

Enhancing the Asset and Facilities Management (AFM) contribution to the National Growth

PROPOSED CONCEPTUAL ROADMAP FOR AFM CONTRACTORS AND AFM COMPETENT PERSON

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NEAC is Concerned With the Income Profile of Households

80% of Malaysian workers are not in a position to drive the economy upwards

For Malaysia to break-out of the middle income trap, income must increase commensurate with the higher value add activities.

- The low income group comprising 40% of income earners are not able to participate positively to the growth of the economy.
- For inclusivity, the 40% low income group must be included in the reforms and for sustainability, social harmony is of paramount importance to be achieved through efforts to reduce the income gap and regional inequalities. To achieve the goals of NEM requires a holistic both an economic and socio-economic transformation plan.
- The economic potential of the 80% of income earners (bottom 40% and middle 40%) earning less than RM3,000 per month needs to be enhanced thus allowing them to move up the value chain.
- Increasing income disparity between the top 20% of income earners and the rest gives rise to the potential for social instability.

Amidst Global Changes, Our Advantages are Being Undermined

We must act before our position deteriorates further

Our strong position in **commodities** and manufacturing is being eroded

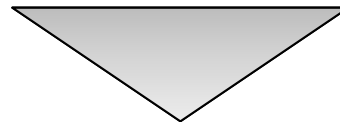
Intense competition in our new sources of growth e.g. medical tourism, ICT, and Islamic products and services

Global investment is focusing on **larger scale markets**, not small economies

Our immediate **neighbours have renewed vigour** evidenced by growth rates; reforms are well being implemented

Lack of talent and innovation, ineffective institutions and wide spread corruption are **barriers to growth**

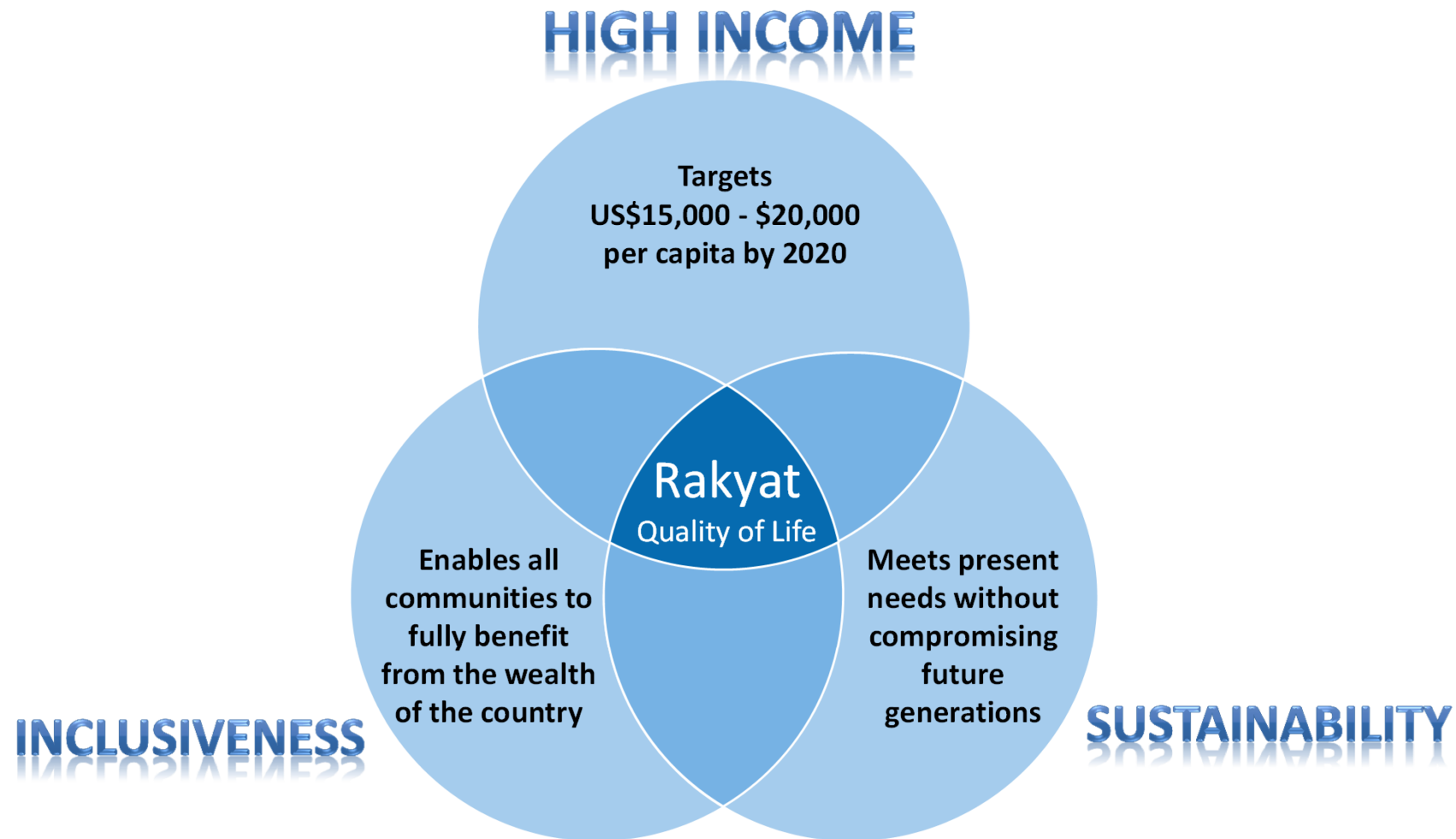
In the region, our economy was one of the hardest hit by the **recent global crisis**



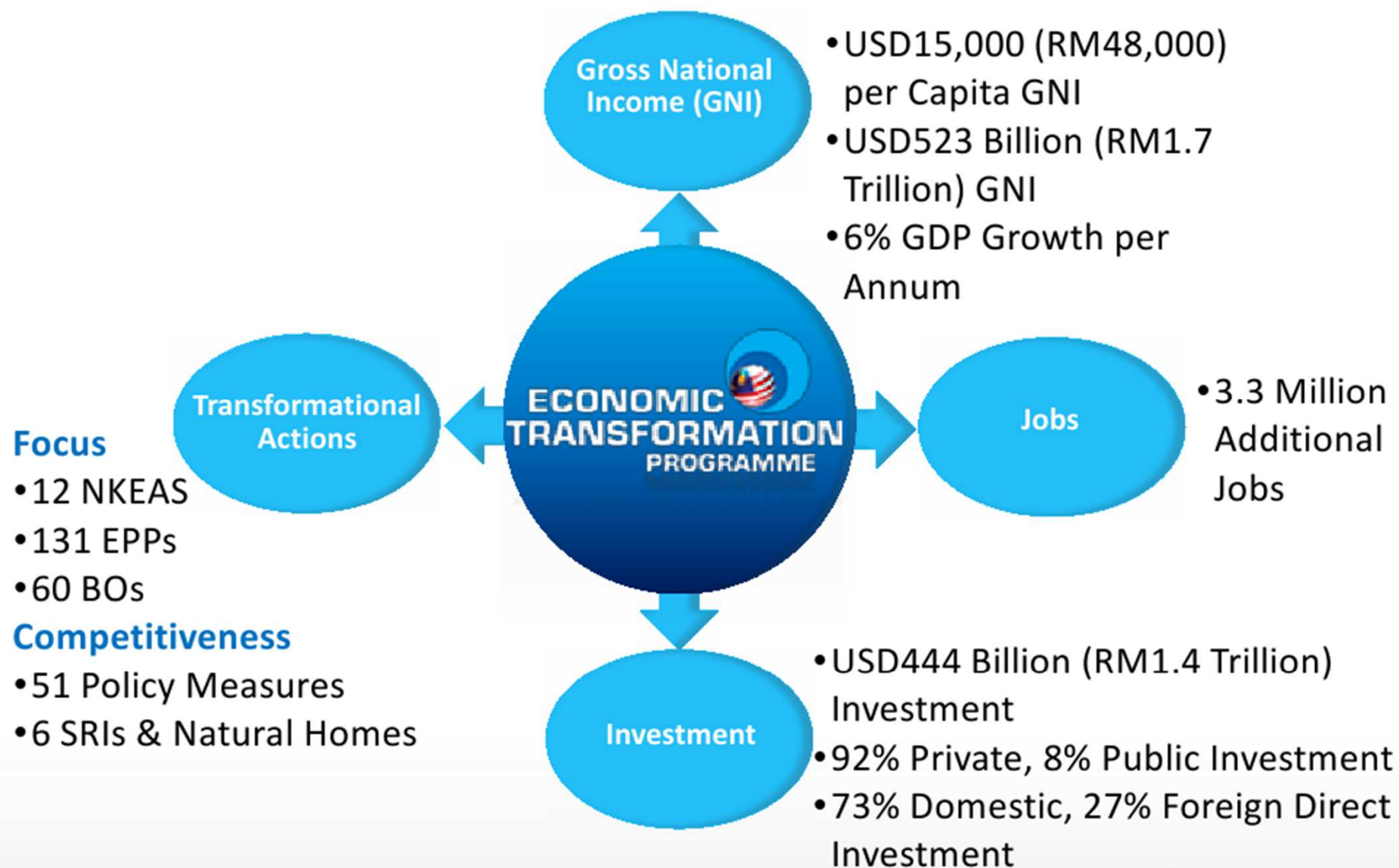
WE CANNOT CONTINUE AS WE ARE

The New Economic Model (NEM)

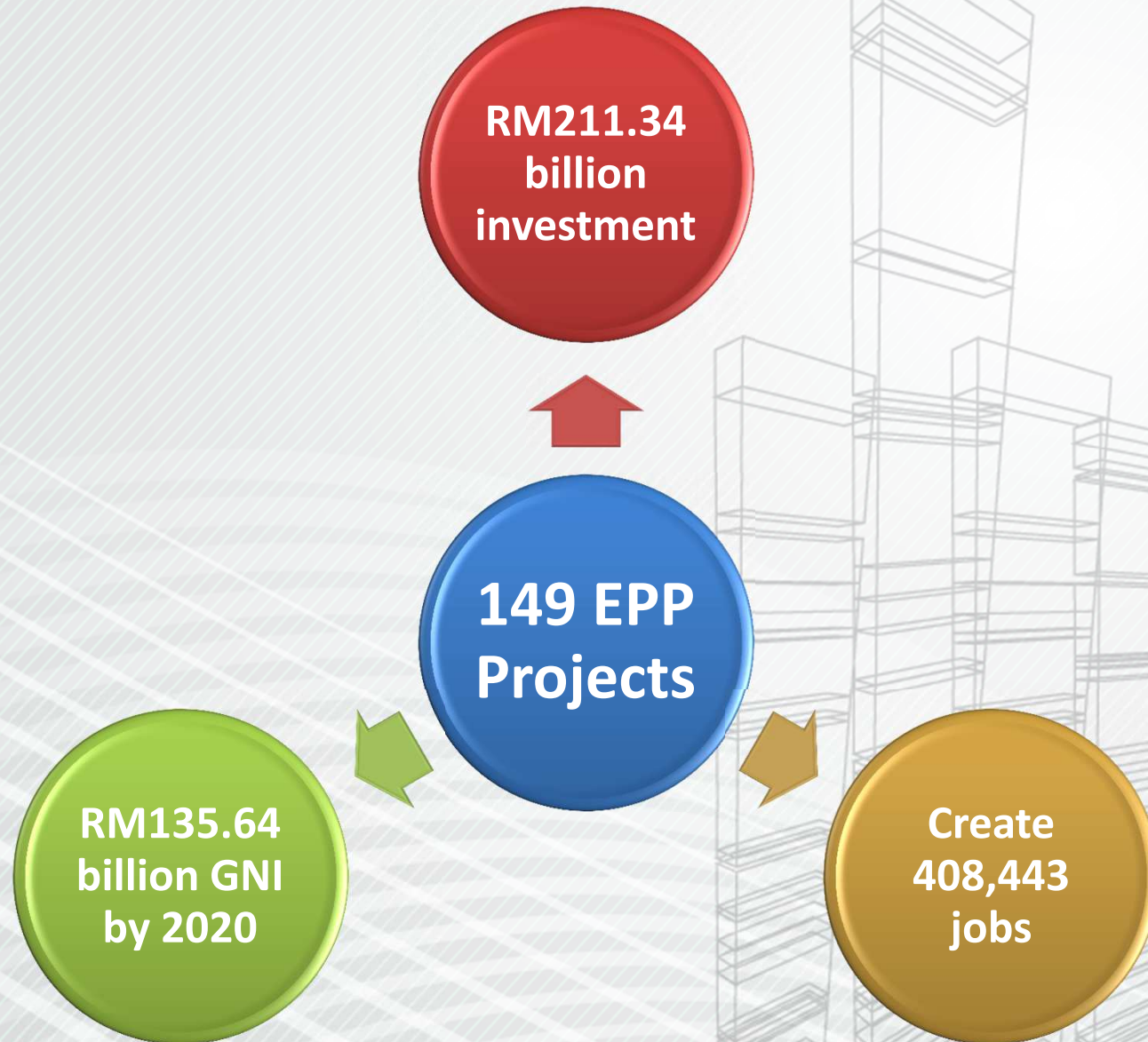
Aspirations of a united and advanced nation – The Goals to be Achieved



Overview Of ETP



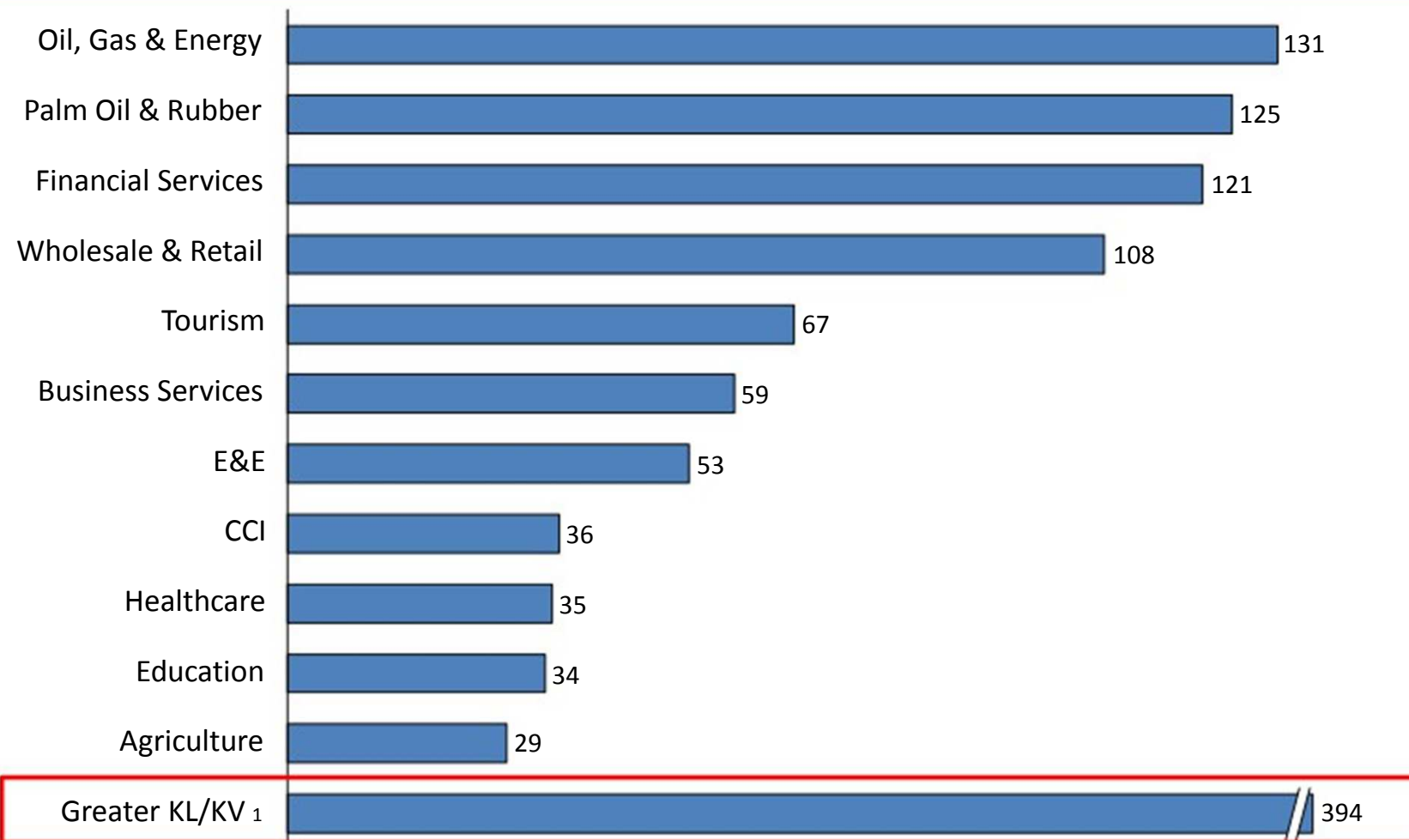
EPP PROJECTS



NKEA Greater KL / KV Overview

Incremental GNI (2020)

RM billions



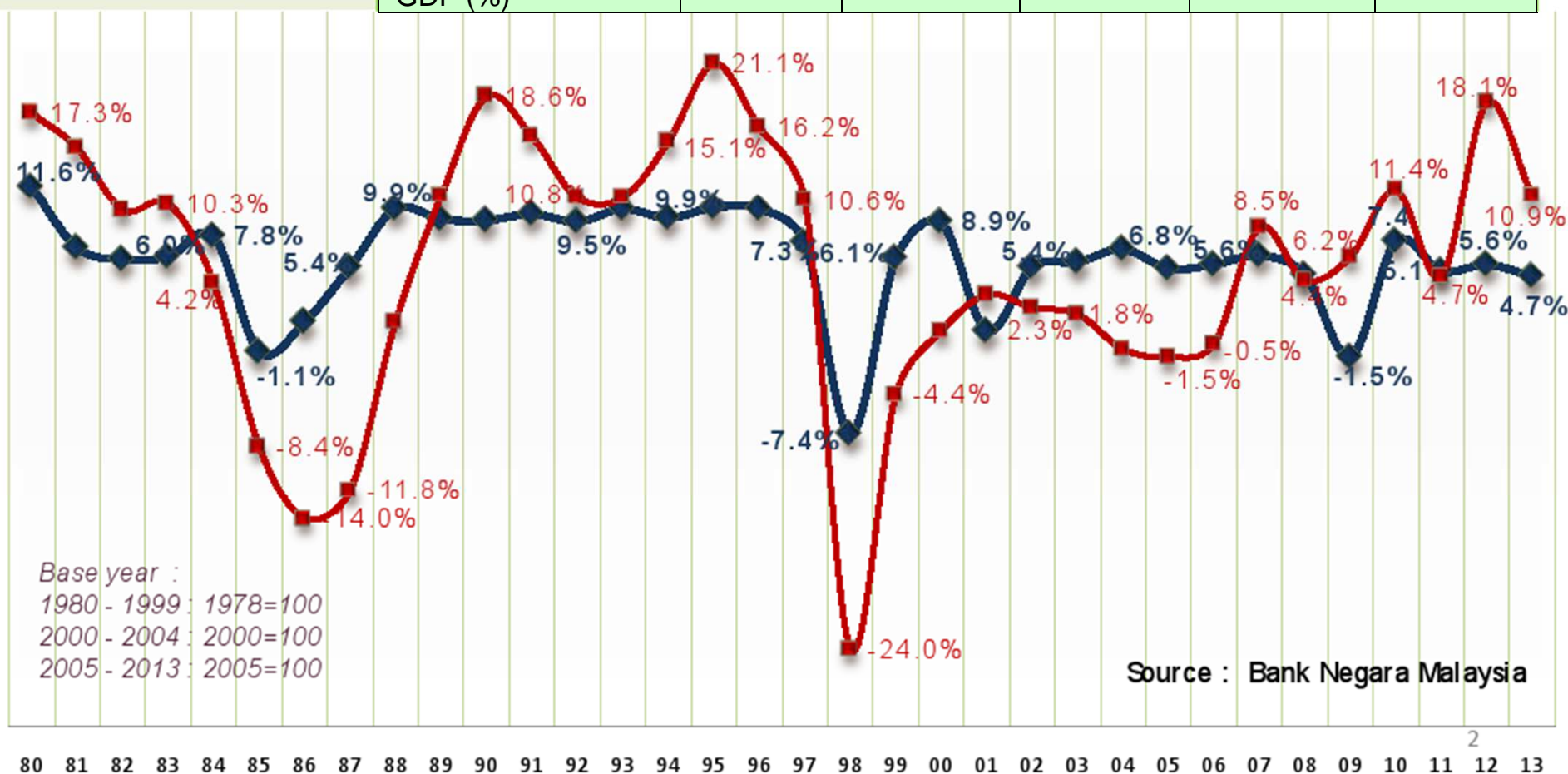
¹ Other NKEA GNI impact that directly contributes to Greater KL/KV's GNI

GDP Growth

◆ National GDP

■ Construction GDP

| | 2011 | 2012 | 2013 | 2014 (f) BNM | 2014 Q1 |
|--------------------------------|------|-------|-------|-----------------|------------|
| National GDP (%) | 5.1% | 5.6% | 4.7% | 4.5% - 5.5% | 6.2% |
| Construction Sector GDP (%) | 4.7% | 18.1% | 10.9% | 10.0% | 18.9% |

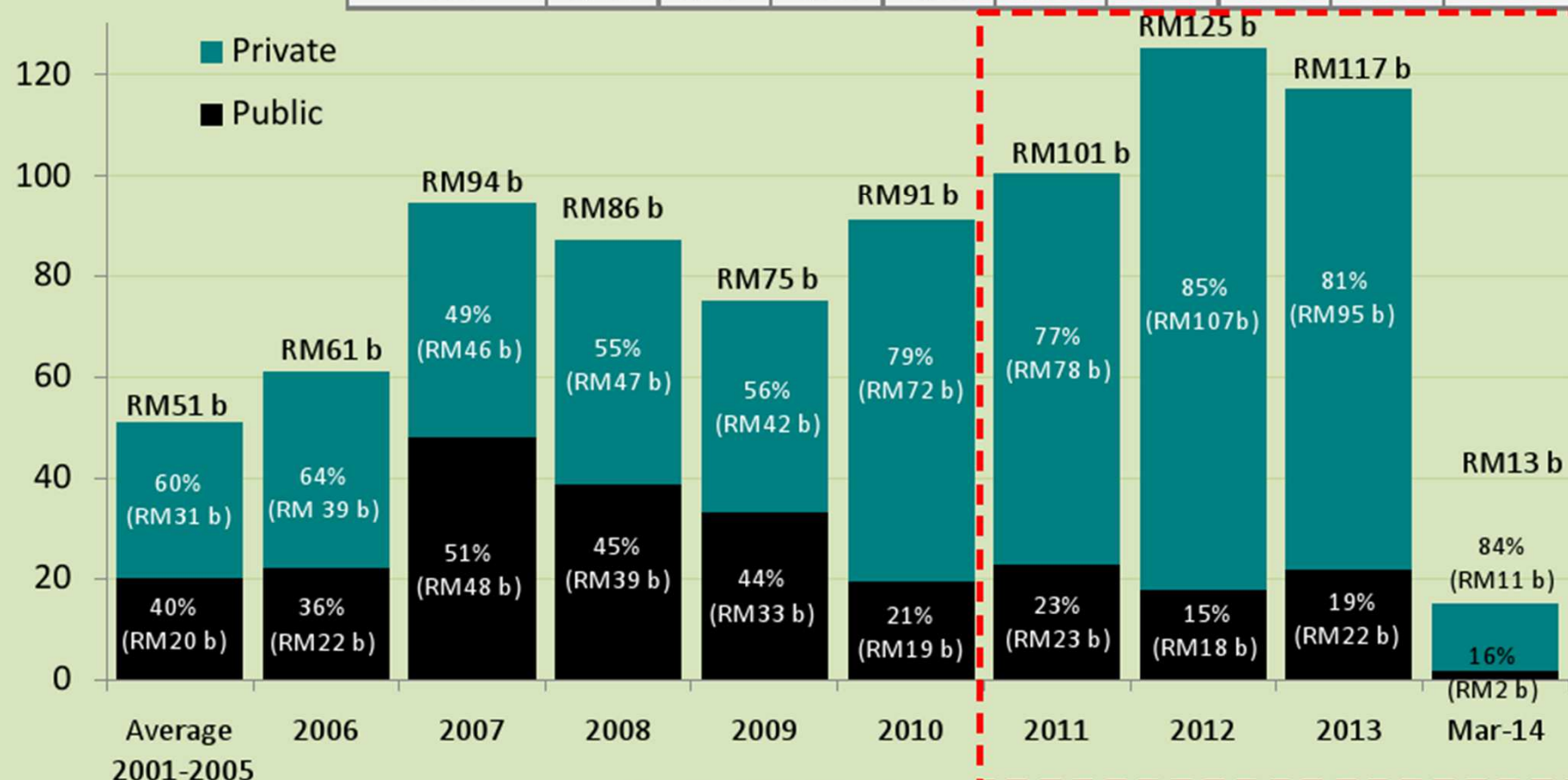


Projects by Public Private Sector

Project Value
(RM billion)

Number of Projects

| Sector | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Mar-2014 |
|---------|-------|-------|-------|-------|-------|-------|-------|-------|----------|
| Public | 1,666 | 2,958 | 2,707 | 3,014 | 1,878 | 1,948 | 1,959 | 1,778 | 131 |
| Private | 4,258 | 4,427 | 3,815 | 4,025 | 5,424 | 5,747 | 5,822 | 5,495 | 540 |
| Total | 5,924 | 7,385 | 6,522 | 7,039 | 7,302 | 7,695 | 7,781 | 7,273 | 671 |

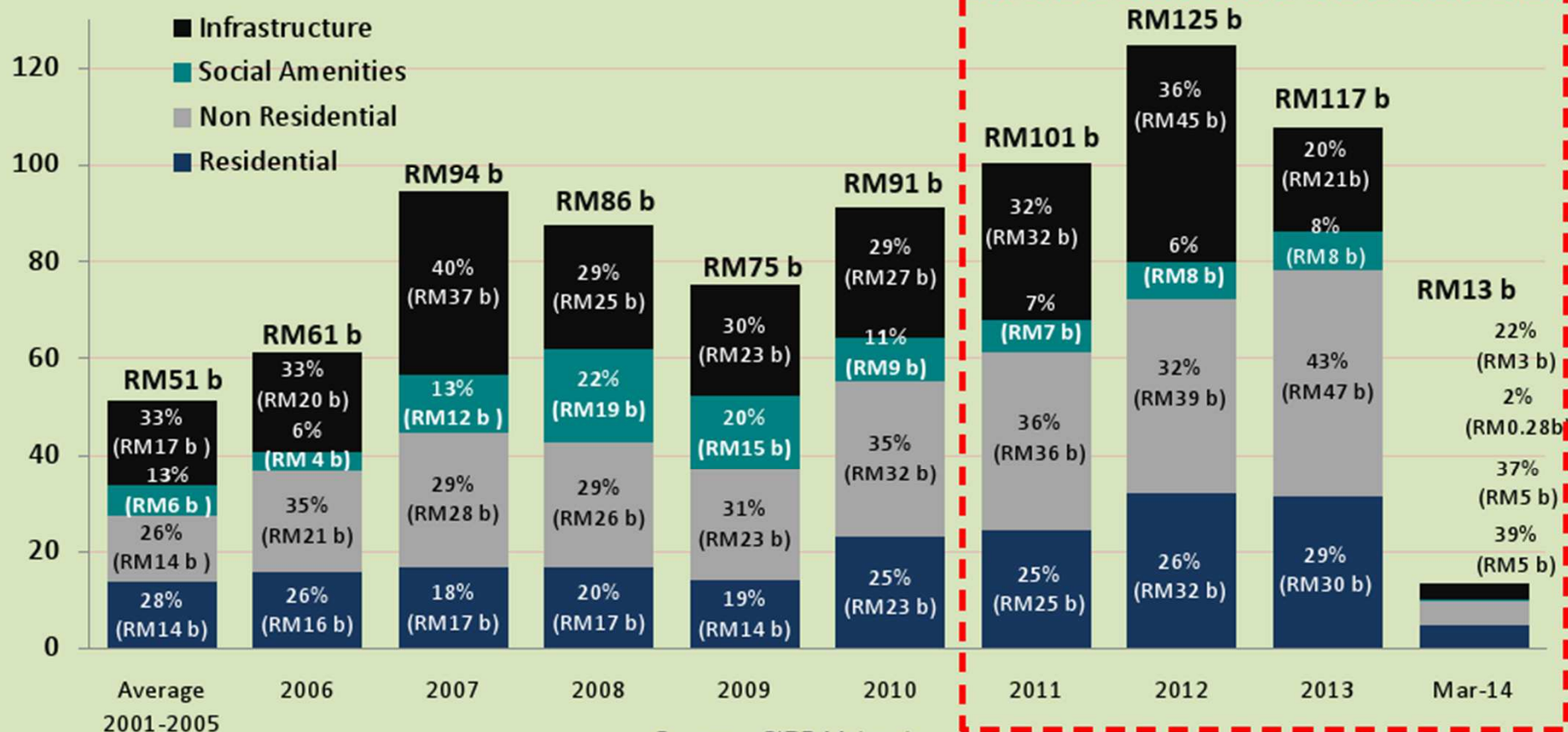


Source : CIDB Malaysia

Projects by Category

Number of Projects 2001-2014

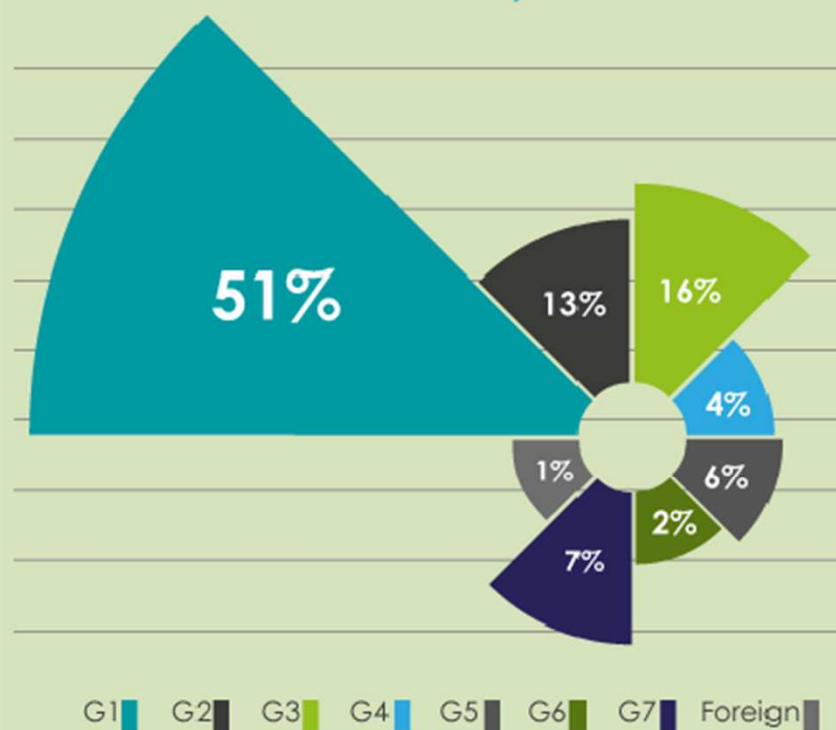
| Category | Average 2001-2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------------------|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|------|
| Residential | 1,624 | 1,732 | 1,865 | 1,486 | 1,701 | 2,131 | 2,257 | 2,246 | 2,047 | 207 |
| Non Residential | 1,373 | 2,060 | 2,345 | 2,199 | 2,090 | 2,563 | 2,612 | 2,735 | 2,669 | 268 |
| Social Amenities | 837 | 596 | 1,381 | 1,258 | 1,505 | 857 | 844 | 913 | 657 | 56 |
| Infrastructure | 1,308 | 1,536 | 1,794 | 1,579 | 1,743 | 1,751 | 1,982 | 1,887 | 1,900 | 140 |
| Total | 5,142 | 5,924 | 7,385 | 6,522 | 7,039 | 7,302 | 7,695 | 7,781 | 7,273 | 671 |

 Project Value
 [RM billion]


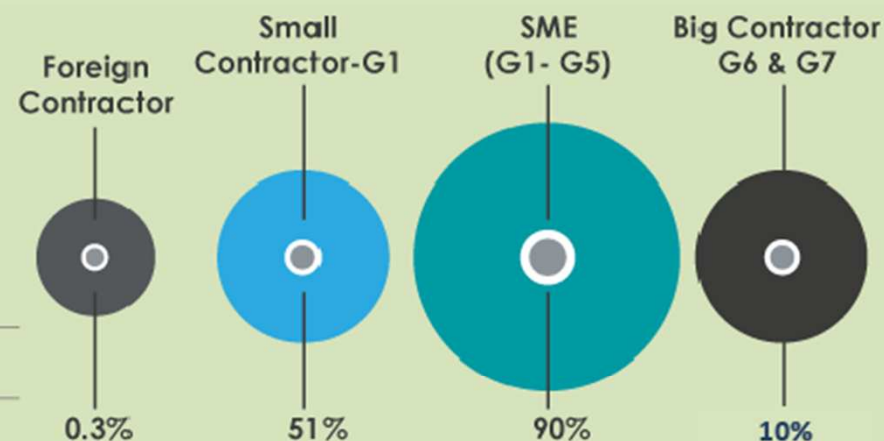
Source : CIDB Malaysia

Registered Contractors

No. of Contractors = **67,263**



Source : CIDB Malaysia

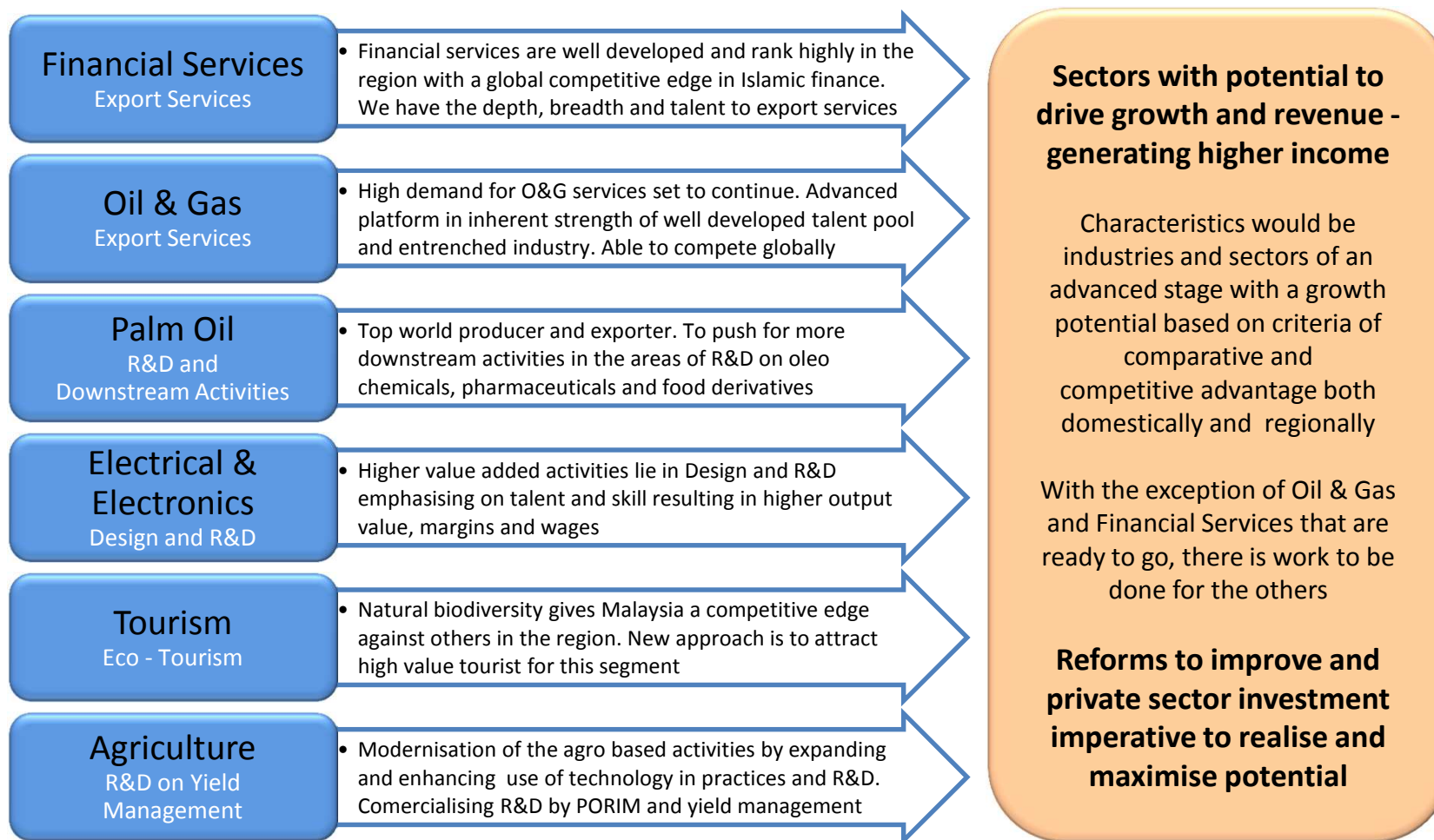


| Tendering Limit (RM) | Grade | No. of Contractor | Active Contractor |
|----------------------------|---------|-------------------|-------------------|
| Not Exceeding 200 thousand | G1 | 34,407 | 28,272 |
| Not Exceeding 500 thousand | G2 | 9,510 | 7,080 |
| Not Exceeding 1 million | G3 | 8,863 | 6,621 |
| Not Exceeding 3 million | G4 | 3,075 | 2,498 |
| Not Exceeding 5 million | G5 | 4,147 | 3,283 |
| Not Exceeding 10 million | G6 | 1,580 | 1,355 |
| No Limit | G7 | 5,343 | 4,636 |
| No Limit | Foreign | 338 | |

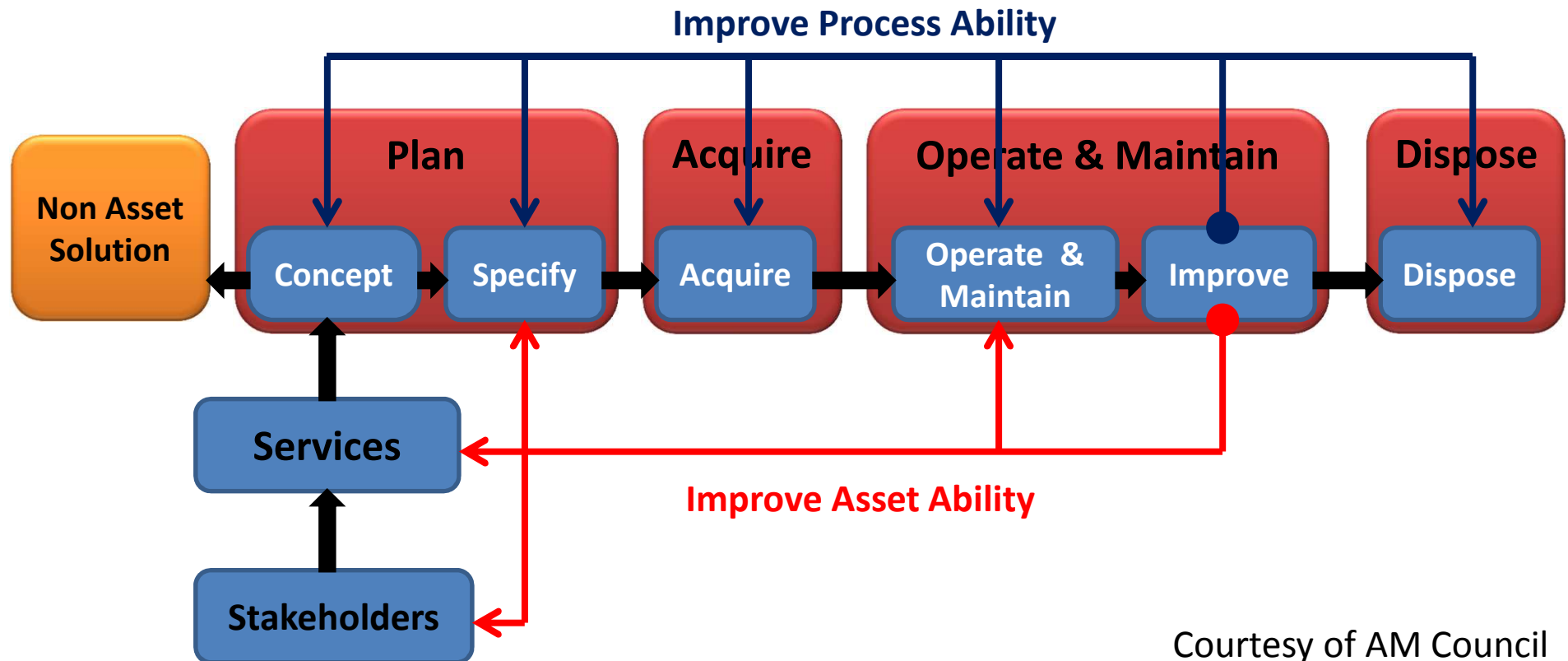
Leveraging on Well Placed Sectors

Higher income for business owners and employees

Selected Sectors - Non Exhaustive List



THE ASSET LIFE CYCLE



Courtesy of AM Council

PROPOSED CONCEPTUAL ROADMAP FOR AFM DEVELOPMENT

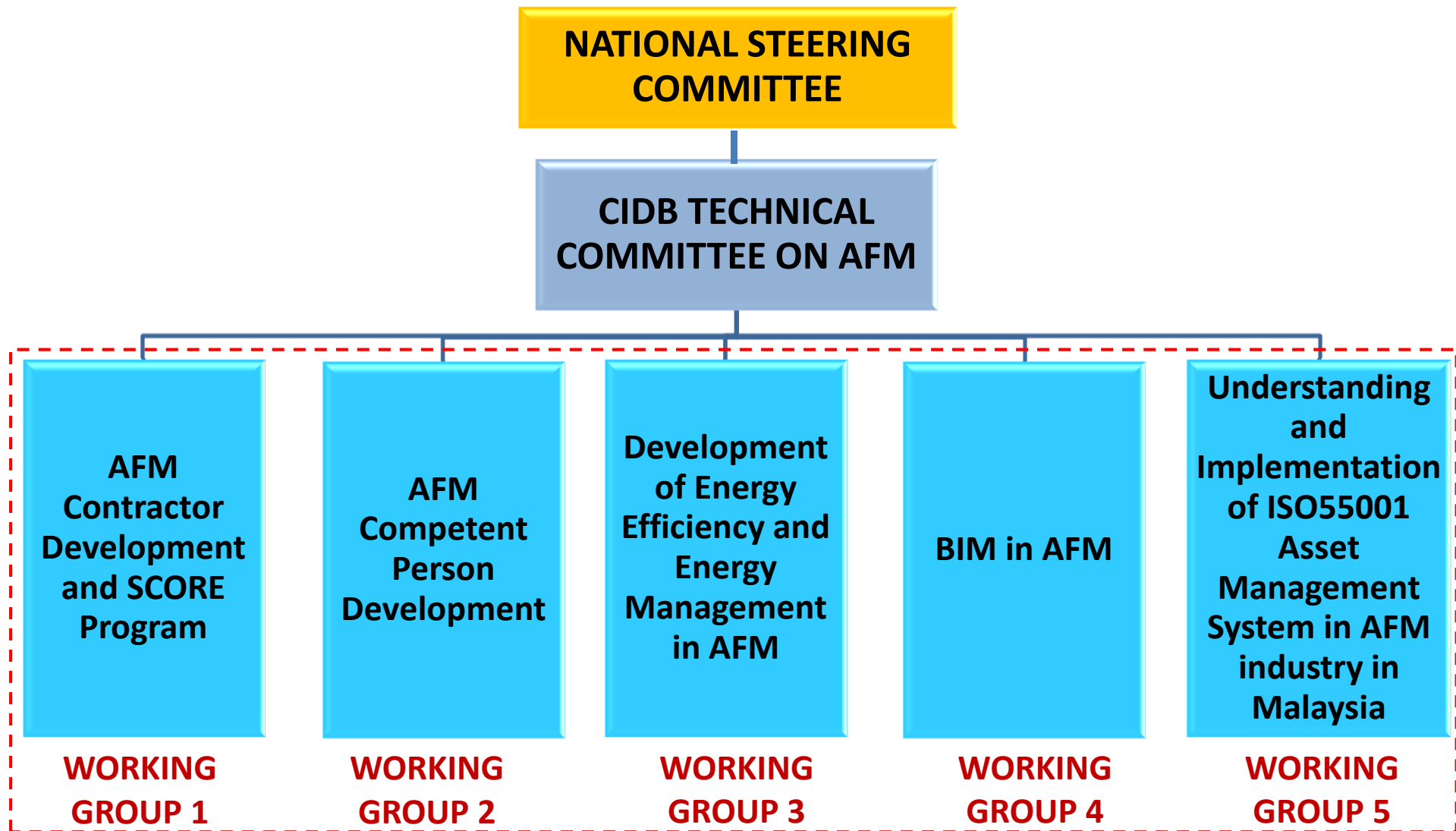
1. The Asset and Facilities Management has been identified as the major component in the services sector that has major overlapping with the construction industry .
2. The main objective of the roadmap is meant to guide the industry towards creating a sustainable new major area of economic growth and development in Malaysia.

AIMS & OBJECTIVES

- The proposed conceptual roadmap paves the way for the AFM industry in Malaysia is to be recognised.
- There is now a platform to establish the maturity of AFM market within its diverse vertical industries.
- Local AFM contractors can position themselves among international AFM players and in due course exporting their services.
- Malaysian AFM competent professionals can potentially export their services.



PROPOSED OVERALL ORGANISATION CHART FOR ASSET AND FACILITIES MANAGEMENT IN CIDB



PROPOSED COMMITTEE MEMBERS



| No. | Organization for Technical Committee Members |
|-----|--|
| 1 | Lembaga Pembangunan Industri Pembinaan Malaysia (CIDB) |
| 2 | Centre of Excellent, Unit Kerjasama Awam Swasta (UKAS) |
| 3 | Jabatan Kerja Raya (JKR) |
| 4 | Bhgn. Perkhidmatan Kejuruteraan, Kementerian Kesihatan Malaysia |
| 5 | Kementerian Pendidikan Malaysia |
| 6 | The Malaysian Asset and Project Management Malaysia (MAPMA) |
| 7 | Biomedical Engineering Association of Malaysia (BEAM) |
| 8 | Persatuan Kontraktor Melayu Malaysia (PKMM) |
| 9 | Persatuan Kontraktor Penyelenggaraan Dan Perkhidmatan Bumiputera Malaysia (PKPP) |
| 10 | Malaysian Association of Facility Management (MAFM) |
| 11 | Persatuan Kontraktor Jentera Melayu Malaysia (PKJMM) |
| 12 | Universiti Sains Malaysia (USM) |
| 13 | Universiti Teknologi Malaysia (UTM) |
| 14 | Universiti Teknologi Mara (UiTM) |
| 15 | Jana Tanmia Resources Sdn Bhd |
| 16 | Faber Group Berhad |
| 17 | Radicare (M) Sdn Bhd |
| 18 | Medivest Sdn Bhd |
| 19 | Vamed Healthcare Services Sdn Bhd |
| 20 | Cyberview Sdn Bhd |
| 21 | Triple Electronic Sdn Bhd |

THE FIVE-YEAR PROPOSED CONCEPTUAL ROADMAP FOR ASSET FACILITY MANAGEMENT

1

The AFM Contractor track record

2

ISO Quality management accreditation with ISO 9001

3

ISO Quality management accreditation with ISO 55001; on the Asset Management System.

4

The AFM SCORE
(capacity & capability evaluation program)

5

The AFM Competent person certification
& accreditation program

AFM COMPETENT PERSON

1

AFM Contractor must hire AFM competent persons

2

There must be enough competent persons

3

The AFM Competent Persons must be of quality i.e they achieved a certain level of competency

4

Therefore three (3) Routes for Recognition of AFM Competent Persons are proposed

Route 1: Recognising AFM Qualifications achieved from Internationally renowned organisations

- Professional bodies

- [IFMA](#)



- [BIFM](#)



- [AMC](#)



- [IAM](#)



- Certification levels & Designation

- Facility Management Professional/ Certified Facility Manager/Sustainable Facility Professional
 - Facilities Manager/ Facilities Director
 - Certified Associate Asset Manager / Certified Practitioner
 - IAM Certified / IAM Diploma

Route 2: Recognising the Locally-run AFM Competency Programme



- Recognising AFM Qualifications from Higher Education Institutions such as USM, UM , UiTM and UTM
- Recognising AFM Qualifications from AFM Professional Associations accredited by CIDB

Route 3 : Proposed AFM Competent Person Training and Certification Program

- Qualifications achieved through AFM Competent Person Training and Certification Programme

| Proposed AFM Competent Person Training and Certification Program | | | | |
|--|--|--|--|---|
| Credentials | AFM Supervisor | AFM Associate | AFM Certified | AFM Fellow |
| Entry Level/Minimum Requirement | Vocational Certificate & 3 years working experience <i>Any person is allowed to take the exam but the FM Supervisor credential will be awarded upon acquiring a minimum of 3 years experience</i> | Diploma & Qualified Chargeman with high voltage/restriction (MASCO 74121) or Electrical Chargeman R17 (MASCO 74122); with 5 years working experience | Degree certificate and 5 years working experience in built environment field | Degree certificate & 10 years working experience in built environment field |
| Core competences** | Operations & Maintenance, Managing resources, Leadership | Facility Management Theory, Operations & Maintenance, Finance & Business, Project Management, Facility Management Practice, Asset Management, Use & Performance, Leadership & Strategy | Facility Planning, Environmental issues & Sustainability, Space management | Managing working environment & business continuity |
| Training period | 5 Days | 5 Days | 2 Days | - |
| Training Mode | Classroom | Classroom | Classroom & research | Management Research |
| Evaluation Mode | Exams | Exams | Exams & Case Study | Project Paper |
| | | | | |

**** adapted from IFMA & BIFM versions**

The Way Forward

1

- Gaining recognition and supports from relevant agencies

2

- Firm up committees

3

- Identify competency gaps & formulate and implement AFM personnel development program

4

- Consult key stakeholders

CONCLUSIONS

1. The maturity of AFM society / association in Malaysia will be achieved as a consequence of the pre-qualification arrangement and from the certification of AFM contractors at different levels of competencies and capabilities.
2. This will allow or open up more options for demand organisations to select suitable AFM Contractors which by then have been duly evaluated through the pre-qualification guidelines by CIDB. Conversely, AFM contractors themselves compete on a healthy level playing field.

CONCLUSIONS

3. As a matter of course, there will be a general approval throughout the industry based on the performance of these local AFM contractors in carrying out their responsibilities over their assets and facilities, since the companies are evaluated and rated through AFM SCORE program.

CONCLUSIONS

4. These practices will be closely studied and examined and in due time presented at local and international conventions among the AFM fraternity. Another positive outcome from the roadmap is the recognition and reputation Malaysian AFM businesses will enjoy locally and internationally.

CONCLUSIONS

5. It has been reported through a market research that the FM market in the UK has a sectoral contribution up to 1.2 % of their GDP and 2.1% of total employment. We are projecting to achieve proper development of AFM program which would give similar benefits to Malaysia.

CONCLUSIONS

6. Another positive outcome from the roadmap is the recognition and reputation Malaysian AFM businesses will enjoy locally and internationally.
7. Our locally accredited AFM training and certifications programmes certified by CIDB will train our local professionals so they can be on par with global standards AFM competencies requirements. These professionals will form the initial ready stock of AFM Competent Person that are highly marketable locally and internationally.

CONCLUSIONS

8. Therefore through this proposed conceptual roadmap, this is construction industry contribution towards a better quality of life for the people of Malaysia and help government to realise a Higher Income Society, Sustainability and Inclusiveness as set out in the New Economic Model (NEM) by our Prime Minister.



THANK YOU

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