THE CAUSES OF DELAY IN CONSTRUCTION PROJECT IN KUANTAN

NUR AZUWA BINTI GHAZALI

Thesis submitted in fulfillment of the requirements for the award of the Bachelor Degree in Civil Engineering

Faculty of Civil Engineering and Earth Resources

UNIVERSITI MALAYSIA PAHANG

DECEMBER 2017



SUPERVISOR'S DECLARATION

I hereby declare that I have checked this thesis and in my opinion, this thesis is adequate in terms of scope and quality for the award of the degree of B. Eng. (Hons.) Civil Engineering.

(Supervisor's Signature)

Full Name : DOH SHU ING Position : $S \notin N / OR$ LECTURER Date : $O \frac{3}{01} / \frac{30}{8}$



STUDENT DECLARATION

I hereby declare that the work in this thesis is my own except for quotations and summaries which have been duly acknowledged. The thesis is not been accepted foe any degree and is not concurrently submitted for award of other degree.

(Student's Signature)Full Name : NUR AZUWA BINTI GHAZALIID Number : AA14024Date : 01 JANUARY 2018

I decided this thesis to my parents, Mr. Ghazali bin Jusoh & Mrs. Rohani Binti Ismail

> My siblings, Noor Akhmal Nur Ain Badrul Haffis Nur Aziera Nur Eleya Mastura

My Friends,

for their constant support and unconditional love. I love you all dearly.

ACKNOWLEDGEMENT

First and foremost, I want to acknowledge and thank to ALLAH SWT with my deepest gratitude for the miracles He has performed in my life for the completion of Final Year Project (FYP). This FYP would have not been carried out successfully without the cooperation from many parties who contribute in preparing and completing this study.

I would like to express my sincere gratitude to my dedicated and understanding Supervisor's Dr. Doh Shu Ing for the continuous support of my final year project and research, for this patient, motivation, enthusiasm and immense knowledge. His guidance helped me in all time of research and writing this thesis. I could not have imagined having a better advisor and mentor for my research.

Special thanks to all respondents who gives very good cooperation throughout in completing this final year project.

Last but not least, I would like to thank my family members and all my friends for providing support and friendship that I needed. Thank you for being supportive throughout my time here and for helping me to complete this study. Thank you very much once again for all people. The cooperation is kindly appreciated.

ABSTRAK

Kelewatan pembinaan boleh ditakrifkan sebagai kelewatan projek yang telah jadualkan dan dirancang atau dijadual kontrak. Kelewatan pembinaan dapat dikurangkan hanya apabila penyebabnya dikenalpasti. Objektif kajian ini adalah untuk mengenal pasti punca kelewatan kerja pembinaan di Kuantan, untuk mengkaji kesan kelewatan projek pembinaan di Kuantan dan mencadangkan kaedah pengurusan risiko yang sesuai untuk meminimumkan risiko kelewatan projek. Sejumlah tujuh faktor disumbangkan kepada penyebab kelewatan pembinaan, enam kesan daripada kelewatan pembinaan dan sebelas kaedah meminimumkan kelewatan pembinaan dikenal pasti berdasarkan kajian literatur. Soal selidik telah diedarkan kepada responden sasaran dalam sektor kerajaan dan swasta yang terlibat dalam projek pembinaan di Kuantan. Proses itu akan termasuk lima tahap. Peringkat tersebut termasuk peringkat awal, meninjau tahap, mengumpul data dan maklumat, menganalisis data dan membuat kesimpulan. Tiga faktor paling penting yang menyumbang kepada penyebab kelewatan adalah keadaan cuaca yang teruk, terlambat merevisi dan meluluskan dokumen reka bentuk, kelewatan dalam penyelesaian tuntutan kontraktor dan produktiviti buruh. Kelewatan yang berkaitan dengan pelanggan disenaraikan kumpulan paling penting yang menyebabkan kelewatan, diikuti oleh kelewatan pekerja dan peralatan, dan kelewatan yang berkaitan dengan kontraktor. Masa dan kos ditangguhkan adalah kesan umum kelewatan dalam projek pembinaan. Untuk mengurangkan kelewatan dalam projek pembinaan, ia telah dikenalpasti oleh kumpulan pelanggan, kontraktor, perunding dan kaedah arkitek yang berkesan untuk meminimumkan kelewatan pembinaan termasuk: membayar bayaran kemajuan kepada kontraktor pada masa kerana ia merosakkan keupayaan kontraktor untuk membiayai kerja, bilangan yang cukup buruh harus ditugaskan dan bermotivasi untuk meningkatkan produktiviti, mengkaji semula dan meluluskan dokumen reka bentuk dan mengkaji semula dan meluluskan dokumen reka bentuk, menghasilkan dokumen reka bentuk pada masa dan kesilapan dan percanggahan dalam dokumen reka bentuk perlu dijaga.

V

ABSTRACT

The construction delays can be defined as the late completion of work compared to the planned schedule or contract schedule. Construction delays can be minimized only when their causes are identified. The objective of this study was to identify the causes delay in construction work in Kuantan, to study the effect of delays in construction project in Kuantan and to propose suitable risk management method to minimize the risk of project delay. A total of seven factors were contributed to the cause of construction delays, six effects from construction delays and eleven methods of minimizing construction delays were identified based on literature review. The questionnaire survey was distributed to the target respondent in sector government and private that involved in construction project in Kuantan. The process will be including five stages. The stages are including preliminary stage, reviewing stage, collecting data and information, analyzing data and make conclusion recommendation. The top three most important factors that contributed to the causes of delays were inclement weather condition, late in revising and approving design documents, delays in contractor's claim's settlement and labor productivity. Client-related delays were ranked the most significant groups that cause delays, followed by labor and equipment-related delays, and contractorrelated delays. Time and cost overrun were the common effects of delays in construction projects. To minimize delays in construction projects it has been identified by group of client, contractor, consultant and architect effective methods of minimizing construction delays includes: pay progress payment to the contractor on time because its impairs the contractor ability to finance the work, enough number of labor should be assigned and be motivated to improve productivity, reviewing and approving design document and reviewing and approving design document, producing design document on time and mistakes and discrepancy in design document have to take care off.

TABLE OF CONTENT

	Page
SUPERVISOR'S DECLARATION	Ι
STUDENT DECLARATION	II
DEDICATION	III
ACKNOWLEDGEMENT	IV
ABSTRAK	V
ABSTRACT	VI
TABLE OF CONTENT	V11
LIST OF TABLES	XIV
LIST OF FIGURES	XVI

CHAPTER 1	INTRODUCTION	
1.1	Background of Study	1
1.2	Problem Statement of Study	2
1.3	Research Aims and Objectives	3
1.4	Scope of Study	3
1.5	Significant of Study	3

CHAPTER 2	LITERATURE REVIEW	
2.1	Introduction	5
2.2	Types of Delay	6
	2.2.1 Excusable Delays	7

	2.2.2	Non-Excusable Delays	8
	2.2.3	Compensable Delays	8
	2.2.4	Non-compensable Delays	9
	2.2.5	Concurrent Delays	10
2.3	Sources	of Delays	11
	2.3.1	Delay Factors Related to the	12
		Contractor	
	2.3.2	Delay Factors Related to the Client	13
		/ Owner	
	2.3.3	Delay Factors Related to the Material	15
	2.3.4	Delay Factors Related to the	16
		External Forces	
2.4	Effect o	f Delays in Construction	16
	2.4.1	Time Overrun	17
	2.4.2	Cost Overrun	17
	2.4.3	Disputes	18
	2.4.4	Arbitration	18
	2.4.5	Litigation	19
	2.4.6	Total Abandonment	19
2.5	Risk M	anagement in Construction Project	19
	2.5.1	Risk Identification	20
	2.5.2	Risk Assessment	21
2.6	Minimi	zation of Construction Delays	22

2.3

2.4

VIII

	2.6.1	Owner	22
	2.6.2	Contractors	23
	2.6.3	Consultants	23
	2.6.4	Architect	23
2.7	Conclu	sion	24

CHAPTER 3	RESEA	ARCH METHODOLOGY	
3.1	Introdu	ction	25
3.2	Literatu	ire Review	27
3.3	Questio	nnaire Survey	27
	3.3.1	Data Collection	27
	3.3.2	Design of Questionnaire	28
3.4	Method	ls of Analysis	29
3.5	Analysi	s Stage	29
	3.5.1	Average Index	29
	3.5.2	Sampling Method	30
		3.5.2.1 Likert Scale	30
	3.5.3	Comments	31
3.6	Conclu	sion	31

CHAPTER 4	DATA ANALYSIS	
4.1	Introduction	32
4.2	Data Analysis	32
4.3	Section A: Respondent and Company	33

Details

4.3.1	Despondent Desition	22
	Respondent Position	33
4.3.2	Company Sector of Respondent	35
4.3.3	Class of Company Sector	36
4.3.4	Conclusion	37
	n B: The Experience and	37
	nance of Respondent	37
4.4.1	Respondent Experience	38
4.4.2	Respondent Project Involvement	39
	In Project Delay	
4.4.3	The Average Delay Time was	40
	Authorized by Client	
4.4.4	Responsible Party for Delay	41
4.4.5	Conclusion	
41		
Section	n C: The Causes of Construction Delay	42
4.5.1	Factors of Delay in Construction	43
	Projects Caused by Client	
4.5.2	Factors of Delay in Construction	44
	Project Caused by Contractor	
4.5.3	Factors of Delay in Construction	45
	Project Caused by Consultant	
4.5.4	Factors of Delay in Construction	46
	Project Caused by Material	
4.5.5	Factors of Delay in Construction	46
	Project Caused by Labor and	
	Equipment	
4.5.6	Factors of Delay in Construction	47
	Project Caused by Contract	
4.5.7	Factors of Delay in Construction	47
	Project Caused by External	
4.5.8	Conclusion	48
4.5.9	Analysis of Main Factors	49
т.Ј.Ј	•	т <i>)</i>
	Contributing Delay of Project	

4.4

4.5

Х

4.5.9.1	Factors of D	Delay in	50
	Construction Project		
4.5.9.2	Discussion a	about Major	51
	Factors of C	Construction	
	Project Delay		
	4.5.9.2.1	Inclement	52
		Weather Condition	
	4.5.9.2.2	Late in Revising	52
		And Approving	
		Design Documents	
		By Owner	
	4.5.9.2.3	Delay in Contractor	52
		Claim Settlement's	
	4.5.9.2.4	Labor Productivity	52
	4.5.9.2.5	Slow Decision	
		Making	53
	4.5.9.2.6	Labor Supply	53
	4.5.9.2.7	Site Management	53
	4.5.9.2.8	Conflicts between	53
		Contractors and	
		Other Parties	
	4.5.9.2.9	Unavailability of	54
		Incentives for	
		Contractor for	
		Finishing Ahead	
,		Of Schedule	
	4.5.9.2.10	Equipment	54
		Availability	
4.5.9.3	Group Bein	g a Major	55
	Contributor	to A Factors of	
	Delay in Co	onstruction Projects	
	4.5.9.3.1	Analysis of Group	56
		Being A Major	
		Contributor to A	

XI

Factors of Delay

in Construction

Projects

		-	
		4.5.10 Conclusion	56
4.6	Section	D: The Effect of Construction Delay	57
	4.6.1	Analysis of Effect of Delay	58
		of Construction Delay	
	4.6.2	Long-Term Effect of Construction	59
		Delay	
	4.6.3	Misunderstanding between client	59
		and contractor	
	4.6.4	Conclusion	59
4.7	Section	E: The Suitable Risk Management	60
	and Me	thod to Minimizationn of	
	Constru	action Delays	
	4.7.1	Way Enhance by Client	60
	4.7.2	Way to Enhance by Contractor	60
	4.7.3	Way to Enhance by Consultant	61
	4.7.4	The Way to Enhance Architect	62
	4.7.5	Conclusion	63
CHAPTER 5	CONC	LUSION & RECOMMENDATION	
5.1	Introdu	ction	64
5.2	Conclu	sion for the Objectives	64
	5.2.1	Objectives 1: To identify the	65
		causes delay in construction	
		work in Kuantan.	
	5.2.2	Objectives 2: To study the effect	66
		of delays in construction project in	

XII

Kuantan.

	5.2.3	Objectives 3: Propose suitable risk	67
		management method to minimize the	
		risk of project delay.	
5.3	Recomm	nendation	67
5.4	Conclus	sion	68
REFERENCES			70
APPENDIX A			

LIST OF FIGURES

FIGURES		PAGE
Figure 2.1:	Types of delay categories	7
Figure 2.2:	Factors of Delay in Malaysia	11
Figure 2.3:	Effects of Construction Delay	17
Figure 2.4:	Minimization of Construction Delays	22
Figure 3.1:	Research of flow chart	26
Figure 4.1:	Pie Chart of Organization of the Respondent	34
Figure 4.2:	Bar Chart of Respondent Position in	34
	Organization/Company	
Figure 4.3:	Bar Chart of Company Sector of Respondent	35
Figure 4.4:	Bar Chart of Company Standard	36
Figure 4.5:	Bar Chart of Company Class of Respondent	36
Figure 4.6:	Pie Chart of Respondent Experience in	38
	Construction Project Delay	
Figure 4.7:	Pie Chart of Respondent Involvement in	39
	Project Delay	
Figure 4.8:	Line Bar of the Average of Delayed Time	40
	Authorized by Client	
Figure 4.9:	Bar Chart of Responsible Party for Delay in	41
	Kuantan	
Figure 4.10:	Major Factors Arrangement as Contributor	51

towards Construction Project Delay

Figure 4.11:	Pie Chart of Contributor to the Factors of	56
	Delay in Construction Project	
Figure 4.12:	Pie Chart of Effect in Construction Delay are	57
	Affected the most	
Figure 4.13:	Pie Chart of the Percent of Long-Term	58
	Effect of Construction Delay	
Figure 4.14:	Pie Chart of Way to Enhance by Client in	60
	Construction Delay	
Figure 4.15:	Pie Chart of Way to Enhance by Contractor	61
	in Construction Delay	
Figure 4.16:	Pie Chart of Way to Enhance by Consultant	62
	in Construction Delay	
Figure 4.17:	Pie Chart of Way to Enhance by Architect	63
	in Construction Delay	

LIST OF TABLES

TABLES		PAGE
Table 4.1:	Total of Questionnaire Sent and Returned	33
Table 4.2:	Factors of Delay Resulted by Client	42
Table 4.3:	Factors of Delay Resulted by Contractor	43
Table 4.4:	Factors of Delay Resulted by Consultant	44
Table 4.5:	Factors of Delay Resulted by Material Related	45
Table 4.6:	Factors of Delay Resulted by Labor and Equipment	46
Table 4.7:	Factors of Delay Resulted by Contract	46
Table 4.8:	Factors of Delay Resulted by External	47
Table 4.9:	Analysis of Overall Factors of Delay in	49
	Construction Project	
Table 4.10:	Major Factors of Delay in Construction according	54
	to Group	
Table 5.1:	The highest causes of delay by parties involved	65
Table 5.2:	Effect of Construction Delay in Kuantan	66

CHAPTER 1

INTRODUCTION

1.1 Background of Study

Malaysian construction industry is one of the most important sectors. The construction industry has contributed to the growth of the Malaysian economy. The construction industries contribute to the national economy with the existence of various industries such as education, manufacturing, financial services and others.

Delays are the biggest problem in construction industry. Successful construction project is when it was completed on time, within the budget, with appropriate quality, follow with accordance the specifications and to stakeholders' satisfaction. The successes of a project are determined by functionality, profitability to contractors, and absence of claims.

The delay occurs when a project that has been agreed and scheduled not achieved the target within the contract period. This problem is commonly in the construction project when the project exceeds the schedules that have been executed. Therefore, it would cause delays and contribute to the factors of interruption of work, lack of productivity, increased time, increased costs and third party claims and abandonment or termination of contract. Delays are very costly and always result in disputes and claims. Therefore, it is important to keep track of project progress to avoid the possibility of delay occurrence or identify it at early stages (Intan Diana, 2012).

Therefore, to control the delay in the project it takes responsibility of all parties to review, analyse, identify problem and find a solution in the latest renewal of the methods and strategies for planning and implementation of the project. Moreover, the party was dominated the construction industry are developers or clients consulted, consultants, contractors, suppliers building materials, labour, financial organizations and the authorities. All these parties involved directly or indirectly in the entire construction project. Efficiency and productivity in the construction industry can be seen through the cooperation that exists between all parties if the parties together to fulfil the responsibilities of implementing duties efficiently according to specifications. With this, the delay often faced in implementing the project may be reduced (Mohammad Solhi, 2010).

1.2 Problem Statement of Study

Project delays are a major problem in the construction industry. Usually, project delays caused by the reasons beyond the contractor or the client's expectations. When delay in project happen it will cause a problem in contractor to complete the project. The projects undertaken will be delayed and cost of the project increases and depending on the client to provide a claim either in the process of extended or accelerated. Typically, costs allocated for delayed projects with allow a percentage of the project cost as a profit or an allowance in the contract price and this profit is usually based on judgment.

In addition, with the critical economic situation and increasing of crude oil prices, have affecting the construction industry. The construction industry will have a phase of change where the increased of costs such as costs to buy a materials and salaries for construction workers. Then, it will cause more serious problem in future construction projects. If this problem seriously continues, it will cause those who work in the construction industry will facing many procedures and regulation before been awarded a construction project. Although the parties have been agreed

with the contract for the extra time and cost associated with project delays. But many problems will be encountered between owners and contractors even if the contractor is entitled to claim additional costs. Therefore, the project manager or even the public people can see on the cause and it effect and will avoid it in future.

1.3 Research Aims and Objectives

The aim of this research is to study the causes of delay in construction industry in the area of case study in Kuantan.

The objectives of the research are as following:

- 1. To identify the causes delay in construction work in Kuantan.
- 2. To study the effect of delays in construction project in Kuantan.
- 3. To propose suitable risk management method to minimize the risk of project delay.

1.4 Scope of Study

The scope of the research is mainly focus on literature review and a questionnaire survey. This study is needed to evaluate the level of understanding and applying these delay concepts in planning, design and field operation. The questionnaire survey would be designed based on the causes of construction delays and effects of construction delays. The respondents for this research involve consultants and Construction Company that registered with Construction Industrial Development Board (CIDB).

1.5 Significant of Study

This research was done for the purpose to fulfil several of significant which considered important to refer for the parties that will involve in construction especially the contractor. These significant involve:

REFERENCES

- @Muda, M. R. B. M. (2010). The Factors and Effect of Delay in Government Construction Project (Case Study), (November).
- Abedi, M., Technology, A., & Technology, A. (2011). Effects of Construction Delays on Construction Project Objectives, 1–8.
- Divya, R., & Ramya, S. (2015). Causes, Effects and Minimization of Delays in Construction Projects.
- Marzouk, M. M., & El-Rasas, T. I. (2014). Analyzing delay causes in Egyptian construction projects. Journal of Advanced Research, 5(1), 49–55. https://doi.org/10.1016/j.jare.2012.11.005
- Mohammed, M. S. Bin. (2010). *The Analysis of Factors Contributed to Delay and Method to Analyze the Delay in Construction Project*, (November).
- Musa, I. D. (2013). The Causes and Effect of Delay in Construction Industry Project, (June 2012).
- Rao, P. (2014). *Reveiw Artical Causes Of Delays In Construction Projects* A Case
 Study Rao B . and * Joseph Camron Culas.
- Sambasivan, M., & Soon, Y. W. (2007). Causes and effects of delay in Malaysian construction industry, 25, 517–526. https://doi.org/10.1016/j.ijproman.2006.11.007
- Musa, M. R. (2010). *The factors and effects of delay in governement construction project in Kuantan.* 1-60.
- Wei, T. K. (2015). A study of delay sources of construction project in Kuantan Area. 1-65.
- Aibinu A.A. and Jagboro G.O. (2002). The effects of construction delays on project delivery in Nigerian construction industry: International Journal of Project Management. (20): 593-599.

Sander and Eagles (2001). Delays in Building Construction Projects in Ghana. 1-116

Bramble, B.B., and Callahan, M.T. (1987). *Construction Delay Claims*. John Wiley & Sons, Inc., USA.

- Abd Majid M.Z. and McCaffer Ronald. (1998). *Factors of Non-Excusable Delays that Influence Contractors, Performance. Journal of Management in Engineering,* ASCE, May/June, 42- 49.
- Alaghbari. W., Kadir, M. R. A., Salim, A., & Ernawati (2007). The significant factors causing delay of building construction projects in Malaysia. Engineering, Construction and Architectural Management, 14(2), 192-206. http://dx.doi.org/10.1108/09699980710731308
- William, T. (2010). Construction Management: Emerging Trends and Technologies. Delmar Cengage Learning, United States of America, pp. 2 & 112.
- Wei, K. S. (2010). Causes, Effects and Methods of Minimizing Delay in Construction Project. Unpublished Bachelor Degree Project Thesis, Universiti Teknologi Malaysia.
- Memon, A. H., Rahman, I. A., Abdullah, M. R., & Azis, A. A. (2011). Time Overrun in Construction Projects from the Perspective of Project Management Consultant (PMC). Journal of Surveying, Construction and Property, 2(1), 54-66.
- Koushki.P.A, Al-Rashid.K and Kartam.N. (2005). Delays and Cost increase in the Construction of Private Residential Projects in Kuwait. Journal of Construction Management and Economics, 23 (3), 285-294.
- Assaf S.A. Al-Khalil M. and Al-Hazmi M. (1995). Causes of Delay in Large Building Construction Projects: Journal of Management in Engineering ASCE. 11 (2): 45-50.
- Memon, A. H., Rahman, I. A., &Azis, A. A. A. (2012). Time and cost performance in construction projects in Southern and Central Regions of Peninsular Malaysia. International Journal of Advances in Applied Sciences, 1(1), 45-52. Modarres, M. (2006). Risk analysis in engineering: techniques, tools, and trends. 1st ed. Boka Raton: CRC Press

Mahendra, P. A., Pitroda, J. R., & Bhavsar, J. J. (2013). A Study of Risk Management

71

Techniques for Construction Projects in Developing Countries.International Journal of Innovative Technology and Exploring Engineering. Vol3, (5), 139-142.

- Al-Hajj, A., & Hamani, K. (2011). Material wastes in the UAE construction industry : Main causes and minimisation practices. Architectural Engineering and Design Management, 7(4), 221–235.
- Zou, P. X., Zhang, G., & Wang, J. (2007). Understanding the key risks in construction projects in China. International Journal of Project Management, 25(6), 601-614.