

CHAPTER

8

EXPLORING CONSTRUCTION REALITIES IN PROJECT MANAGEMENT

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8.1 PROLOGUE

This chapter articulates important lessons for the construction industry. It goes beyond the specific project to provide insights crucial to understanding how construction works. Relying on the story of Malaysia's energy journey, the Selangor Power Plant Project, started by Kenanga Energy Berhad (KEB) in January 2020. The project faced challenges and delays, revealing a story shaped by the forward-thinking Chief Executive Officer (CEO), Dato' Adi Kapti Putra. Under his guidance, KEB aimed for innovation and sustainability in achieving energy excellence. Leading this energy journey is BuildWise Construction, directed by Chief Executive Officer (CEO) Amir, who focuses on sustainability and the power of technology in construction. Working with him is Abbas, an experienced project manager with civil engineering expertise, orchestrating precision for project success. Their journey becomes a testament to dedication, innovation, and an unwavering pursuit of excellence in construction.

However, hidden within the project's story lie unexpected challenges, requiring skilled risk mitigation by BuildWise Construction to prevent project delays. These challenges resulted in extra costs and required strategic changes. This case gives a glimpse into the essential role of effective risk management and alternative ways of doing things in navigating complex construction projects. Beyond the project's story, this case invites us to explore the vital importance of careful project management in the industry. It raises intriguing questions about how contractors, developers, and stakeholders work together in large projects. The challenges faced, though tough, represent a small part of the bigger picture in the construction world. This case delves into the details of project management intricacies, the partnership of innovation and success, and the determination needed to navigate complex projects.

8.2 THE SETBACKS

Dato' Adi Kapti Putra, CEO of Kenanga Energy Berhad, sat at his desk, scrutinising the progress report of the Selangor Power Plant Project. Despite robust monitoring and reporting mechanisms, the project faced numerous challenges affecting its delivery date and costs. Recognising the urgency, he resolved to commission an independent consultant for an audit report. Understanding the project's pain points was crucial for effective future management. He promptly instructed his assistant, Ms. Zila, to arrange a meeting with top consulting firms. "Zila, please schedule a meeting with leading consulting firms. We need an independent audit report for the Selangor Power Plant Project," he instructed. Ms. Zila nodded, swiftly noting down his directives. "Understood, Dato'. Could you specify what you require in the consultant's report?" she inquired. "I need them to pinpoint the root cause of project delays and cost impact. Learning from our mistakes is imperative to prevent future recurrences," Dato' Adi emphasized. With that, the meeting was arranged, and Dato' Adi

awaited the report eagerly, understanding its pivotal role in the company's growth and success.

8.3 THE POWER PLANT PROJECT

The Selangor Power Plant Project was a major infrastructure undertaking, aiming to provide a reliable source of energy for Malaysia's growing energy demands. The project commenced in January 2020 and is still under construction, surpassing almost a year after the original delivery date of December 2021. The project's progress was monitored through various reporting mechanisms, including progress reports, site inspections, and regular meetings. The construction process was carried out in phases, focusing on quality and safety. Kenanga Energy Berhad, a leading energy solutions company, spearheaded the project with a total contract cost of RM360 million. The traditional procurement method with nominated subcontractors and suppliers was utilised for this project. The project team comprised a foreign engineering consultant with a local partner as the leading consultant, providing technical advice, overseeing the construction process, and ensuring timely completion within the allocated budget.

The power plant construction involved multiple units and buildings, including storage facilities, maintenance buildings, and administrative offices, making it one of the largest and most complex projects the company had undertaken to date. To ensure success, BuildWise, a reputable construction company with a proven track record in the energy sector, was appointed as the main contractor by Kenanga Energy Berhad.

8.4 KENANGA ENERGY BERHAD

Kenanga Energy Berhad (KEB) was established in 2009 with a vision to become a leading power plant development company in the region. Since its inception, KEB has been committed to providing innovative solutions that meet the growing demand for clean, efficient, and reliable