

CENTRE OF STUDIES FOR QUANTITY SURVEYING FACULTY OF
ARCHITECTURE, PLANNING & SURVEYING
UNIVERSITI TEKNOLOGI MARA
SARAWAK

COST CONTROL DURING CONSTRUCTION STAGE AMONG
G6 AND G7 CONTRACTORS IN KUALA LUMPUR

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

PREPARED BY: SITI MUNIRAH BINTI MAT ZUHARI (2019634588)
SEMESTER: MARCH 2021 – AUGUST 2021

ABSTRACT

Many projects in Malaysia and the world over have suffered from cost and time overruns due to factors stemming from poor cost control during the design and project implementation stages. Research aimed to determine the most effective cost control technique used by the G6 and G7 contractors during construction process in construction project being used in Kuala Lumpur was done on a randomly selected of 247 contractors involved in the construction industry. This involved a questionnaire survey to registered. It specifically studied the cost control techniques currently being used by contractors G6 and G7. The problem faced and purposed solutions. This study was able to identify three commonly used cost control techniques which are preventive strategies, corrective cost control and preventive cost control. It was noted that most contractor in Kuala Lumpur find difficulty in controlling the cost due to problems which include failure to estimate the actual project, do not implement basic process of construction and cannot manage costs and irregular control and multiple project changes. Besides, the strategy used to reduce the financial risk are individual level of cost control competencies, reduce the irregular control and multiple project changes and share the information and knowledge about the implementing the cost control during construction stage. This involved a questionnaire survey on the contractors' companies that classified under grade G6 and G7 by the Construction Industry Development Board of Malaysia (CIDB) and used quantitative method. The study was able to establish the most effective cost control technique used by the G6 and G7 contractors during construction process in construction project in Kuala Lumpur.

ACKNOWLEDGMENT

First, I would like to express my highest to Allah S.W.T for His guidance, blessing and for giving me the strength and courageous to perform my responsibilities as a student and complete this research. Bearing in mind previous, I am using this opportunity to express my deepest appreciation and acknowledgement to my lecturer, Madam Noor Syafiqah Binti Mohd Sabri, who has guide, support and contribute ideas for me in preparing this research. A special thanks are given, for her insightful supervision, encouragement and her creative suggestions that lead me to the completion of this research. I also would like to thank my beloved parents and family members, who never stop giving me their encouragement and full support for me to complete my research. Thank you for all the understanding given to me when I really needed it. Finally, I would like to thank my friends and classmates who doing this research too and always there with me when I am having some problems regarding to this research. They also did not stop encourage and always support me in completing this research.

Table of Contents

DECLARATION.....	i
ABSTRACT.....	ii
ACKNOWLEDGEMENT.....	iii
TABLE OF CONTENTS.....	iv
LIST OF FIGURES.....	viii
LIST OF TABLES.....	x
CHAPTER 1 INTRODUCTION.....	1
1.1 INTRODUCTION.....	1
1.2 RESEARCH BACKGROUND.....	4
1.3 RESEARCH PROBLEM.....	6
1.3.1 Materials.....	6
1.3.2 Plants.....	9
1.3.3 Labor.....	11
1.3.4 Time and Cost Relationship.....	14
1.4 AIM OF RESEARCH.....	16
1.5 RESEARCH OBJECTIVES.....	16
1.5.1 To identify the strategy used by the G6 and G7 contractors to reduce the financial risk in construction project.....	16
1.5.2 To analyze the main problem faced by the G6 and G7 contractors in controlling the cost on site.....	16
1.5.3 To study the solutions for G6 and G7 to avoid the financial risk or overrun cost in the construction process.....	16
1.6 RESEARCH QUESTIONS.....	17
1.6.1 What is the strategy used by the G6 and G7 contractors to reduce the financial risk in construction project?.....	17
1.6.2 What is the main problem faced by the G6 and G7 contractors in controlling the cost on site?.....	17
1.6.3 What are the cost control methods used by G6 and G7 contractors in a construction project?.....	17
1.7 SCOPE OF STUDY.....	18
1.8 RESEARCH METHODOLOGY.....	19
1.9 RESEARCH ORGANIZATION.....	20
1.10 SUMMARY CHAPTER.....	22

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

The term “cost” and control” should be defined as the application of procedures that result in early illumination of potential changes in resources requirement and in the timely surveillance of the usage of funds to permit action that will keep cost within a predetermined ranged. Other than that, Royal Institute of chartered Surveyor Committee defined cost control as the total process which ensures that the contract sum is within the client’s approved budget or cost limits. Contractors have a big responsible to make sure that a project or production can make maximum profit or to make sure that the budget of a project does not burst. Usually, actual costs of development of a project will normally being higher than necessary.

Almost all clients in construction are interested in having fully functional facilities completed in terms of time, expense, quality, and variety. A builder who can design to the right specifications and scope within the expected time and budget is an excellent builder. Cost management is a mechanism in which the project's construction cost is controlled using the best strategies and procedures so that the contractor does not suffer losses when conducting the project's activities. One of the goals of cost management is to build in line with the project objectives at the lowest possible cost. The acts to achieve control are essentially the judgement of the manager that everything should be done differently and the application of that decision into effect. (Otim et al., 2012). Once a process has been completed, limited use is made to discover that its cost was simply too much. Many project