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**IDENTIFICATION OF MAIN CONTRACTORS'  
SELECTION CRITERIA FOR CONSTRUCTION  
PROJECT IN MALAYSIA**

Dissertation submitted in partial fulfilment of the requirement for the  
award of Bachelor of Quantity Surveying (Honours)

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## **ABSTRACT**

Construction projects in Malaysia, especially public projects, often suffer from delays, budgetary and low-quality problems. These are highly affected by contractors who appear to exploit the tender prices. The number of public projects experiencing delay in the 11th Malaysian Plan is significantly increasing. The selection of a contractor as the main participant in a construction project is the most important and challenging decision process for a client. Appropriate selection of a contractor is crucial in determining the future performance of a project. Therefore, this research attempts to identify the criteria for selecting main contractors for public construction projects in Malaysia. The current criteria used by the Public Work Department in selecting the main contractors and the important criteria were investigated. An interview protocol is used to solicit opinions and experience from five Quantity Surveyors working at the PWD headquarters of Malaysia. Semi-structured interview questions are used during the virtual interview with the participants. The findings were further analysed using thematic analysis to extract the code, followed by the production of themes. Financial capacity, technical capacity and the criteria outlined in the Malaysian Treasury Circular (PK 2.1) were the important criteria suggested by the participants. In the end, four criteria were recommended by the participants as the best criteria for selecting the main contractors, which are the criteria outlined in PK 2.1, financial capacity, technical capacity and working experience. This research contributes an update of knowledge regarding the criteria for selecting contractors to enhance the understanding of all the construction industry's players, especially for contractors who wish to bid on public construction projects.

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# CHAPTER 1 : INTRODUCTION

## 1.1 BACKGROUND OF STUDY

Construction sector can be defined as unique and complicated because it includes many complex elements, such as structural designs, site conditions, building materials, labour requirements, necessities for landscape, construction techniques, functional peculiarities, as well as expertise in management (Shukery *et al.*, 2018). Additionally, construction projects require the involvement of various parties such as client, consultants, suppliers, labours, authorities and many more. Project success is the aim of any project owner. However, the sad truth is that construction in developing countries is often confronted with numerous challenges, including the performance of contractors caused by a lack of skills and resources (Maqsoom *et al.*, 2019).

Successful completion of construction projects requires many essential processes, and one of them is the bidding process (Idrus *et al.*, 2011). Huang (2011) argued that the selection of construction contractors is mostly carried out during tendering. Tendering gives a client an option in awarding the contract to a company which offers the lowest price and short construction time. In order to obtain the best results in terms of cost, time and quality for their project, clients usually need the best criteria in selecting the contractors.

According to Elsayah *et al.* (2013), if any participating body is wrongly chosen, that will undoubtedly affect the accomplishment of the project. During the tendering phase, selecting the most suitable contractors to execute the project seems to be quite challenging. It is because the impact of contractors on project performance is very significant as a prequalified and well-selected contractor has the potential of delivering the projects with acceptable quality and within the allocated period (Rashid