



Kelab Taman Perdana DiRaja Kuala Lumpur  
(Royal Lake Club)

**Private & Confidential**

# **Report of the Tender Committee**

Strictly for Members of  
Kelab Taman Perdana DiRaja Kuala Lumpur

# Tender

## Members of the Tender Committee

### Chairman

Ar Sr Tpr Akbal Singh Sandhu

### Deputy Chairman

Mr Logarajah Subramaniam

### Members

Mr Edmond Foo Chee Tuck

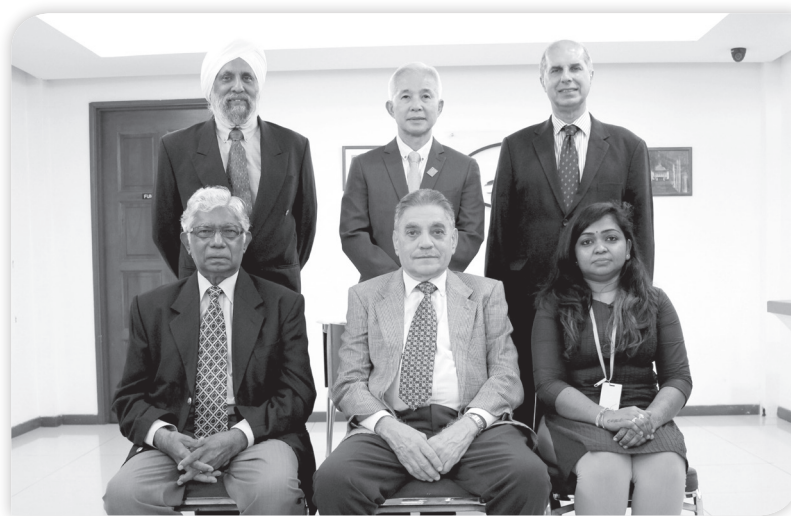
Mr Dalbir Singh Tara Singh

Mr Jagjit Singh Gill

### Management

Mrs S Sivaneswary (Executive Secretary)

Ms Chandrakala Manickam (Clerk)



#### Sitting from left:

Mr Logarajah Subramaniam (Deputy Chairman),  
Ar Sr Tpr Akbal Singh Sandhu (Chairman), Ms Chandrakala Manickam

#### Standing from left:

Mr Dalbir Singh Tara Singh, Mr Edmond Foo Chee Tuck, Mr Jagjit Singh Gill

The General Committee at its meeting on 17 January 2018 appointed the Tender Board Committee (TC).

The TC met on five (5) occasions in 2018:

1. 26 January 2018
2. 17 August 2018
3. 14 September 2018
4. 5 October 2018
5. 26 October 2018

The TC Chairman, Ar. Sr. Tpr. Akbal Singh Sandhu briefed the GC on 21 March 2018, the salient points of which are:

1. The Chairman of the Sub-committee overseeing a Tender exercise should be present at the relevant TC meeting to provide clarification to the TC.
2. All areas of tenders should have clear description of the Scope of work require of the service to be provided as well as the objective and aims to meet the requirements of the Club.
3. The Chairman of the sub-Committee must be able to justify the need in his recommendations to the TBC

The **primary functions of the TC** are:

- To determine that proper financial and administrative **procedures are adhered** to as per the prevailing Procedures, in the procurement of goods works and services.
- To receive, consider and **make decisions on the respective recommendations from the Sub-**

**Committee and the Management** for such goods, works and services in terms of “value for money”.

- To **make recommendations to the General Committee on the award of contracts** for the procurement of goods, works and services.

During its tenure, the TC was requested to consider the evaluations and provide its recommendations for the following Tenders:

1. Pest Control Services
2. Service & Maintaining Air Conditioning System
3. General Laundry Service
4. Staff Uniform
5. Hair Salon

The TC found that adherence to the prevailing RLC procurement procedures were weak, the quality of analysis by Management and/or Sub-Committees should be at a more satisfactory level and that the recommendations for award of contracts that were presented to the TC should be clear and supported by facts and figures.

The TC’s advice is that the GC should pay more attention to the Report of the Tender Committee for 2016/2017 which made the following observation:

*“The general tender procedure is ineffective and allows for the possibility of manipulation. The Tender Documents are not adequately prepared. It does not protect the Club’s interest. It allows for too much to be in favour of the Vendors/Contractors.*”

*The Tender Committee recommends to the General Committee that all future documents for tendering must be vetted by a professional and independent body or experienced Senior Members with upright integrity."*

Specifically, the GC/Management should endeavour to address the following issues:

1. Staff should be trained to understand the intention and spirit of the Tender procedures as it appears that they seem to adopt a lackadaisical attitude. For instance, the TC found that there are two locks on the Tender Box, and both the keys were held by the same junior personnel from the Procurement Department. This weakness can be overcome by proper and clear instructions.
2. The Procurement department Staff should also endeavour to make better analysis of the tenders received and to ensure that amount of earnest money required to accompany every bid is properly determined. It was found that in one of the Tender exercise, a contract with a higher bid value provided a cheque for a lower amount than the bid that had a lower value. The Staff in charge did not pick this up and were not aware of this fatal flaw (and the bidder therefore should have been disqualified); neither did the staff know whether he/she was allowed to communicate and request the bidder to top up the earnest money quantum. This clarification must be made known to the staff by the procurement department however, if a bid is not accompanied by a cheque for the earnest money, then that bidder should have been disqualified as per tender rules.
3. Raw data and basic information was presented to the TC with little or no analysis. Hence the Bids were not compared on a like for like basis. Some prices were on a per piece basis and some on a lump sum basis.
4. Due to the limited analysis and raw information provided, the rationale for the ranking of bidders was non-existent. In some instance the rationale for recommending the award to the preferred bidder was that "the bidder is the incumbent service provider and is doing a good job". Such practice goes against the prevailing tender procedures and made tender exercise futile.
5. The TC was often informed that clarification meetings have been held with the bidders. However the staff presenting or on duty was unable to provide any information on what was discussed with the bidders and neither the notes nor minutes of the clarification meetings if any made available to the TC.
6. Despite the TC Chairman having addressed the GC at one of its meeting, none (save for one occasion) of the relevant Sub-committee had endeavoured to attend the TC meeting to provide further information and clarification. The management staff that attended could only provide administrative support and did not appear to have been involved in the bid evaluation simply due to their limited experience or exposure on such matters.
7. As the value of a bid is intricately tied to the terms of providing the services (as contained in the fine print of the contract), it is pertinent that the TC be appraised of the terms of contract for the services being procured. The Management's response had been, that the contract would be negotiated AFTER the award is finalised. Such thoughts are not consistent with current good practices and **the TC therefore recommends that** a draft standard form contract be included in all Tender packages henceforth and that the Bidders be required to mark up the draft contract should they wish to deviate from it or acknowledge that they agree with the terms of the standard form of contract.
8. Finally, the TC recommends that the GC should endeavour to provide feedback on the award of contracts that have been subject to the Tender exercise and which have been deliberated by the TC, notwithstanding that the RLC tender Policies and Procedures provide that *"The General Committee is not obliged to accept any or all of the Tender Committee's recommendations. In any contrary decision, the General Committee shall document the reasons for not accepting the Tender Committee's recommendation and **inform** the Tender Committee and the Audit Committee accordingly"*.

# TENDER BOARD COMMITTEE

## Policies & Procedures

### 1. COMPOSITION OF TENDER BOARD COMMITTEE (TBC)

- 1.1 The ~~committee~~ TBC shall comprise a Chairman, a Deputy Chairman and not less than three (3) and not more than five (5) other members all of whom the General Committee shall appoint.
- 1.2 In the absence of the Chairman, the Deputy Chairman or in the absence of both the Chairman and Deputy Chairman, the members present shall elect a Chairman from among themselves for that particular meeting.
- 1.3 A simple majority of the members shall constitute a quorum.

### 2. FUNCTIONS

The ~~Tender Committee~~ TBC's functions are to:

- 2.1 Determine that proper financial and administrative procedures are adhered to in the procurement of goods, works and services.
- 2.2 Receive, consider and make decisions on the respective recommendations from the Sub-Committee and the Management for such goods, works and services in terms of "value for money".
- 2.3 Make recommendations to the General Committee on the award of contracts for the procurement of goods, works and services.

The General Committee is not obliged to accept any or all of the ~~Tender Committee~~ TBC's recommendations. In any contrary decision, the General Committee shall document the reasons for not accepting the ~~Tender Committee~~ TBC's recommendation and inform the ~~Tender Committee~~ TBC and the Audit Committee accordingly.

# TENDER BOARD COMMITTEE

## Policies & Procedures

### 3. QUOTATION ~~OR~~ TENDERS

Rules and procedures for the procurement of goods, works and services:-

#### 3.1 General

- (a) The Management is required to follow the current guidelines prescribed ~~by the Tender Committee in the Policies & Procedures~~ unless otherwise authorized by the ~~Tender Committee TBC~~ in writing.
- (b) Except for the procurement of non-recurrent casual items below RM8,000/- all purchases in excess of RM8,000/- to RM20,000/- shall be obtained through quotations.
- (c) Supplier from the existing Master List must be invited to quote for the procurement not exceeding RM20,000/-. The Master List shall be reviewed and updated every six (6) months by the Purchasing Department. The validity of suppliers and contractors on the Master List is one (1) year. Subsequently, a Pre-Qualification Exercise is required to update the Master List. The
- (d) Invitation for the procurement of goods, ~~purchases,~~ works and services in excess of RM20,000/- shall be obtained through competitive tendering.
- (e) The Purchasing department shall be responsible for ~~invitation tenders~~ inviting tenderers to bid. Requesting Department and the relevant Sub-Committee may, however make recommendations to the Purchasing Department regarding supplier/contractors whom they may consider suitable.
- (f) Any supplier/contractor who does not respond after three (3) consecutive occasions without good reason shall be deemed to be disinterested in participating in future Tenders/Quotations and shall accordingly be deleted from the Master List.
- (g) Subject to 4.2, subdividing of procurement of goods, works or services which in the aggregate will bring the cost of the transactions concerned in excess of the specified limits in 3.2 are prohibited.
- (h) No under circumstances should the procurement of goods and services be broken in to any sub items to accumulate the establish total cost given in the TBC Policies & Procedures

# TENDER BOARD COMMITTEE

## Policies & Procedures

### 3.2 Invitations for Quotations and Tenders

3.2.1 For ~~Purchases~~, Procurement of Goods, Works and Services in excess of RM8,000/- and up to M20,000/-

- (a) It shall be sufficient for the Management to ~~contract~~ contact potential suppliers/contractors by email, any messaging service (like WhatsApp), telephone and/or fax, inviting them to quote.
- (b) The Management shall obtain quotations from at least three suppliers/contractors, wherever possible except where special circumstances warrant a deviation from this principle, the Management shall document the reasons for doing so and inform the Tender Board Committee as soon as possible.
- (c) Supplier/contractors shall be allowed at least one (1) week to submit their quotation.
- (d) A register shall be maintained for all quotations received in excess of ~~RM10,000/-~~ RM8,000/- per item.

3.2.2 For ~~Purchases~~, Procurement of Goods, Works and Services in excess of RM20,000/-

#### **TENDER with Pre-Qualification Exercise**

- (a) The Purchasing Department shall prepare the necessary invitation letter specifications and forms for ~~issue~~ to all supplier/contractors ~~after the Pre-Qualification Exercise~~.
- (b) Supplier/contractors who are to be invited to tender shall be contacted by email, any messaging service (like WhatsApp), telephone, fax and / or registered mail.
- (c) Supplier/contractors shall be allowed at least two (2) weeks to submit their tenders.
- (d) Where the Club ~~may~~ requires drawings, technical data, etc., it shall seek professional advice or appoint a consultant, if necessary, prior to the tender exercise.
- (e) Supplier/contractors shall submit tenders in a sealed envelope properly labelled showing the procurement quoted for.
- (f) The Management ~~is to~~ shall ensure that all suppliers/contractors ~~must~~ be pre-qualified prior to tendering.

# TENDER BOARD COMMITTEE

## Policies & Procedures

### 3.2.3 For sports facilities

The design and specifications must be fit for the purpose and must comply with the relevant National Bodies' standards/requirements, where necessary.

### 3.3 Procedure for Tenders:-

#### 3.3.1 The requesting department shall comply with the following conditions:

(a) Forward detailed and complete specifications with an estimated cost to the Purchasing Department. The Management ~~is to~~ shall highlight to the ~~Tender Committee~~ TBC ~~when~~ where the quoted prices deviate from the estimated cost.

~~(b) Obtain budget TBC approval.~~

~~(c)~~ (b) Submit Technical Sub-Committee's and ~~Honorary~~ Consultant's recommendations (where appropriate).

#### 3.3.2 The Management shall specify the following:-

(a) Validity period of tenders – not less than six (6) weeks. The Management ~~is to~~ shall seek ~~Tender Committee~~ the GC's approval when special circumstances require non-compliance ~~to~~ of the six (6) weeks rule.

(b) Time of Delivery to be stated in tender.

(c) Prices ~~are~~ should be inclusive of installation, handling and transport charges, government tax ~~and~~ etc.

(d) Documents fees where appropriate shall apply.

(e) Liquidated Damages shall be imposed for late deliveries. ~~of item and delays.~~ The quantum shall be specified in the contracts documents.

(f) Discount: e.g. Cash Payment/Terms or Early Bird Payment

(g) Mode of Payment.

(h) The Tender documents must include a draft contract stipulating all the pertinent terms and conditions for the procurement in question. The Tenderer must make an unqualified statement that it is prepared to enter into contract with the RLC on the terms and conditions specified, or if the tenderer wishes to propose any amendments to the terms and conditions specified then the tenderer must mark-up the draft contract indicating the proposed deviations. These deviations shall be taken into consideration when evaluating the proposed Tender.

# TENDER BOARD COMMITTEE

## Policies & Procedures

### 3.3.3 Pre-qualification Exercise

~~In essence, the fundamental purpose of the tendering process is in tandem with other contract information process.~~

~~There are:- Objectives:-~~

- ~~• To select Shortlist suitable bidders~~
- ~~• To obtain from the bidders selected shortlisted, an acceptable offer upon which a contract can be let awarded.~~

This is necessary to select the right sort of appropriate bidders in the right number to submit their bids. In the exercise, invitations to participate should require the bidders to provide information details such as technical experience, managerial resources, etc. Refer to Form A1 "Prequalification of tenderers".

- The results of the pre-qualification exercise must be presented to the TBC and its approval must be obtained from the GC before the Tender Documents are distributed to the pre-qualified bidders.

### 3.3.4 Earnest Money – Procurement of Goods, Works and Services

(a) For the above procurement in excess of RM20,000/- all tenderers are required to deposit Earnest Money equal to 5% of the tender value. ~~as retention money until issuance of Certificate of Practical Completion.~~ For each tender exercise, the precise amount of the Earnest Money required shall be indicated, calculated by the management based on the estimated value of the Tender prior to the tendering exercise.

(b) This sum is refundable to ~~successful~~ all tenderers (successful and unsuccessful) after the tender has been awarded to and accepted by the successful tenderer.

~~(c)~~ (c) All tenderers are required to submit Earnest Money in the form of a Banker's Cheque or Bank Draft or electronic Transfer.

(d) ~~The full~~ If the full Earnest Money is not received together with the tender document, the ~~tenders~~ tenderer is to be disqualified.

### 3.3.5 Performance bond and retention money for works contracts exceeding RM100,000/-

(a) The Successful tenderers will lodge upon its appointment ~~a place~~ a the Performance Bond equal to 5% of the value of works until the expiry of the defects liability period.

(b) The Management will retain 5% of all progress payments ~~for the works contracts~~ as Retention Money.

(c) The ~~r~~ Retention ~~m~~ Money will be refunded to the contractor upon expiry of the Defects Liability Period.



# TENDER BOARD COMMITTEE

## Policies & Procedures

- 3.3.6 Samples, where appropriate, must be supplied free of charge, which may or may not be returned to the tenderer at the discretion of the Management.
- 3.3.7 The Management must execute a formal contract for ~~the all~~ procurement of goods, works and services in excess of RM20,000/- with the successful tenderer, based on the draft contract issued to the tenderer and the exceptions highlighted by the tenderer if any.
- 3.3.8 The Management shall review all purchases and service contract six (6) months prior to the expiration date where a new set of quotations or tenders are required. Three (3) months if only a renewal is required.
- 3.3.9 The Management is to give all tenders the widest publicity possible unless otherwise decided upon by the General Committee/~~Tender Committee~~. ~~The Management will also invite potential tenders to participate in the tender exercise. The notice of invitation to all tenderers to bid shall be advertised in at least one national newspaper that has a wide circulation.~~ The Management shall designate an official Notice Board that is placed at a conspicuous place within the club for easy viewing by members. ~~All tenders and quotation are to be published on the Notice Board and Club's Website. The invitation for all tenders/quotations shall also be published on the Club's website.~~

#### 4. AUTHORITY TO PURCHASE

- 4.1 The Management is encouraged to enter into contracts for specific periods in respect of recurrent purchases and maintenance services ~~not provided~~ by the Club.
- 4.2 Where a contract for a specific period is not appropriate, the Management may undertake the purchase of single items or classes of related items involving an aggregate annual expenditure not exceeding RM20,000/-. No local purchase orders shall be split to avoid the value limits imposed for calling of tenders/quotations.
- 4.3 The Management shall call tenders for any purchase of single items or classes of related items involving an aggregate annual expenditure in excess of RM20,000/-. The Management may, where circumstances warrant it, resort to restricted tendering / quotations and shall ~~notify seek~~ the ~~Tender Committee before hand~~ prior approval of the ~~before hand~~ GC.

# TENDER BOARD COMMITTEE

## Policies & Procedures

### 5. SUBMISSION OF TENDERS

(For procurement of Goods, Works and Services purchases and works in excess of RM20,000/- ~~and above~~)

- 5.1 All suppliers/contractors shall deposit their tenders in the locked Tender Box placed at the General Manager's office.
- 5.2 The General Manager and the Purchasing & Admin Manager shall hold separate keys to the Tender Box.

### 6. SEALING OF TENDER BOX

The Box shall be sealed at 5.00p.m. on the closing date for each Quotation/Tender exercise.

### 7. OPENING OF TENDER BOX

The General Manager and the Purchasing & Admin Manager shall open the Tender Box in the presence of the Chairman of the relevant Sub-Committee who shall be a member of the General Committee or one of the members of the General Committee. An invitation shall be sent to the Audit Committee who may send a representative to witness the opening. The Management shall inform all the parties one week prior to opening of the Tender Box.

### 8. PROCESSING OF TENDERS OR QUOTATIONS

- 8.1 The Club shall process all tenders submitted even if only one tender was received.
- 8.2 It shall be the responsibility of the Sub-Committee concerned to study and evaluate Tenders/Quotations received and to make recommendations to the ~~Tender Committee~~ TBC according to the limits ~~(Form G)~~. (Form F – Sub-Committee Recommendation).
- 8.3 The General Committee and Sub-Committee shall consider such recommendations which is most advantageous to the Club considering all factors, including the costs of purchasing, operations, maintenance, power, fuel consumption, spare part, resale value and quality, where appropriate. The philosophy adopted for selecting supplier shall be “best value for money” and there is no obligation to award the tender to the lowest bidder.

# TENDER BOARD COMMITTEE

## Policies & Procedures

8.4 Members of the ~~Tender Committee~~ TBC, the General Committee, Sub-Committee members, the General Manager, Heads of Department and any other persons handling tenders or quotations who have any interest in the tenders or quotations, shall declare their interest. A “no conflict of interest” certificate shall be attached to all tender submission for approval.

### 9. SUBMISSION TO ~~TENDER COMMITTEE~~ THE TBC

Tenders or quotations submitted for the consideration of the ~~Tender Committee~~ TBC shall be accompanied by the following documents:-

- (a) Tender/Quotation Checklist
- (b) Form A - Tender/Quotation  
Specification/Description
- (c) Form A1 - Pre-qualification ~~or~~ of tenderers
- (d) Form B - Tender/Quotation I  
Invitation/Advertisement  
List and List of Suppliers
- (e) Form C - Tender/Quotation Opened and schedule of Tenders Received.
- (f) Form D - Technical Advice (where necessary)
- (g) Form E - Recommendations by the General Manager (where necessary)
- (h) Form F - Recommendations by the Sub-Committee (where necessary)
- (i) **Form G - Certificate of Compliance**

(The General Manager will certify that the compliance of administration procedure of proper purchasing documentation, choice of best short listed tender, comparison to preset list of supplier, prices and warranties are followed accordingly to the checklist given)

### 10. EVALUATION OF TENDERS OR QUOTATIONS AND APPROVALS

#### 10.1 Not more than RM8,000/-

The General Manager staff shall evaluate and approve all budgeted purchases not exceeding RM8,000/-.

# TENDER BOARD COMMITTEE

## Policies & Procedures

### 10.2 In Excess of RM8,000/- up to RM20,000/-

~~A Quotation Committee comprising of the relevant Sub-Committee Chairman, the General Manager with the assistance of the SC Sub-Committee Chairman and the Department staff Head shall evaluate and approve quotations between RM8,000/- and RM20,000/- .~~

### 10.3 In Excess of RM20,000/-

~~The Tender Committee shall evaluate all quotations for purchase in excess of RM20,000/- and submit its recommendation to the General Committee. All tenders received in excess of RM20,000 shall be evaluated by the Management and the Sub-Committee before submitting to the TBC for its considerations.~~

~~10.4 All tenders received in excess of RM20,000 shall be evaluated by the Management and the Sub-Committee before submitting to the Tender Committee TBC for its considerations. The Tender Committee recommendation shall be submitted to the General Committee for their approval and further action.~~

## 11. TENDER OR QUOTATION AWARDS

11.1 The ~~Tender Committee's~~ TBC's recommendations for Quotations or Tenders in excess of RM20,000 shall be forwarded to the General Committee for their approval and further action. ~~The award shall be made by the Management.~~

11.2 ~~The Tender Committee reserves the right not to accept the lowest or any tender including parts of tender.~~

## 12. BOARD OF SURVEY FOR DISPOSAL OF ASSETS

12.1 The General Manager shall appoint a Board of Survey (Club's Management Executives) comprising three persons to examine, check and report on unserviceable, defective or obsolete ~~items~~ assets of the Club.

12.2 The Board of Survey shall convey their recommendations to the ~~Tender Committee~~ TBC for consideration and decision prior to any disposal.

~~This section should become the responsible of procurement department and sanctioned by the Ge~~

~~GC.2010.13 (09/06/2010) GC.2018.~~ \_\_\_\_\_