

**CENTRE OF STUDIES FOR QUANTITY SURVEYING
FACULTY OF ARCHITECTURE PLANNING & SURVEYING
UNIVERSITI TEKNOLOGI MARA PERAK BRANCH**

**LATE AND NON-PAYMENT ISSUES TOWARDS
SUBCONTRACTOR IN INFRASTRUCTURE WORKS**

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

PREPARED BY : AIREEN NATASHA BINTI AFENDI

(2022643036)

SEMESTER : MARCH 2024 - AUGUST 2024

DECLARATION

“I declare that this Final Project/ Dissertation is the result of my own research and
that all sources are acknowledged in references”

Student's signature :

Student's name : AIREEN NATASHA BINTI AFENDI

Date : 24 JUNE 2024

ABSTRACT

The late and non-payment issues towards subcontractors still remain the essential issues in Malaysia construction industry. The issues occur not only on building projects but also in infrastructure projects. Therefore, the purpose of this research is to identify the possible strategies to mitigate late and non-payment issues towards subcontractors in infrastructure works. Methodology serves this research by applying questionnaire form which is distributed to the subcontractors grade G7 in Klang Valley. Data gained in this research was analyzed through mean method and standard deviation method. Causes that lead to payment delays have been identified which are incorrect claims that were submitted, reliance on client payments through the 'Pay when Paid' clause, and financial concerns such as withholding payments and cash flow issues were among the causes that contributed to this situation. These delays had significant effects, including the delivery of work of a low quality by subcontractors, the abandonment of projects, an increase in construction costs, and delays in the completion of projects as a result of the financial burden that was placed on subcontractors. It was suggested in the thesis that a number of potential solutions could be implemented in order to address these concerns. These solutions included the tightening of contractual clauses, the implementation of legislative and regulatory measures such as the CIPAA 2012, the right to receive progress payments, the issuance of promissory notes, the slowing down of the construction process, and the suspension of the construction process. The research successfully achieved its objective of identifying the causes of late and non-payment, determining the effects and recommending possible strategies to mitigate these issues.

ACKNOWLEDGEMENT

This research study was written as a requirement of the Final Project at the Faculty of Architecture, Planning, and Surveying at Universiti Teknologi MARA. Firstly, I would like to express my sincere and deepest appreciation to my final project supervisor Sir Mohd Firdaus Bin Zainuddin for all upkeep in giving valued guidance, insightful comments and training to me throughout this final project development. He has made an implausible contribution by going beyond the job of supervisor. Besides, I would like to thank my lecturers for continuous support and encouragement towards my final project.

I heartily thank my friends and colleagues who have given me support and encouragement during this long journey. There are many more special people in my life which I also want to extend my thanks to each of them. My deepest appreciation also goes to all those who agreed to answer the questionnaires - sharing their knowledge, views, and experiences. Although there are time constraints, their willingness to answer the questionnaire is valuable and very helpful.

Also, special appreciation is addressed to my family especially my beloved parents, sisters which allowed me to continue my education and encouragement. All love and prayers goes to them. Last but not least, I wanna thank me for believing in me, I wanna thank me for doing all this hard work, i wanna thank me for having no days off, i wanna thank me for never quitting.

TABLE OF CONTENT

ABSTRACT.....	i
ACKNOWLEDGEMENT.....	ii
TABLE OF CONTENT.....	iii
LIST OF FIGURES.....	ix
LIST OF TABLE.....	x
LIST OF TABLE.....	xii
CHAPTER 1.....	20
INTRODUCTION.....	20
1.1 INTRODUCTION.....	20
1.2 PROBLEM STATEMENT.....	23
1.3 RESEARCH AIM.....	25
1.4 RESEARCH OBJECTIVE.....	25
1.5 RESEARCH QUESTION.....	25
1.6 METHODOLOGY.....	26
1.7 SCOPE OF RESEARCH.....	26
1.8 STRUCTURE OF DISSERTATION.....	27
CHAPTER 2.....	30
LITERATURE REVIEW.....	30
2.0 INTRODUCTION.....	30
2.1 OVERVIEW OF CONSTRUCTION INDUSTRY.....	30
2.2 KEY PLAYERS OF CONSTRUCTION INDUSTRY.....	31
2.2.1 Main Contractor.....	32
2.2.2 Subcontractor.....	32