

IMPROVING COMPETITION WITHIN PUBLIC
PRIVATE PARTNERSHIP (PPP) PROCUREMENT
PROCESS FOR INFRASTRUCTURE DELIVERY
IN MALAYSIA

MUHAMMAD IMRAN BIN ZIN ZAWAWI

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Muhammad Imran bin ZIN ZAWAWI

School of the Built Environment
College of Science & Technology
University of Salford, UK

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Abstract

Public Private Partnerships (PPP) have come to be preferred by governments for infrastructure development over traditional procurement. PPP is seen as the answer to many shortcomings of traditional procurement. Despite the complex nature of a PPP procurement process, governments around the world are emphasising and promoting competition within the procurement process. Competition is recognised as a significant element in the abundance of academic literature. Competition in the procurement process leads to desirable results for the procuring authority, by achieving value for money, encouraging innovation and promoting efficiency. Nevertheless, there is evidence that competition is still lacking within the PPP procurement process, so the idea of obtaining efficiency from the private sector may not be fully realised.

This thesis first examines the procurement process from the global practice, and the integration of competition within the complexity of PPP. It then focuses on analysing the less known Malaysian PPP procurement process and the competition organised within its procurement process. A case study was conducted on the Malaysian Public Private Partnership Unit, Unit Kerjasama Awam Swasta (UKAS), to investigate the manner of competition incorporated within PPP in Malaysia. UKAS is the central agency responsible for facilitating and coordinating PPP implementation in Malaysia. The case study was generated from a combination of thirteen semi-structured interviews and multiple document reviews to address the research objectives. Content analysis was adopted to examine the interview transcripts and documents. Nvivo was later used to manage the coding process.

Based on the empirical findings, in its effort to make the country's PPP programme a success, UKAS has been flexible in its implementation, with less emphasis on incorporating competition within the procurement process. UKAS, however, still manages to procure infrastructure using PPP for the reasons for adopting PPP. This result in inconsistencies in UKAS governance on procurement process. Where the findings illustrate that value for money can be achieved by other means, the researcher concludes that competition involves more than achieving value for money; it can also be used as a procedural barrier, hence achieving good governance.