ABSTRACT

Construction projects in Malaysia and the world over have found to be suffering from cost and time overruns. To avoid cost overrun, the causes and factors lead to this issue in Malaysia’s construction industry had been identified in this study. A questionnaire survey was carried out among 109 CIDB Grade 7 contractors in Kiang area. Frequent design changes, inadequate monitoring and control, inaccurate time and cost estimate, poor site management and inadequate planning and scheduling have found to be the five key factors that considered more influential on causing cost overrun. Cost overrun issues have lead to serious need on effective cost control system or approaches to be practiced by contractors. Most of the contractors in Malaysia find difficulty in controlling costs due to the absence of proper cost control techniques. Therefore, this study was aimed to study the effectiveness of the cost control techniques that commonly used by the contractors in their projects. The top four cost control techniques that found to be used more frequently arc the progress financial report, tender cost analysis, inspection of work arid regular site meeting. From the results of the questionnaire survey conducted, some deficiencies on contractor’s practices arc able to be addressed. These deficiencies include the lack of a well-established cost control tools which able to provide effective monitoring system. Most of the contractors responded to this study arc not adopting these cost control tool. They seem to be resisted due to the lack of knowledge and be satisfied with their current cost control practices.