

CERTIFICATE FOR OCCUPANCIES (CFO) AND CERTIFICATE OF COMPLETION AND COMPLIANCES (CCC): ARE CUSTOMERS SATISFIED?

Norisfarizan Binti Ismail

Azura Binti Ramli

Mohd. Izwan Bin Zahari

Jasmine Binti Ahmad

Universiti Teknologi MARA Shah Alam, Selangor, Malaysia
jasmi661@salam.uitm.edu.my

ABSTRACT

This study focuses on identifying the factors causing delay on issuing Certificate of Completion and Compliance (CCC) and customer's level of awareness on the process of getting those certificates. Certificate of Completion and Compliances (CCC) is an official certificate which acknowledged and certify that the building was complete and safe for occupation with complete infrastructure and comply with regulations under the Local Government Act 1976 (Act 171) and Uniform Building By-Law (UBBL). Previously, the issuance of CCC (formerly known as CF) would take about three to sixth month or even a year. In 2007 the Malaysian government reviewed the process and gave responsibility to professional architects and engineers instead of local authorities to issue the CCC. This is to reduce red-tape and to ensure that house buyers and building owners get to move in as quickly as possible without compromising their safety. Buyers are promised a time period of two weeks for CCC. Unfortunately until today, there are complaints from buyers about developers' failure in issuing CCC on time. Questionnaires were distributed to obtain perception from relevant parties especially developers and buyers. The outcome of the study could contribute to the improvement of services to the relevant bodies.

Keywords: *Certificate of Completion & Compliance (CCC), Customer Satisfaction, Local Authority, Local Government Act 1971, Uniform Building By-Laws (UBBL)*

INTRODUCTION

Certificate for Occupancies (CFO) is a written certificate, which certifies the building is complete and safe for occupation with the complete infrastructure and complies with regulation of Local Authority. Instead of CFO, it is widely pronounced as CF. This certification shows that the development was satisfactory with Local Authority's approved plan and regulation. There were many cases about the delays on issuing the CF by the local authorities. Due to this complaints there are many suggestions including cancellation of CF by the Local authorities and replace by approval from professional bodies. The main reason for the cancellation is to ensure the development especially the building were built accordingly, follow the specification, safe for occupation and the main reason is to tackle the late of issuing the CF.

Certificate of Completion and Compliance (CCC) was introduced to replace CFO which is an official certificate which acknowledge and certify that the building was

complete and safe for occupation with complete infrastructure and comply with regulations under the Local Government Act 1976 (Act 171) and Uniform Building By-Law (UBBL). CCC is a self-certification. CCC came into force on 12th April 2007. Instead of Local Authority (PBT) which is the key player for CF issuance, the responsibility has now been shifted to either a Professional Architect, Professional Engineer or a Registered Building Draughtsman allowed by the Architects Act to issue a CCC for buildings not exceeding two storey and an area less than 300 square meters. In other words, Local Authority is no longer acts as an approver on the technical aspects but the Professionals who are well-versed in the process.

However, local authority still play its role where it will receive, process and approve planning and building plans and at the same time under their own effort they can also authorize site inspections or acting on complaints to check the works in progress, issue a notice if there is a breach or divergence and failure to rectify it, issue a notice in writing to the Principal Submitting Person (PSP) not to issue the CCC if breaches and divergence are not rectified, taking action to rectify any continuous breach or divergence including reporting to Professional Boards. The Local authorities still have power on things during the constructions period but not at the end of it.

Under the new CCC system, a responsibility process matrix is introduced and it requires twenty one certification forms need to be endorsed throughout the entire process. These forms are included as new schedules (Form Gs) under the revised UKBS 1984 (Amendment) 2007 (Uniform Building By-Laws). As an issuer as well as PSP of the CCC, the Professional Architect, Professional Engineer or a Registered Building Draughtsman allowed by the Architects Act of the Project tasks are to:

1. Prepare and present planning and building plans to Local Authority for approval;
2. Informing Local Authority of the commencement of construction works at the site;
3. Ensuring that the laws and technical conditions of the Local Authority are followed;
4. Reporting building breaches;
5. Explaining reasons of breach and performing recovery actions in the event of breach during construction;
6. Presenting work-resumption notice to the Local Authority and ensuring Form Gs are completed.

The objectives of this paper are to identify the factors that caused the delays on issuing CFO and CCC and to identify the buyer's level of awareness on the process of getting CFO and CCC.

LITERATURE REVIEW

Certificate of Fitness (CFO)

Certificate of Fitness or CFO is a system in the Housing or Estate Management & Development Industry to look at the compliance of the developers against rules and regulation on building an infrastructure so that people who occupy it would feel safe. The

system is govern by two important law which is STREET, DRAINAGE AND BUILDING (AMENDMENT) ACT 2007 and P.U.(A) 43/70 FACTORIES AND MACHINERY (NOTIFICATION, CERTIFICATE OF FITNESS AND INSPECTION) REGULATIONS, 1970 Incorporating latest amendments - P.U.(A) 345/2004.

Certificate of Completion and Compliance (CCC)

The government of Malaysia has decided to formulate new systems that replace the old Certificate of Fitness (CFO) system and on the April 12, 2007 the new system has been introduced. The Certificate of Completion and Compliance (CCC) has been in place and become sole guidelines for all parties that involved in the land estate industry about the rigorous process that need to go through before the CCC can be issued by professional architect, professional engineers or Building Plan Architect. The purpose of the CCC is more on improving the system of issuing of fitness certificate for building completion since there are a lot of problem from parties involves and to monitor the progress of the project by companies that involves in land estate industry.

According to the Local Government Department, Ministry of Housing and Local Government of Malaysia, CCC accreditation system was an effort towards implementing an approach such as self-certification and self-regulation in estate management industry. There is no doubt that the responsibility for issuance of safety certification and building safety by professionals could help minimize the burden upon workload and other limited resources from PBT (Local Authority).

In the mean time, one important element has been introduced to coordinate the implementation of this new CCC system which is stage certification process. This process require the contractors and professionals like architect and engineers responsible on certain building components to issue a certification of completion and compliance for the components in the Forms G1 until G21 as stipulated under the UKBS 2007.

There are seven (7) main processes for issuance of CCC that need to be understood by relevant parties like developers, buyers, architect and engineers. This process would determine all the buildings are fit to be used. The first thing is the Beginning of work at the field. All professionals acted as Principal Submitting Person (PSP) will issue a Form B of UKBS 2007 to the Local Authority after the building plan has been approved and work at the field need to be start. By issuing the Form B, the PSP is actually give a notice of work to be started and will be continued after 4 days from the notice given. Secondly is Notice submission of stage certification process. PSP would inform the local authority on the work completion (substructure level) through Forms G1 to G3 of the UKBS 2007 to ensures that there is no issue of incompliance would be rectify quickly without waiting until the completion of work. After receiving from PSP, the local authority will make field inspections to ensure there is no incompliance to the plan that has been approved in the Act or by-laws and to ensure the problems could be rectify and did not disrupt the project implementation. Through self-certification and self-regulation concept, next project implementation onwards would be supervised fully by PSP which also responsible to determine the Forms G would be completely fill.

Thirdly, Submission of Copy of Notice of Stage Completion PSP to the local authority by OSC Counter. After receiving the notice from PSP, OSC Counter would give a copy of the notice to the Local Authority Technical Department or either to the Building Department, Engineering Department or Planning Department of the Local Authority. Fourthly is by making field visit by Local authority. They are encouraged to make a field inspection on their own initiatives, after receiving copy of notice from PSP or upon complain. And the last process is the issuance of Incompliance Report from Local Authority and to determine the best approach for rectifying by OSC Committee. If there is incompliance on the process, guidelines or regulations, the local authority must forward it to the OSC for the committee's consideration. The committee may ask the PSP to rectify the incompliance within 21 days or other period of time as decided by committee. Upon completed, PSP need to inform the rectification to the local authority. If the local authority did not make any field visit in the period of 14 days from the notice, it is assumes that the rectification is satisfactory. For the rectification of work that need to be done immediately because it involves public safety, the local authority can implement the rectification work with the cost must beared fully by building owner. If there is no incompliance, project can be carried out as usual.

In order to ensure the smooth and clear issuance of CCC, certain procedures need to be address to, firstly technical terms under the Permission For Planning and Building Plan that has been approved and 21 components in the Form G has been complete, comply and smooth. Besides that, all forms has been certified by relevant parties which consist of PSP getting certification letter from 6 critical and technical agencies such as Fire and Rescue Department, Water Supply Department, Works Department and Local Authority (Road and Drainage), Tenaga Nasional Berhad (TNB), and NIOSH. Next thing to be look at is the services need to be in line with by law provision 25 (1) (c), UKBS 2007 that fully prepared; In the case of housing, certain elements such as water, electricity, pipe and telephone wire ring as stated under subsection 20(1) Schedule G or subsection 23(1) Schedule H, Housing Development Act has been prepared; and completed Form F as stated under the Second Schedule UKBS 2007 which is CCC certificate has been signed by PSP. To ensure that there is no element of cheating, all form F carried a serial number can be obtained from Professional Board which has linked with PSP.

RESEARCH METHODOLOGY

A modified version of the questionnaires developed by Rosaidi bin Ibrahim (2005) is administered to approximately 61 individual who possessed a dwelling house. The sample size was taken from public, government servants, house buyers and developer. The sampling technique used is cluster sampling. About 20 employees had been chosen from each sample category to answer the questionnaire. In order to choose the respondents, the researcher used sample random technique to avoid bias towards the respondents.

The originals questionnaires developed by Rosaidi bin Ibrahim (2005) consist of 8 questions. However, the researchers only adapted 4 questions of the original questionnaires. The researchers modified the questionnaires into 3 sections which is Section A to examine the demographic profile of respondents. There are 4 questions ask on the demographics

factor such as gender, age, type and occupation. The other 2 remaining questions was asking whether the respondents have been dealing to purchase a house before and whether they have any experience deal Certificate for Occupancies (CFO) and Certificate of Completion and Compliance (CCC) for their house. Section B measures the factors that caused the delays on issuing CFO and CCC. It consist of 11 questions while Section C to measure the customer's level of awareness on the process of getting CFO and CCC which consist of 5 questions.

FINDINGS AND DISCUSSIONS

Table 1 present briefly the profile of the respondents involved in this study and outlined the findings of this study in relation to the research objectives.

Table 1: Profile of Respondents

No.	Profile	Number of Respondent	Percentage (%)
1.	Gender		
	Male	23	38
	Female	38	62
2.	Age		
	Below 40 years	26	43
	Above 40 years	35	57
3.	Type of Residence		
	Detach house	5	8.2
	Terrace	33	54.2
	Semi House	11	18
	Flat	12	19.7
4.	Occupation		
	Government	61	100
	Private	-	-
	Self-Employed	-	-
5.	Have you ever deal to purchase a house(s)?		
	Yes	54	88.5
	No	7	11.5
6.	Do you have an experience(s) deal CFO / CCC for your own house?		
	Yes	34	55.7
	No	27	44.3

Table 1 above shows that the distribution of the respondents by gender is slightly significant where out of 61 respondents, 23 are males and 38 are females. Majority of the respondents are above 40 years and they are all working in the Government sector. From four type of residents that is given in the questionnaire; Detach House, Terrace, Semi House and Flat, 54.2% of respondents own a Terrace if compared with only 19.7%, Flat, 18%, Semi House and 8.2%, Detach House. Apart from that, only 7 of them who had never

experienced dealing with buying a house while the other 54 have given an agreement. It is assumed that these responses have positive relationship with demographic factor i.e. age, of the respondents. However, the percentage of those who never had experience dealing with CCC is lower by 11.4% from those who had probably because of reasons such as they bought houses which have no issue with CFO/CCC, or second-hand houses.

Table 2: The factors that caused the delays on issuing Certificate for Occupancies (CFO) and Certificate of Completion and Compliance (CCC).

No.	Items	Mean
1.	CFO/CCC issuance is delayed.	2.74
2.	Developers' failure is the reason of the delays.	2.92
3.	Local authorities' failure is the reason of the delays.	2.72
4.	I am not satisfied with the building conditions although the CFO/CCC issuance is delayed.	2.90
5.	Non-uniformity procedures' approval for each local authority has created the delays.	2.33
6.	Local authorities' power to hold issuance of CFO/CCC until non-compliance corrected caused the delays of CFO/CCC.	2.51
7.	21 Forms G certification need to be endorsed along the entire process is the reason of the delays.	2.69
8.	Bureaucracy / red tape plays an important role that caused the delays.	2.19
9.	The delay is because of complicated procedure.	2.38
10.	There is party who is unclear about the procedure which has caused the delays.	2.26

Table 2 showed bureaucracy and red tape issue is the main factor (mean = 2.19) that caused the delayed of CFO/CCC issuance. Since there are many parties involve in the process, sometimes it takes bureaucracy is the main factor viewed by respondents. The efficiency and transparency in issuing the CFO/CCC has to be improved from time to time in keeping with market needs and current situation.

Second factor (mean = 2.26), there is party who is unclear about the procedure in getting CFO/CCC. Although government has introduced a standard procedure, but this is still become the major issue as there are parties had deviate and abuse the power. The third factor (mean = 2.33) is non-uniformity procedures' approval for each Local authorities has created the delays. This is because different local authorities have different procedures. This can be a problem to the developers in order to obtain the CFO/CCC on time.

Table 3: The buyer's level of awareness on the process of getting Certificate for Occupancies (CFO) and Certificate of Completion and Compliance (CCC)

No.	Items	Mean
1.	I know what CFO/CCC is.	2.05
2.	I know the process involved to get CFO/CCC.	2.74
3.	I know the parties involved of CFO/CCC issuance.	2.48
4.	I know the actions that can be taken if the CFO/CCC issuance is delayed.	2.77
5.	I know the CFO/CCC channel at my place.	2.74

Table 3 shows that majority of the respondents agreed that they aware what is CFO/CCC. This can be clearly seen from the mean scores for the first question. These 61 respondents also, generally agreed with the remaining questions which asked about their awareness on process, parties involved, actions that can be taken and channels available that relate to the topic especially on actions that can be taken if the CFO/CCC issuance is delayed. The highest mean as shown in table 3 is 2.77. Thus, from the statistic it can be used as an indicator that this sample's level of awareness on topic of discussion is strong by looking at the positive feedbacks.

RECOMMENDATIONS AND CONCLUSION

Based on the responses received from the questionnaire, the Local authorities and the developers shall cooperate in a more constructive way so that it can reduce the red-tape. At the same time, by not adding new regulations at the time of submission will help to reduce the CFO delays. The procedures involved in getting the CFO/CCC issuance should not be too complicated. For instance, the person in charge at the local authority should be greater accountability and more reliant on transparent systems and less on discretion. The delivery system at Local authorities can be improved by reducing bureaucratic process and procedures and they should comply with to standard operating procedures.

The developers must ensure the PSP who issue the CCC immediately by following the rules and regulations. At the same time, the buyers should play important role to make complaints and report to Local authorities if insubordination happened in building construction. They should explore and equipped with the CCC's information as a replacement to the previous certificate so that they are aware on procedures on getting CCC.

From the feedbacks and data that gained from this survey, many respondents agreed that there is delay in CFO/CCC issuance. They believed that the Local Authority and developers are the main players for the delays and definitely it has given a negative impact to the buyers. The power accorded to local authorities to flag down CFO production until insubordination corrected has been rated as the highest factor caused the delayed. Since CFO/CCC is a certificate that provides guarantees to the buyers on the safety and fitness of

the house or building that they have bought, it is an important for them to ensure that the building is safe for occupation.

In the meantime, it can be concluded that majority of the respondents have the knowledge and are aware about what is CFO/CCC is. Perhaps the frequencies of news on the delays of getting on CFO/CCC aired in television or published in newspaper are the main source of information. Thus, the role plays by both media and buyers in issues related with CFO/CCC issuance cannot simply underestimate. Cases happened could be a learning experience for all parties involved throughout the process.

REFERENCES

- Abdullah, M.Z. (1995). Measuring and Monitoring Service Quality at Malaysia Airlines. *Managing Service Quality*. Volume 5-Number 2-1995-pp.25-27.
- Bowen, J.T. & Chen, S.L. (2001). The Relationship Between Customer Loyalty and Customer Satisfaction. *International Journal of Contemporary Hospitality Management*, 13/5-2001-pp.213-217.
- Chawdhary, N. & Prakash, M. (2007). Priotizing Service Quality Dimensions. *Managing Service Quality*. Volume 17-No.5-2007-pp. 493-509.
- Kang, G.D. & James, J. (2004). Service Quality Dimensions: an examination of Gonroos's service quality model. *Managing Service Quality*. Volume 14-No.4-2004-pp. 266-277.
- Kang, G.D. (2006). The hierarchical structure of service quality: integration of technical and functional quality. *Managing Service Quality*. Volume 16-No.1-2006-pp. 37-50.
- Local Government Department, Malaysia Ministry of Housing & Local Government (2002), Process of Issuance of Certificate of Completion & Compliance (CCC) by Professional Architect, Professional Engineers or Building Plan Architect : Proceedings of the Seminar on Assessing the effectiveness of the Implementing new initiative on Enhancing Service Delivery System. January 15, 2008. Kuala Lumpur.
- Rosaidi Ibrahim (2005). *Problems on Delaying Of Issuing The Certificate For Occupancies by Local Authorities*. Retrieved 26 February 2010, from <http://www.efka.utm.my/thesis/images/3PSM/2005/1JSB/Part2/ROSAIDISX010378AWJ01D03TT4.doc>