant for changes made to construction plans which caused delays in completing its one-stop administration centre, said the 2005 Auditor-General’s report. It said the delays should also not have occurred if the contractor for the job had the financial capability to manage the project. An audit checked showed that the contractor had cash flow and labor problems. The report said as of
October 2005, 61 directives for changes to be made to the building which raised the cost by RM4.85mil (THE STAR, 2006).

Vice President of Persatuan Kontraktor Melayu Malaysia (PKMM), Datuk Muhammad Muhiyudin said that the overload works and projects given to the consultants and contractors also bring delays to certain projects (BERNAMA, 2001)

Without PMC to vet and comment on their designs, mistakes go unchecked and the client is short changed. There is no strategic, effective and efficient and knowledgeable project leader to set and monitor and control high standards in design parameters and construction. The net result is chaos and non-performance of the project team and surely, the project will suffer massive project delay, time and cost overrun and poor quality in design and construction and is sure recipe for project failure. Yet appointing the wrong guys for the job is sure recipe for the project failure.

1.3 PROBLEM STATEMENT

Among the problems that occur in the construction industry in Project Management Consultancy view, is the misunderstanding about the general importance concepts in project management and the main objectives that need to be achieved in management. By considering these factors, the government of Malaysia under the Ministry of Finance had entrusted the Project Management Consultant (PMC) to manage government projects with the intention that these projects are completed efficiently on time, within budget and of the specified quality. Besides, the lack of knowledge on the principles and techniques in project management also contribute to the problems already occurred. There are many parties that still confuse with the true mean of the Project Management and Project Management Consultancy. A project without Project Management Consultancy (PMC) is like “a ship without captain” (Andrew A.L Tan, 2004). In the absence of “watch dog” the design consultants will submit mediocre and interior and nonfunctional designs and drawings resulting in difficulty in construction leading to project delays and extra cost and poor aesthetic.