



Mistakes in Green Cost (non-m & e) Submission

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Investment Tax Allowance (Project)

- ▶ Investment Tax Allowance (ITA) of 100% of **qualifying capital expenditure** incurred on a green technology project
- ▶ Definition of “**qualifying capital expenditure**”
- ▶ **Qualifying Capex** = **Green Feature Capex** - **Base Non-green Feature Capex**
- ▶ E.g. Qualifying Capex for EE1 = Cost of low-E glass - Cost of non-low-e glass
- ▶ In other words, **incremental cost** for implementing the green feature in the building.
- ▶ It does not refer to the total cost of the green feature item.

Common Mistake No 1 - Non-green capex not included in computation

- ▶ Claim for additional cost for the use of recycle clay brick in lieu of the common clay brick

ITEM	GREEN COST ITEMS	Specifications	REFERENCE BASE COST	GBI NRNC	Base Non-Green Feature Cap Ex Cost	Green Feature Cap Exp Cost	Green Cost Claim
1.2	RECYCLE CLAY	EXXOMAS BIOBRICK	COMMON CLAY	EE1	0.00	19,532.80	19,532.80

- ▶ The reference base cost stated was “common clay brick”.
- ▶ However, the cost of “common clay brick” was not included in base non-green capex.
- ▶ Therefore, the principle of incremental green cost was overlooked here.

Common Mistake No. 2 - Claim where no point was score in CVA

NRNC - COMPLETION AND VERIFICATION ASSESSMENT RESULT (CVA)					
PART	CRITERIA	ITEM	Max Points	Claim Score	Cert Score
4	MR	MATERIALS & RESOURCES			
	MR1	Materials Reuse and Selection	2	0	0

ITEM	GREEN COST ITEMS	GBI NRNC	Base Non-Green Feature Capital Expenditure Cost	Green Feature Capital Expenditure Cost	Green Cost Claim	Evaluated Qualifying Capital Expenditure
3.1	SCAFFOLDING AND SAFETY	MR1		109,970.00	109,970.00	0.00

- ▶ No point scored in CVA, therefore qualifying capex is 0.

Common Mistake No 3 - insufficient supporting documents

- ▶ Both the non-green and green feature capital expenditure must be accompanied by supporting documents.
- ▶ Supporting documents could be in the form of:
 1. Bills of quantities
 2. Schedule of works / prices
 3. Quotations (especially for non-green feature items where the unit rates and prices are not in the BoQ or SoW / SoP)
 4. Bill of variation
 5. Drawings

Common Mistake No 3 - insufficient supporting documents

► Bills of Quantities

**SECTION F
BILL NO. 7
OFFICE**

Item	Description	Unit	Qty	Rate (RM)	Amount (RM)
17)	<u>SANITARY APPLIANCES</u>				
	<u>Sanitary wares</u>				
A	Vitroues China one piece water closet complete with chrome plated valve and flexible hose	nr	212	698.66	148,114.86
B	Semi-Recessed Basin complete with bottle trap (Vanity top by others)	nr	424	294.39	124,823.06

- Qty and rates in the contract BoQ could be use to substantiate the green cost item
- In certain instances, could be used as reference base cost too e.g. brickwall in the case of claim for insulated wall panel

Common Mistake No 3 - insufficient supporting documents

- ▶ Schedule of Works / Schedule of Price





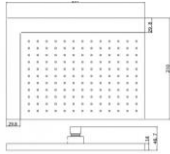
SC 25 - Rainwater Harvesting and Water Filtration Schedule Nr. 1

Item	Description	Amount (RM)
B	<u>Rainwater Harvesting System</u>	
1	Vortex Rainwater Filter Collector	48,000.00
2	Floating Suction Filter	80,000.00
3	Press steel rainwater harvesting tank c/w HDPE lining	380,000.00



Common Mistake No 3 - insufficient supporting documents

► Quotations

REF	CATEGORY	BRAND	SERIES		TECHNICAL SPECIFICATION	QTY	TOTAL QTY	UNIT RATE (RM)	TOTAL (RM)
GROUND FLOOR									
STANDARD ROOM 11-30									
1	BERGAMO SQUARE BO CLOSE COUPLED WASHDOWN WC SET, BERGAMO CISTERN & LID, 3/6L DUAL FLUSH FITTING, STRAIGHT OUTLET CONNECTOR, 2NOS FIXING BOLTS C/E L-STAND, BERGAMO SQUIRE SEAT & COVER.	JOHNSON SUISSE	WBSE8Q201WW WBTS800122WW			20	20	484.00	9,680.00
5	MESSINA 1/2" CP SINGLE LEVER BASIN PILLAR COLD TAP	JOHNSON SUISSE	WBFA300815CP			20	20	148.00	2,960.00
11	FLORES FIXED SHOWER HEAD WITH SINGLE FUNCTION. SIZE : 297MM X 210MM	JOHNSON SUISSE	WBFA300575CP			20	20	115.00	2,300.00

Common Mistake No 3 - insufficient supporting documents

► Bills of Variation
Variation ref : 95/1080/MBW/VO3

Item	Description	Unit	Qty	Omission		Addition	
				Rate	Amount	Rate	Amount
	<u>To provide water efficient sanitary ware in lieu of normal sanitary ware as per Architect's Instruction : CCP/AI/008 dated 13th April 2015</u>					-	-
	<u>Omission</u>						
A	Close-coupled white vitreous china water closet complete with cistern, fittings, toilet seat and cover (model no. C85S/T85P)	nr	350	263.50	92,225.00	-	-
	<u>Addition</u>						
B	Dual Flush Close-coupled white vitreous china water closet complete with cistern, fittings, toilet seat and cover (model no. C85S/T85P)	nr	350			284.70	99645
				Total :	92,225.00		99,645.00
						Net Omission :	7,420.00

Common Mistake No 4 - Not Like for like Comparison

- ▶ Reference base cost must be of **SIMILAR SPECIFICATION** to the green feature items
- ▶ The only difference between the two should only be the **GREEN FEATURE**
- ▶ Example
 - i. **36oz machine tufted** 100% **nylon** carpet vs
 - ii. **60oz Axminster** 100% **wool** low VOC carpet
- ▶ The weight and material of the carpet are not compatible
- ▶ It is like comparing apple and orange

Energy Efficiency

Item	Criteria	Green Item	Ref Base Cost	Remark
Performance glass	EE1	Low-e laminated tempered glass	Laminated tempered glass	Glass balustrade not claimable
Composite aluminium panel	EE1	Composite aluminum panel with insulation	Composite aluminum panel	Only the insulation is eligible
Sun shading device	EE1	Sun-screen, vertical or horizontal	None	Not eligible (a) a/c louvre (b) cooling tower louvre (c) Sun-shade to roof canopy
Wall Insulation	EE1	Rockwool insulation to wall	None	Insulation to internal wall not claimable.

Energy Efficiency

Item	Criteria	Green Item	Ref Base Cost	Remark
Roof Insulation	EE1	Rockwool insulation	None.	Insulation to theatre roof which is over and above the normal insulation is not claimable as it is a usage requirement but not green requirement
Brick	EE1	Autoclaved lightweight concrete block	Common brick / cement brick	Internal wall not eligible capex under EE1.
Fins & copings	EE1	Reinforced concrete fins & copings	Nil	Cost eligible if point scored.

Indoor Environment Quality

Item	Criteria	Green Item	Ref Base Cost	Remark
Paint	EQ4	Low VOC paint	Non-low VOC paint	Base and green item of different specification and quality.
Carpets	EQ4	Low VOC carpet	Non- low VOC carpet	Should be from same manufacturer too e.g. ICI vs Kansai If manufacturer no longer makes the non-green model, then GBI will apply a default incremental cost of 20%

Indoor Environment Quality

Item	Criteria	Green Item	Ref Base Cost	Remark
Thermal comfort	EQ 6	Installation of jack roof at operation area	None	drawings not provided for easy reference

Water Efficiency

Item	Criteria	Green Item	Ref Base Cost	Remark
Rainwater Harvesting	WE1	RWHT tank, first flush, filter, pump & associated pipework	None	<p>Gutter, rwdp, etc., which are part of the roof drainage system not eligible capex.</p> <p>One instance - water filtration system for incoming water supply claimed. No claimable as it is not part of RWHS.</p> <p>No detailed breakdown provided for assessment</p>

Water Efficiency

Item	Criteria	Green Item	Ref Base Cost	Remark
Water efficient fitting	WE4	Water efficient sanitary ware and tap fittings	Ordinary sanitary ware & tap fittings	<p>No quotation of ref base cost provided.</p> <p>In one instance, base cost was priced at 10% lower than the green cost item across the board without supporting documents.</p> <p>Cost for toilet roll holder, soap holder shall not be included.</p>

Innovation

Item	Criteria	Green Item	Ref Base Cost	Remark
Greenery	SM12	Green space exceeding authority requirements	Green space as per authority requirements	Authority requirements for green space not provided

Conclusion

- ▶ Most of the issues are centered on reference base cost.
- ▶ Make sure that the reference base cost are of comparable specification to the green item
- ▶ Comparable means of the same kind and quality
- ▶ Exceptions e.g.: tempered glass (non-green) vs laminted float glass (green)
- ▶ Based on performance, rather than kind and quality
- ▶ Provide sufficient supporting documents
- ▶ The process of green cost assessment could be expedited



Thank You Very much