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Q&A—On QLASSIC, Defect Inspectors and Vacant Possession

The Quality Assessment System for Building Construction Works (QLASSIC) is a quality system to objectively assess the standards of building construction work in Malaysia. There are however, some contentious issues on its scope and usage of late. MBJ held a Q&A with several key industry players to help provide further clarity for all stakeholders.



Mohammad
Farid A. Hamid
General Manager
in Safety & Health,
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Q: What is QLASSIC? Is this a tool developed for house unit vacant possession inspection?

A: QLASSIC is a tool developed by the Construction Industry Development Board Malaysia (CIDB) using the Construction Industry Standard (CIS) 7:2021, enabling users to achieve any, or a combination, of the following objectives:

- a. To establish a standard assessment system for the quality of workmanship of building projects
- b. To assess the quality of workmanship of building projects
- c. To evaluate the performance of contractors on the quality of workmanship
- d. To benchmark the level of quality of the construction industry in Malaysia
- e. To compile data for statistical analysis

The CIDB QLASSIC Rating Scheme is intended to rate the conformance of the project according to standards and specifications. However, the responsibility of conformance to the contract is still the responsibility of the qualified persons.

OLASSIC Assessment for a project has to be registered in the QLASSIC Portal managed by CIDB and done after the issuance of Certificate of Project Completion (CPC) or at any time that the project is ready to conduct QLASSIC which must be declared by the consultant but before the vacant possession stage of the project. Results of the assessment must be registered in the same portal and a rating of the project issued to the contractor in a form of a OLASSIC Certificate, CIDB OLASSIC Assessment is not intended for single units, due to the need to set sampling parameters according to the Gross Floor Area (GFA) of the project.

Can homeowners apply QLASSIC (CIS 7) methods for defects checking during vacant possession? Is the developer or contractor legally or contractually bound to rectify non-compliances based on the CIS 7 checklist?

Homeowners may apply the CIS 7 methods to conduct defects checking during vacant possession, as the standard is a public document, and can be freely downloaded from CIDB website. The checklist of defects is applicable as a contract between homeowners and the developer. The applicability of the checklist, whether done using CIS 7 methods or otherwise, is entirely up to what is stated in the contract between the developer and the homeowners.

There has been some concern that 3rd party inspection reports are "weaponised" by certain stakeholders beyond the specifications in the building contract, what are your recommendations?

If the 3rd party in this context are not a party as described in the contract between the developer and buyer, the developer may challenge the validity of the inspection report. It is recommended that in the cases where the buyer intends to appoint another party to act as the buyer's agent in conducting the inspection, the developer must agree to the appointment, as the developer may be affected by the findings of the inspection done by another party.

The 3rd party inspection report must be accepted in the first place by the developer, because it is an official submission for defects during vacant possession, provided that all submission is in the proper manner as stated by the developer.

However, it is still entirely up to what is stated in the contract between the developer and the homeowners, and it is recommended that the developer set and define in the Sales and Purchase Agreement on what is categorised as defects, or they may want to focus on more relevant issues such as leakage or malfunction. The developer or consultant may also use CIS 7 as a reference to set tolerances based on the level of defect acceptance of their project.



Can a QLASSIC certified assessor work for homeowners to check for defects during vacant possession? Who is the best person (or rightful authority) to determine the defects of a project?

A QLASSIC certified assessor may conduct QLASSIC assessments when appointed to do so by CIDB and its appointed certification body. The assessed project has to also be registered in the QLASSIC Portal. Other than in these circumstances, the assessor is not recognised to conduct a QLASSIC assessment.

It is up to the homeowner to engage anyone on their behalf to check for defects, but the best person to determine the defects of a project is the person who designed the project in accordance with the specifications and as determined by the designer's clients. If the vacant possession has already been handed over to the buyer, then it is up to the contract between the developer and the buyer to state the tolerances and thresholds of what are deemed to be defects. Non-conformance to existing building laws and by-laws would be determined by the local authority.

Should the developer/contractor register the project to be assessed by QLASSIC, then CIDB or its appointed agents will conduct the QLASSIC assessment within the prescribed time frame agreed between CIDB and the developer/contractor.

The QLASSIC Guidelines for Homebuyers 2018 – we understand this guideline has been pulled from the CIDB website. Why is that?

The QLASSIC Guidelines for Homebuyers 2018 document is no longer valid or applicable under the reviewed CIS 7:2021.



Datuk Ho Hon Sang
Chief Executive Officer
of Mah Sing Group and
Deputy President of
Real Estate and Housing
Developers' Association
(REHDA) Malaysia

Can homeowners apply for QLASSIC (CIS 7) methods for defect checking during vacant possession? Is the developer or contractor legally or

contractually bound to rectify noncompliances based on CIS 7 checklist?

For CIDB, the use of the Construction Industry Standard (CIS 7), better known as QLASSIC, is solely for building workmanship rating purposes and is not intended to be used as specifications or compliance requirements. However, if parties to a construction contract agree to adopt CIS 7, then it would be binding. It should be noted that there is no mention of the requirement for QLASSIC in the standard Sales and Purchase Agreement (SPA) between developers and purchasers under Act 118, and its adoption is voluntary.

There has been some concern that 3rd party inspection reports are "weaponised" by certain stakeholders beyond the specifications in the building contract, what are your recommendations? Additionally, can QLASSIC assessors work for homeowners to check for defects during vacant possession?

It is the responsibility of the qualified person (Superintending Officer) to determine the quality of work in accordance with the standard

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specifications or requirements. Purchasers have the right to complain about the defects of the products and the qualified person would then make his judgement call in the event of any disputes. Nonetheless, it would be advisable to seek views from the Housing Tribunal of the Ministry of Local Government Development (KPKT) to decide whether the so-called 3rd party assessment report can be used for tribunal cases, as sometimes, the complaints raised could be beyond the reasonable limit/tolerance (e.g. zero hollow tiles).

Most construction works are carried out by manual labour, and as such, it is inevitable that the resulting workmanship can never achieve 100% perfection, such as zero hollowness in tiles, zero hairline cracks, and so forth. As long as safety is not compromised, variations should be expected. There must be some form of acceptable tolerances, which is recommended to be discussed with CIDB.



Tang Juang Yew MBAM Council Member and **Executive Director of** Al-Ambia Sdn Bhd

What is QLASSIC?

QLASSIC is a quality system devised and adopted by the construction industry sector to systematically measure and evaluate the accomplishment of workmanship quality for building construction works. It has been devised to assess the workmanship quality of various construction elements by a scoring system, which awards marks for quality achieved based on accepted and approved Construction Industry Standards (CIS 7).

The objectives of QLASSIC as developed by CIDB is to enable the quality of workmanship to be assessed objectively and serve as a benchmark within the construction industry. The assessment is through site inspections and primarily on the works that have been completed first and without any further remedies. Therefore, this system of evaluation of workmanship quality is not meant for the homeowners to use or apply during the stage of vacant possession to check for any defects.

Can homeowners apply QLASSIC?

The answer would be no. As explained in the previous question, it has also been confirmed by CIDB that homeowners should not use the OLASSIC (CIS 7) methods. This system was developed to be based on the sampling of 30% of the total number of units in a project for purposes of score calculation. I am not in a position to answer on behalf of the developer on the legality or contractual obligations between the developer and the house buyer. As for contractors, we are bound contractually by the contract provisions signed with the developer, and not the home buyer.

What is your advice to contractors?

My advice for contractors is: During the vacant possession stage, and if a home buyer employs a 3rd party inspector to check for defects based on QLASSIC (CIS 7), the matter should be referred to the project architect for an inspection, in order to confirm which defects actually require rectifications. In the event the home buyer refers this rectification of defects to the KPKT tribunal, you, as the contractor, would then be able to use the architect's defect lists to defend your company.



Ar. Anthony Lee Group Chief Operating Officer and Transformation Officer of Bina Puri Holdings Berhad and Managing Director of Architect Centre Sdn Bhd

PAM recently issued a Practice Note to its members due to concerns over the misuse of the QLASSIC benchmarking by 3rd party inspectors for single dwellings for post-vacant possession handover defects inspection reports. Your comments?

In a nutshell, the practice note was issued to clarify that the role of the architect

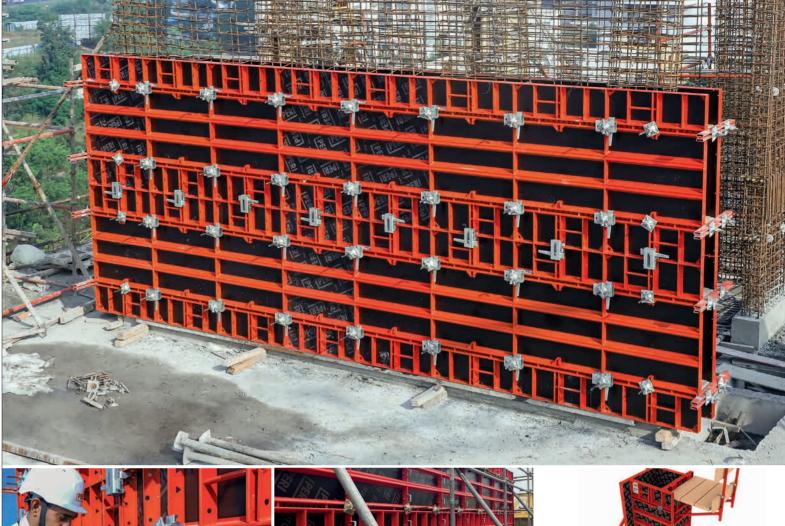


in determining what constitutes a building defect is always based on the standards and specifications stipulated in the specifications of the building contract. When a dispute arises over an alleged defect, the architect is bound by professional code to act as an independent professional and shall make an assessment based on the building contract, prevailing laws, and the approved building plans.

Property developers and homeowners should be clear about the objectives of the QLASSIC assessment to provide the construction industry with a benchmarking assessment rating tool for the quality of workmanship of building construction in Malaysia. When assessing individual projects, the QLASSIC score is given for the entire development through random sampling and does not pick up defects in every unit.

It must be emphasised that QLASSIC benchmarking does not form any part of Schedules G and H of the Housing Development (Control and Licensing) Regulations 1989, and is not stipulated in the 4th Schedule (Building Description) of the Housing Developer's Sales and Purchase Agreement. As such, vacant possession is not incumbent on the QLASSIC assessment benchmarking

Upon vacant possession under Schedules G and H, there is a 24-month defect liability period. During this time, the homebuyer of individual housing units may continue to report on defects, as some latent defects may only become apparent over a period of time.







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