

THE RELATIONSHIP BETWEEN GENERAL CONTRACTOR AND
SUBCONTRACTOR

HEIDI DUMA

A thesis submitted in fulfillment of the
Requirement for the award of the degree of
Master of Science (Construction Contract Management)

Department of Quantity Surveying
Faculty of Built Environment
Universiti Teknologi Malaysia

AUGUST 2012

DECLARATION

I declare that this thesis entitled "*The Relationship between General Contractor and Subcontractor*" is the result of my own research except as cited in the references. The thesis has not been accepted for any degrees and is not concurrently submitted in candidature of any other degree.

Signature : 
Name : HEIDI DUMA
Date : 30.08.2012

DEDICATION

"To my beloved mother, brother, and all my family"

Thank you for your support, encouragement, prays and loves

ACKNOWLEDGMENT

I would like to take this opportunity to acknowledge those who have supported me throughout the course of my research study and contributed towards this thesis. Without them this thesis would not have been possible without the support of many people.

I would sincerely like to express my gratitude to my supervisor, Dr. Sarajul Fikri Bin Mohamed who was abundantly helpful and offered invaluable assistance, support and guidance. Deepest gratitude is also due to the members of the supervisory committee without their knowledge and assistance this study would not have been successful. Being an international student the majority of my time has been spent working under their patient, professional and knowledgeable guidance. Their advice and guidance have been vital towards completing this thesis. Special thanks also to all my graduate friends for sharing the literature and invaluable assistance. Appreciation is also due to my partners of Building Construction Department WIKA and WIKA GEDUNG for sharing his experience, knowledge and data for this thesis.

This study would not have been possible without the scholarships from PT Wijaya Karya (Persero) Tbk and the support from Ministry of Public Works Indonesia.

Finally, I wish to express my love and gratitude to my beloved families, especially to my mother and to my beloved friend; for their continuous encouragement, understanding and endless love, through the duration of my studies.

ABSTRACT

Subcontractor is vital part in the construction industry, he widely used by the construction companies to reduce some activities in the construction process. The general contractor commonly transfers some of risks involved in such construction project to their subcontractor in order to avoid those risks. The risks include financial, technical, contractual, and legal risk. The general contractor may suffer loss if he cannot provide an effective way in managing or controlling those risks thus it needs a good relationship between the general contractor and subcontractor. The relationship between the general contractor and the subcontractors starts from the process of the selection subcontractors. The aims of this study are to identify the most common criteria used by the general contractor in the selection of suitable subcontractor, to identify the cause of conflicts and interface problems which caused by the subcontractor, to identify their relationship with respect to contract and to give recommendations to improve their relationship. To reach the aims of this study, the data are used from the two projects of building construction and the questionnaires survey. The analysis of data indicated that the most criteria used in the selection subcontractor are adherence to the time schedule and the most commonly problem caused by subcontractor is poor of construction quality work. The written contract is used to govern their contractual relationship, which prepared by general contractor and contain certain specifications and penalty. To improve their relationship, there are several actions can be done by the general contractor such as the general contractor should select the subcontractor which adheres to the time schedule, has specialization in type of works, has commitment to quality standard and the others. Futhermore, the general contractor should be careful with the common problems created by his subcontractor such as poor of construction quality work, delay the works behind the time schedule, non compliance to time schedule and the others.