



OPENING SPEECH

YB DATUK AMAR DOUGLAS UGGAH EMBAS

**DEPUTY PREMIER, SECOND MINISTER FOR FINANCE AND NEW
ECONOMY MINISTER FOR INFRASTRUCTURE AND PORT
DEVELOPMENT SARAWAK**

FOR

**SIGNING CEREMONY
MEMORANDUM OF UNDERSTANDING (MOU)**

BETWEEN

**STATE FINANCIAL SECRETARY'S OFFICE SARAWAK
AND
CONSTRUCTION INDUSTRY DEVELOPMENT BOARD (CIDB)**

14TH JULY 2023

(Speech Duration: Approximately 15 minutes)

Salutation:

Salam Sejahtera dan Salam Sarawakku Sayang

- i. Yang Berbahagia
Dato Sri Dr. Wan Lizozman Bin Wan Omar
State Financial Secretary

- ii. Yang Berbahagia
Datuk Ir. Ahmad' Asri Bin Abdul Hamid
Chief Executive of Construction Industry Development Board
(CIDB)

- iii. Heads of Departments

- iv. Members of the Contractors and Consultants Association

- v. Members of the Press and Media

- vi. Ladies and gentlemen

Terlebih dahulu, ucapan terima kasih kepada Pihak CIDB di atas kerjasama dalam menjayakan majlis tandatangan MOU ini.

1. In recent years, the construction industry in Sarawak has experienced significant growth. One of the reasons for this significant growth is due to the State government's initiatives and investment in large-scale infrastructure projects. This includes infrastructure like roads, bridges, water supply systems, telecommunications, and many other infrastructures. These large-scale infrastructure projects are aimed to develop reliable and high-quality infrastructure across the State to support economic growth and improve the quality of life of the people.

2. Infrastructure development projects are typically large and complex, often involving significant investments of time, money, and resources. These projects require specialized skills and expertise to plan, design, and execute effectively. Thus, good and reliable contractors play a crucial role in the successful implementation of infrastructure development projects by bringing a range of important qualities to the table.

3. As you all known, State Financial Secretary's (SFS) Office is the authority to register contractors that would enable them undertake government projects. Contractors who wish to participate in government projects are required to be registered with Unit Pendaftaran Kontraktor Dan Juruperunding (UPKJ) of the SFS's Office.

4. Initially, the function of UPKJ is to register contractors, suppliers, and consultants who are interested to participate in State Government tenders and quotations. By the current year, UPKJ has registered a total of five thousand four hundred and two (5402) contractors under the Works Category, mainly to undertake physical projects. Among the registered contractors, four thousand six hundred and twenty-four (4624) or eighty five percent (85%), are Bumiputera contractors.

5. UPKJ will continue to monitor contractors' performance, and compliance to ensure that registered contractors maintain the standard and quality that has been set-off. At the same time, SFS's Office has also established Jawatankuasa Penilaian Tindakan Tatatertib (JPTT) to impose disciplinary actions against defaulted contractors. Among the disciplinary actions that can be taken against the defaulted contractors are; cancellation of the registration and blacklisting of the company's shareholders and directors.

6. To achieve the State vision of world-class civil service and providing excellent service delivery, SFS's Office has embarked on initiatives to transform UPKJ since 2020 by enhancing its roles, functions, structures, and work processes. Among the measures are :

- Fully-online registration to ease and speed up the applications process;
- Business processes engineering to simplify and streamline the internal processes;
- Online interviews to facilitate and expedite the registration for Bumiputera Status, and to eliminate the hassle for contractors to attend in person; and
- Expand customer's communication channel technical assistants through WhatsApp hotline;

These initiatives are aimed to create a business-friendly environment and ensure the transparency of the contractors' registration processes. In 2022, the registration processes have received the MS ISO 9001:2015 certification.

7. The initiative to enhance the registration rules and procedures have been carried out to improve the registration requirements to filter contractors from the beginning of the application. Various agencies have been involved and taking part in these initiatives such as JKR, DID, JBALB, RECODA, CIDB, MOF , professional bodies, and others. The enhanced registration rules and requirements include the evaluation of contractors' financial standing, technical expertise, and experience required for the registration.

8. In regards to the development of contractors, SFS's Office through Unit Pembangunan Kontraktor Dan Pembekal (UPKP) has implemented various initiatives to support the growth of local contractors by implementing various training programs to develop and improve the skills of Bumiputera contractors. Besides that, SFS's Office in collaboration with Sarawak Economic Development Corporation (SEDC) also provides machinery, equipment, and materials to assist small-scale contractors and suppliers in starting their business.

9. At the Federal level, our counterpart CIDB Malaysia has been established earlier to execute the function to register and monitor contractors as well as construction activities. CIDB serves clear and more extensive function which is not limited to the area of registration of contractors and monitoring only but also includes the registration and accreditation of construction personnel, training and development of contractors, research and development for the construction industry. Apart from that, CIDB also has a comprehensive database to execute their functions effectively. Their system, Centralised Information System Management (CIMS) has been integrated with various agencies such as Companies Commission of Malaysia (SSM), National Registration Department and some other departments to better keep track of the contractors' record.

10. To achieve its transformation objectives and ensure continuous improvement of contractors' registration, performance and development, SFS's Office needs a strong partnership with organizations in the construction industry. Since CIDB has been well established, we believe that a partnership with CIDB should be fostered to bring us to the next level of performance. From this partnership, we will form a strategic alliance for knowledge and information exchange, and sharing expertise to regulate both authorities' functions effectively. The strategic alliance will cover the area of ;

- The contractors' registration;
- Contractors' monitoring and compliance;
- Development and training programs for contractors;
- Sharing and exchanging information through system integration; and
- Any other engagement, activities or initiatives related to construction industries.

11. Partnership in the registration of contractors is mainly to ease the process of contractors' registration and to promote Good Regulatory Practice (GRP) in the registration process. For information, CIDB's Perakuan Pendaftaran Kontraktor (PPK) registration is a prerequisite to contractors' registration under UPKJ. Taking the opportunities from the fully online registration that has been implemented, UPKJ will ride-on CIDB's Malaysian Contractors Portal (MCP) for the registration of contractors. With this, common information from for both (CIDB and UPKJ) registration can be transferred from MCP to Online Application Module (OLAM) which is used by contractors to apply for UPKJ registration in the State. This would eliminate duplicate data entry processes which are time-consuming and ensure data is valid since CIDB's system also has been integrated with other systems where the true source of information originated.

12. For contractors' monitoring and compliance, SFS's Office and CIDB will share and exchange information on contractors' adverse reports and disciplinary actions. This will be done through system integration and collaboration on related programs for monitoring initiatives. The sharing of information by UPKJ and CIDB will help to ease and facilitate the detection of non-compliance among contractors who defaulting the rules. This will also become a source of reference for State implementing agencies in determining good contractors to undertake the projects.

13. Besides that, sharing and exchanging information through system integration between UPKJ's system for contractors registration and CIDB's MCP will supply necessary information such as:

- Contractor profiles;
- Project details;
- Contractor Continuous Development (CCD) points;
- Performance reports which include the SME Competitiveness Rating Enhancement (SCORE) and Micro Competitiveness Rating for Enhancement (MCORE), and
- Any other relevant information

Under the State system, all this information will be made available in the Contractors & Consultants Registration and Rating Information System (CoRRIS).

14. The SFS's Office and CIDB will also collaborate in facilitating and managing capacity-building and training programs for contractors. This includes developing the capacity and capability of Bumiputera contractors or potential contractors with emphasis of professionals, supervisory skills, skilled workers and as well as fresh graduate. This training will help to increase the number of skilled and competent Bumiputera contractors in various fields.

15. Last but not least, SFS's Office and CIDB will continue to explore other areas of collaboration related to the construction industries to further develop more resilient, quality, and competitive contractors.

16. I hope this strategic alliance, it will promote efficiency, effectiveness, and transparency in the contractors' registration processes, provide a more innovative and effective way to monitor the contractors, develop the skills of local contractors, and bring the construction industry in Sarawak towards world-class standard and performance.

17. Thank you.