

INTI INTERNATIONAL UNIVERSITY

Faculty of Engineering and Quantity Surveying

**ISSUES CONTRACTOR'S FACE IN THE CONSTRUCTION INDUSTRY
OF ISLAMABAD AND RAWALPINDI (PAKSITAN)**

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SUPERVISOR'S DECLARATION

This project report entitled "Issues a Contractor Faces in the Construction Industry of Islamabad and Rawalpindi (PAKISTAN)" is prepared and submitted by Ammar Ahmed Abbasi (I13004196) as a partial fulfilment of the requirement for Bachelor of Engineering (HONS) in Civil Engineering, INTI International University.

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STUDENT'S DECLARATION

I hereby declare that the final year project is based on my original work except for quotations and citations, which have been duly acknowledged. I also declare that it has not been previously or concurrently submitted for other degree at INTI INTERNATIONAL UNIVERSITY or other institutions.

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ABSTRACT

The main purpose of this study was to identify common problems that a contractor faces in the construction industry of Islamabad/Rawalpindi and to recommend solution to those problems. The methodology of this study is divided into four main stages. The first stage was to narrow down some of the most common problems that contractors generally face. Extensive literature was reviewed and based on that, problems specific to contractors were identified. The second stage involved designing a questionnaire to record responses of individuals amongst the key sectors of construction industry. To achieve this precisely, the questionnaire was divided into four main segments: The first segment aimed at attaining respondent's background information, the second and third segment consisted of close-ended questions aimed at understanding key problems facing contractors and recommending potential solutions to those problems. The fourth section comprised of open-ended questions to record opinions, suggestions and personal experiences in facing and overcoming problems. The third stage comprised of conducting interviews from individuals who have been working in Islamabad and Rawalpindi for well over 10 years. The fourth stage was to analyse the responses and based on analysis the author narrowed down main problems that a contractor faces. The last part consisted of recommending solutions to the problems found through analysis.

TABLE OF CONTENTS

CHAPTER	TITLE	PAGE
	SUPERVISOR'S DECLARATION	i
	STUDENT'S DECLARATION	ii
	ACKNOWLEDGMENT	iii
	ABSTRACT	iv
	LIST OF FIGURES	ix
	LIST OF TABLES	x
1	INTRODUCTION	1
	1.1 Project Introduction	1
	1.2 Statement of the Problem	1
	1.3.1 Research Aim	2
	1.3.2 Research Objectives	2
	1.4 Scope of Study	2
	1.5 Proposed Research Methodology	3
	1.6 Significance of Study	4
	1.7 Conclusion	4
2	LITERATURE REVIEW	5
	2.1 Problems of Projects and Effects of Delays in the Construction Industry of Islamabad/Rawalpindi	5
	2.2 Key Causes of Construction Disputes in Pakistan (Conflict, Claims and Disputes)	8
	2.3 China Construction Project Management Paradigms Change and Development	12

	2.4 Pro activeness of contracting companies	14
	2.5 Competitive aggressiveness of contractors	15
	2.6 Problems faced by Small Scale Contractors in India	16
	2.7 Problems Facing Small Contractors in Swaziland	18
	2.8 Time Overrun Analysis in North Cyprus Building Construction Projects	20
	2.9 Material shortage problems as a cause of delay in construction projects	21
	2.10 Corrupt practices in construction project	21
	2.11 Conclusion	22
3	RESEARCH METHODOLOGY	23
	3.1 Introduction	23
	3.2 Research Methodology	24
	3.3 Literature Review	26
	3.4 Sampling	26
	3.5 Data collection	27
	3.6 Questionnaire Design	27
	3.7 Limitations	28
	3.7.1 Limited Resources and Money	28
	3.7.2 Limited Time to Gather Data	28
	3.7.3 Confidentiality and reaching out to various parties	29
	3.8 In-depth Interviews	29
	3.9 Finalising the questionnaire	29
	3.9 Introduction to the questionnaire	30
	3.10 Respondent's General Information	31
	3.11 Sample Questionnaire to be distributed	32
	3.12 Method of Analysis	32
	3.12.1 Data Presentation	33
	3.12.2 Central Tendency Measurement	33
	3.12.3 Likert Scale	34

	3.13 Summary	34
4	RESULTS AND DISCUSSION	35
	4.1 Introduction:	35
	4.2 Data Analysis and Presentation of Data:	37
	4.2.1 Respondents Particulars	37
	4.2.1.1 Distribution Based on Age	37
	4.2.1.2 Distribution Based on Qualification	38
	4.2.1.3 Distribution Based on Company Type	39
	4.2.1.4 Distribution Based on Type of Project	40
	4.2.1.5 Distribution Based on Qualification	41
	4.2.2 Main Reasons behind problems faced by contractors	42
	4.2.2.1 Time Over-run	42
	4.2.2.2 Cost Over-run	43
	4.2.2.3 Improper and In-effective Management of Construction resources	45
	4.2.2.4 Construction Disputes	46
	4.2.2.5 Low Construction Productivity	47
	4.2.2.6 Basic Statistics of all the problems	49
	4.2.3 Methods to Overcome Problems Faced by Contractors	51
	4.2.3.1 Time Over-run	51
	4.2.3.2 Material Resources	52
	4.2.3.3 Cost Over-run	53
	4.2.3.4 Construction Disputes	55
	4.2.3.5 Construction Productivity	56
	4.2.3.6 Basic statistics for the Proposed Solutions	58
	4.2.4 Responses to Open-Ended Questions:	59
	4.3 Recommendations:	68
5	CONCLUSIONS AND RECOMMENDATIONS	70
	5.1 Introductions	70

5.2 Recommendations	71
5.2.1 Problems Inherent to Contractors/Sub-contractors	71
5.2.1.1 Time Over-run	71
5.2.1.2 Cost Over-run	72
5.2.1.3 Improper and Ineffective Management of Construction Resources	72
5.2.1.4 Construction Disputes	73
5.2.1.5 Low Construction Productivity	74
5.2.2 Problems According to Project Managers, Architect and other Players Involved in this Study	75
5.2.2.1 Time Over-run	75
5.2.2.2 Cost Over-run	75
5.2.2.3 Improper and Ineffective Management of Construction Resources	76
5.2.2.4 Construction Disputes	77
5.2.2.5 Low Construction Productivity	78
REFERENCES	95-97
APPENDICES	99-104

LIST OF FIGURES

	DESCRIPTION	PAGE
Figure 3. 1	Research Methodology Flowchart	25
Figure 3. 2	Sample of an Official Letter to the Respondent	30
Figure 3. 3	Sample of Introduction for Survey Questionnaire	31
Figure 3. 4	Sample of the Respondent's Background	32
Figure 4. 1	Distribution of respondents based on age	37
Figure 4. 2	Distribution of respondents based on qualification	38
Figure 4. 3	Distribution of respondents based on the type of companies	39
Figure 4. 4	Distribution of respondents based on the type of project	40
Figure 4. 5	Distribution of respondents based on their qualification	41
Figure 4. 6	Factors causing time over-run	42
Figure 4. 7	Factors causing time cost over-run	44
Figure 4. 8	Factors causing Improper and In-effective Management	45
Figure 4. 9	Factors causing construction disputes	46
Figure 4. 10	Factors causing low construction productivity	48
Figure 4. 11	Methods to overcome time over-run	51
Figure 4. 12	Methods to overcome time over-run	52
Figure 4. 13	Methods to overcome cost over-run	54
Figure 4. 14	Methods to overcome construction disputes	55
Figure 4. 15	Methods to enhance construction productivity	56
Figure 4. 16	Open-ended responses to Question no.1	60
Figure 4. 17	Open-ended responses to Question no.2	62
Figure 4. 18:	Open-ended responses to Question no.3	65
Figure 4. 19:	Open-ended responses to Question no.4	67

LIST OF TABLES

	DESCRIPTION	PAGE
Table 4.1	Factors causing time over-run	43
Table 4.2	Factors causing cost over-run	44
Table 4.3	Factors causing improper and in-effective Management	45
Table 4.4	Factors causing construction disputes	47
Table 4.5	Factors causing low construction productivity	48
Table 4.6	Basic statistics and ranking of list of al the problems	50
Table 4.7	Methods to overcome time over-run	52
Table 4.8	Methods to overcome problem of material resources	54
Table 4.9	Methods to overcome cost over-run	55
Table 4.10	Methods to overcome construction disputes	56
Table 4.11	Methods to enhance construction productivity	58
Table 4.12	Basic statistics and ranking of list of all the solutions	59
Table 5.1	Weighted average of problem faced according to contractors and sub-contractors (Time over-run)	72
Table 5.2	Weighted average of problem faced according to contractors (Cost over-run)	73
Table 5.3	Weighted average of problem faced according to contractors (Improper Management of Construction Resources)	74
Table 5.4	Weighted average of problem faced according to contractors (Construction disputes)	74
Table 5.5	Weighted average of problem faced according to contractors (Low construction productivity)	75
Table 5.6	Weighted average of problem faced according to other groups (Time Over-run)	76
Table 5.7	Weighted average of problem faced according to other groups (Cost Over-run)	76
Table 5.8	Weighted average of problem faced according to other groups (Imporper and Ineffective Management of resources)	77

Table 5.9	Weighted average of problem faced according to other groups (Construction Disputes)	78
Table 5.10	Weighted average of problem faced according to other groups (Low Construction Productivity)	78-79

CHAPTER 1

INTRODUCTION

1.1 Project Introduction

Problems pertaining to construction industry have never been greater, primarily because the demand for construction has over the past few years greatly increased with the construction industry being one of the largest industry in most of the developing countries. With increasing demand and high competition among builders, the construction industry inevitably has been facing growing problems, issues and challenges.

Large scale construction involves collaborating and working together of multiple parties to achieve the desired project. The role of a contractor therefore is one of great importance. Supplying equipment, labour, material and providing services in a timely manner is central to a contractor's work. The intricacies which surround a contractor therefore lead to problems which if not properly dealt cause major construction problems. Some of the common problems faced by contractors are as such:

1. Delayed payments by clients.
2. Type of material used in construction.
3. Cost over-run.
4. Lack of innovation.
5. Cash flow related problems.
6. Project complexity.

The construction industry of Pakistan has always been and continues to be a major social and economic driver. With multi-billion dollar projects like CPEC (Pakistan China Economic

Corridor) underway, the government of Pakistan has responded positively properly planning and managing infrastructure.

A typical construction project involves two main players, namely the designer and the contractor. A contractor due to its nature of work is more prone to issues than the designer and just like in any other country, Pakistan has its fair share of construction related issues which are needed to be addressed and thus I have undertaken the task of studying, analysing and proposing remedial measures to counter the said issues.

The aim of this study is to identify major issues that a contractor faces in the construction industry in Pakistan. Through thorough literature review and industry based questionnaires the problems are to be identified, and analysed using statistical software.

1.2 Statement of the Problem:

Dr Tahir. (2013) mentions that contractors are the prime stakeholders of any construction project, which are the actual doer or executioner entity. They implements the vision of owner on ground. Those contractors who are weak in planning and coordinating put the whole project in jeopardy. Thwala W. (2009) argues that the problems facing small contractors are not unique to developing countries. The vast majority of construction firms are small and medium enterprises that rely on outsourcing personnel as required. This has severely affected skills training and the retention of expertise in the industry as construction workers become highly mobile, walking in and out of the industry, depending on performance in other sectors of the economy.

The problems plaguing the construction industry of Pakistan have continued to exist despite the efforts made. Contractors in the past and present have been in the midst of these crisis, problems ranging from low-bid contracts to incomplete TORs to material frauds and incompetency continue to be a major drawback of the industry. Hence the central concern of this study is to find and identify and propose solutions to the underlying problems construction sector faces pertaining to contractors.

1.3.1 Research Aim:

This study identifies the main problems a contractor in the construction industry in Islamabad and Rawalpindi faces.

1.3.2 Research Objectives:

The target of this study is to:

1. To identify common problems/issues faced by contractors in Islamabad and Rawalpindi (Pakistan)
2. To recommend/suggest remedial measures to overcome the problems identified.

1.4 Scope of Study:

The general purpose and domain of this study is to explore the problems and reasons behind those problems a contractor faces in Islamabad and Rawalpindi (Pakistan), ranging from financial and economical to design related risks and contract related issues. Surveys were conducted to understand issues and problems that are plaguing the construction industry. To collect data a questionnaire was designed to accurately assess the opinion and experiences of the people in the construction industry. This questionnaire would specifically be addressed towards the small/medium level private firms both in government and private sector. Furthermore a total of 60-70 respondents were asked to fill up the questionnaire. The data collected would thereafter be analysed using the statistical software SPSS and SurveyMonkey. The research is only limited to Islamabad to and Rawalpindi, which are two of the major cities in Pakistan. The data collected from the twin cities would therefore be highly useful in assessing the general construction trends and impediments in the two cities.