

A STUDY OF CLAIMS MANAGEMENT
FOR IRRIGATION CONSTRUCTION CONTRACT
(CASE: AMANDIT IRRIGATION SUB-PROJECT, SOUTH KALIMANTAN, INDONESIA)

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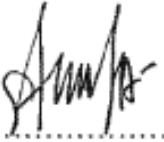
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DECLARATION

I declare that this thesis entitled "*A Study of Claims Management for Irrigation Construction Contract (Case: Amandit Irrigation Sub-Project, South Kalimantan, Indonesia)*" 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 : SONDA PARNINGOTAN

Date : 30 August 2012

DEDICATION

“To my beloved wife, daughters, mother, brother, sisters, and grandmother”

Thank you for your pray, support, love, and everything

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ABSTRACT

Irrigation Project has been a kind of construction project which has its own characteristics, whereby it must be different with the other construction projects like buildings, roads, bridges, power plant and so forth. However, the various characteristics involved in an irrigation project may generate many kind of problems during its implementation. Those problems can possibly bring the contractors to the bad position, where the contractors are encountered with some potential loss arising from the impacts of its problems. In this way the contractors are certainly entailed to do such effort in avoiding or mitigating that potential loss. Accordingly, the contractor can save himself from its potential loss by proposing the construction claims to the employer in order to get such compensation. Thus, such proposed construction claims must be well managed so as to achieve the main objective of its proposed claims.

The aim of this study is to investigate how the contractor manages the construction claims during performing the irrigation construction contract. Some analyses based on collected data obtained from an irrigation project case study in South Kalimantan, Indonesia were made in this study. Based on the analyses, it was found that the contractor had proposed the construction claims to the employer in order to cover some potential loss arising from the project problems found during construction stage. The construction delays arising from project problems are the crucial thing that often happen during performing irrigation project. These delays can be caused from some project problems, while all matters which are related to the land acquisition have been the major cause of construction delays. During construction stage of irrigation project, there are several events which can be categorized as the claim events, whereby its events can be classified into some bases of claims such as land matters, long process of finalization of design or drawings adverse weather, variations, delay of payments, inexpediency of the increase of material price and so

forth. Land matters had been the biggest problems which had contributed the highest percentage of the total of the contractor's claims.

Given all above discussed, it is known that some potential loss must have been suffered by the contractor since the project's obstacles were found during construction stage. That potential loss must be mitigated or even avoided by doing a good construction claim management so as to get the contractor's right under contract for the purposes of covering all its potential loss. The study on construction claims management gained from this study can be used for contractor as the reference or guidance on how to manage the construction claims during performing construction project, especially for irrigation project. This study can also be utilized to solve the problems found in such claim management system as well as improving its management system so as to enhance the benefits to every party concerned with the construction projects.