

CHAPTER

3

MITIGATING FURTHER DELAYS IN CONSTRUCTION PROJECT: A RESPONSE FROM THE MAIN CONTRACTOR

*Shamsulhadi Bandi, Fuziah Ismail,
Zuhaili Mohamad Ramly, and Norhazren Izatie Mohd*

3.1 PROLOGUE

On September 20, 2023, Mr. Aman Hariri, the project manager of Fina Sdn. Bhd. (FSB), found himself contemplating a work dilemma while seated in his office, sipping on his caffe latte. His thoughts centred on the email received from the client concerning the project under his current supervision.

In late 2022, FSB secured a mixed development project from Maha Land Berhad (MLB), a key player in the development of Kota Yaya Township (KYT), Malaysia. MLB holds significance as a valuable client to FSB, and the KYT project marks their initial collaboration, with potential future projects in the pipeline.

The email from MLB conveyed dissatisfaction with the delayed completion of the foundation works of the project, posing a potential impact on the building's handover, which as a consequence, will affect MLB's revenue by 12 percent. Reflecting on the situation, Mr. Aman Hariri recalled having reservations about the progress of the foundation

works. He first noted inaccuracies with the soil investigation report; separately, a severe flooding which dissipated only in the tenth days had affected progress, while problematic subcontractors identified by FSB much recently added to the blow.

The responsibility to address and respond to the dissatisfaction now rests on Mr. Aman Hariri's shoulders. As the representative of FSB, he has one week to formulate a response. With a deep sigh, he embarks on the task of finding viable solutions to remedy this challenging situation.

3.2 DELAYS IN CONSTRUCTION PROJECTS

The following paragraphs illustrate the strengths of each company and how they strive to reach the quality standard required by their clients.

3.2.1 The Contractor: Fina Sdn. Bhd.

Fina Sdn. Bhd. (FSB), a G7 contractor, is dedicated to delivering innovative solutions to its clientele. Founded in 2008 by Datin Seri Yeoh Hidayah and Sr. Dr. Indah Selamat, FSB embodies a vision of progress, excellence, and solidarity within the construction sector. Drawing on a wealth of expertise in building construction and substantial financial resources, FSB aimed to position itself as a leader in the construction industry.

Specialising in mixed development ventures, FSB has witnessed impressive growth since its establishment, venturing into international markets like Brunei, Singapore, and India. The organisation's core strengths are rooted in its unwavering principles and ethical practices. With a track record of over 13 years in the construction domain, FSB has successfully delivered more than 16 building projects and infrastructure developments across Malaysia. FSB prides itself on its ability to consistently meet project deadlines while exceeding client expectations.

3.2.2 The Client: Maha Land Berhad

Maha Land Berhad (MLB), established in 2003 as the premier property developer in Batu Hitam, Johor, Malaysia, has played a pivotal role in shaping the city's landscape into an iconic urban centre. Boasting a vast land bank spanning 1,116 hectares, MLB has garnered acclaim for its award-winning townships, distinctive retail hubs, dynamic workspaces, and vital public infrastructure, all contributing to an unparalleled community experience. By September 2022, MLB had achieved remarkable success, generating RM756 million and completing 84,435 residential and commercial units. Committed to fostering positive change within Batu Hitam, MLB continues to elevate the quality of life for its residents and stakeholders.

3.2.3 The Project: Kota Yaya Township

A new mixed development project is proposed in Batu Hitam, Johor, Malaysia, which spans around 16 acres within the Kota Yaya township (KYT). The site is located about five kilometres from Melati's Port and a few minutes away from Melor River edges, which despite the presence of some key infrastructure, remains an untouched green landscape towards the north of Batu Hitam.

The new mixed development project is slated to consist of an impressive collection of public enjoyments, including interlinking shopping malls, thematic retail complexes, corporate offices, and serviced residences. The project title is the "Proposed Construction and Completion of 2 Towers of 34 Storey Services Apartment, including 2 Levels for Retail, 6 Levels for Car Park from Level 1 to Level 6, Facilities in Level 7, Services Apartment from Level 8 to Level 33 at Kota Yaya Township, Johor, Malaysia,".

Site possession was given to the contractor on December 7, 2022, and following a 36-month construction period, the completion date is expected on December 6, 2025. The defect liability period (DLP) after the issuance of the Certificate of Practical Completion (CPC) is 24 months for residential and 18 months for commercial properties. The