DEPARTMENT OF BUILDING

FACULTY OF ARCHITECTURE, PLANNING

AND SURVEYING

UNIVERSITI TEKNOLOGI MARA

SERI ISKANDAR

(PERAK)

PROGRESS PAYMENT CLAIMS

Prepared by:

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DEPARTMENT OF BUILDING

FACULTY OF ARCHITECTURE, PLANNING AND SURVEYING

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(PERAK)

DECEMBER 2019

It is recommended that the report of this practical training provided

BY:

Nurul Ain Binti Ayuhibullah

UITIM ID NO:

2017206814

entitled

PROGRESS PAYMENT CLAIMS

be accepted in partial fulfillment of the requirement for obtaining the Diploma In Building.

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STUDENT'S DECLARATION

I hereby declare that this report is my own work, except for extract and summaries for which the original references are stated herein, prepared during a practical training session that I underwent at Haily Construction Sdn Bhd for duration of 20 weeks starting from 5 August 2019 and ended on 20 December 2019. It is submitted as one of the prerequisite requirements of BGN310 and accepted as a partial fulfillment of the requirements for obtaining the Diploma in Building.

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Last but not least, my special thanks to my beloved parents and sibling for their given me great encouragement and support in preparing a report book and completing the industries training.

Thank you so much.

ABSTRACT

Payment claim is a very important thing to elaborate, therefore this report will discuss about payment claims which how the contractor to maintains the cash flow company. Flows of the funds are progress payment for the work done in monthly with the contract. This payment claims may be validly served on the respondent by the personally or by the during office hours at usually place of business. This report was aims to improve the value of the payment claim and make sure the payment claim can be easy to process and get the claims. The objective of this report is to the identify the problem when during the payment claims. When the payment claims had been the process wisely and keep the right track and always on time, it easier for any problem to be solved quickly and can be handled professionally. In this report was describes in detail the case study of progress payment claim by the client and about the company background. This report also looked at the payment claim efficiency management based on the guideline by producing the use of effective. So that, can suggest that there must be enforcing clauses of delayed payment in contract.

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CHAPTER 1.0

INTRODUCTION

1.1 Background and Scope of Study

Claims commonly used in industry construction are application by contractor for the payment. Claims also application for addition payment causes the instruction under the requirement contract. This application is for the claim by the expenses to contractor. In general, the payment claims are documents that have a breakdown all of the work done at the site project. This payment claims are legal entitlement to the contractor. In this case, contractor enables to receive progress payment. In addition, when the contractor gets the delays of this progress payment, contractor has the right way to apply the penalty. (Pyrmont, 2009)

Payment claims are which the contractor to maintains the cash flow company. Flows of the funds are progress payment for the work done in monthly with the contract (CAP009M, 2010). This payment claims may be validly served on the respondent by the personally or by the during office hours at usually place of business. Besides, sending it by the post at the address respondent and other way that as may be provided under the construction contract taken up. Payment claim in via email are not allowed at all, however in some cases it will be invalid for example when the contract clearly justified service in via email. (Maddocks, 2011)

Payment claims have four different ways that can be served. Firstly, it can serve in reference date. Reference date means date that agreed by a both contractor and client. This a date that may contractor be issues their payment claim. It is the best issue the payment claim on the said date and not before and after the date. After that, can used way milestone, it means a contractor and client may agreed to issued the payment claim in every milestone for every work. This way can be an effective approach payment claim that sees by the client and easy to monitor the progress of the building project.

Besides, payment claim also can use the event. It means, depend on the agreement of the contractor and client and event that was stated on the contract for issued the payment claim after a specific period such as after the defect liability period. This way is highly depends on the construction contract. Lastly, the way end of the month. This method can only be used if there are no reference date or any specified date on the building contract to which the contractor can issued the payment claim. Automatically the date of the issued payment claim was in the end of the month. However, this way was a not recommended. (Pyrmont, 2009)

Progress payment claim means that contractor was paid progressively throughout the project and required to submit the progress claims to the architect on a regular basic. After that, architect will evaluate each claim based on the work undertaken, materials that used, and any other construction cost according with the construction contract. Lastly, architect will issued certificate progress claim which states the amount which architect calculated to be due to the contractor at the time that issued.

1.2 Objectives

To learn in detail about the operation of the high residential property, it needs 3 objectives

1) To explain progress payment claims procedure needed when claiming.

2) To determine the causes and effects of progress payment delay.

3) To determine the problems and solutions taken in regards to progress payment claim issues.

1.3 Methods of study

To achieve the aim, a few methods used to obtain the data and information regarding to this task. The types of methods being used for this research were as the following:

1) Observation

The research about progress payment claims at the selected site location in office Haily Construction Sdn Bhd in Daerah Kulai. Opportunity was given to look around the contract department and the environment while working in company construction. Besides, it also show how doing their work especially for quantity surveyor duties. After that, all staff in Contract Department freely to give some important information when have some question especially about quantity surveyor duties. Some important information more for progress claim. At the same time, various questions have been asked based on progress claim. Then, pictures were taken for report purposes. All the conversation while observing the progress claim were also recorded and noted.

2) Interview

The interview applies to all staff including account department and site management. Firstly, staff of finance department or known as account department began discussion with the introduction of the background company. During the interview, various questions were given and more to about company profile scope job of account department. After that, interview with senior quantity surveyor about the quantity surveyor duties and about progress claim. Besides, various questions was asked base on progress payment claim especially. Such as, procedure needed when claiming the progress claim and causes and effect of progress payment delay. Lastly, interview discussion with project manager (site management). Project manager began the discussion with every daily their do at the site. Some questions were given to project manager about progress in site and progress claim. All the conversations while during the interviews were also noted in note book.

3) Document review

Person that in-charge of training student also provide soft copy documents for review. Besides, other department also provide soft copy document for review and also to complete the report has well. Document review by file that concerned about payment claim and company profile. Besides, noted while interview with quantity surveyor and all of the staff also provide information for document review.

CHAPTER 2.0

COMPANY BACKGROUND

2.1 Introduction of Company

Haily Construction Sdn Bhd is one of organization private and an enterprise in Malaysia. The main office of Haily Construction Sdn Bhd was in Kulai, Johor. The company was it operates in the construction of building industry. It starts built and on the land that located No. 3339 Jalan Pekeliling Tanjung 27, Kawasan Perindustrian Indahpura, 81000 Kulai. It takes about 2 years to fully a completed. The position was in Indahpura, Kulai. This place was strategic because near in Bandarputra, IOI and Aeon Kulai.

Figure 2.1: Main office of the Haily Construction Sdn Bhd

A name of Managing Director was Mr. See Tin Hai. He was registered in CIDM in Grade 7. Registration address was at No. 02-61, Jalan Mutiara Emas 9/3, Austin Boulevard, Taman Mount Austin, 81100 Johor Bahru, Johor. Also business address currently was at located No. 3339 Jalan Pekeliling Tanjung 27, Kawasan Perindustrian Indahpura, 81000 Kulai. Date of registration this company was on 10 Mei 2007 and start registration in CIDB on 22 June 2007.

Quality policy of Haily construction Sdn Bhd was committed to deliver the highest quality of services and products to their clients within the specified time and cost by the meeting client's requirements and expectations. It also implemented standard procedure to ensure consistency of quality required. Then, implementing standard procedure to ensure consistency of quality required. Besides, was continual improvement of business processes and quality management was system. After that, was engaging employee towards competency and efficiency and will complying with applicable statutory and regulatory requirements.

This company have successfully booked their name around Malaysia through some success built in the field of the construction. From the latest financial highlight company, Haily Constructionreported a net sales revenue increase of 4.43% in 2017. Its total assets recorded a growth of 2.92%. Net profit margin Haily Construction was increased by 5.71% in 2017.

2.2 Company Profile

Haily Construction Sdn Bhd was founded in 2007 by Mr. See Tin Hai as Executive Director. Before the Haily was established, Mr. See shared his holding with his partner. His old company was Conves Construction. Conves Construction has been established on 3 August 1998. After nine years, Mr See has set up his own company based on his experience. Haily Construction is a main contractor well known in the Malaysia and very familiar in the Johor. It was established with CIDM on 22 June 2007 with Grade G7.

Haily Construction has experience in various types of construction works including civil engineer, office and commercial development, industrial training development, residential and hotel and has been a recognized name in the Malaysia construction industries. Haily Construction also have served many clients ranging from semi-government and statutory bodies to private and public companies and partnership and individual clients from the inception up to the completion of building and engineering works as shown in Table 2.1.

Mission this company was a creating a conducive environment for satisfactory development of skills and knowledge among staffs and management to promote career advancement, trigger efficiency and effectiveness in work processes and motivate team cohesiveness. Then, want to uphold long term relationship with our valued customers without compromising in the highest standards in environmental, safety and health. Lastly, want to adopting best industrial practices and embracing innovation as the way to conduct their business. While the vision for this company was want to be the choice builder by delivering high quality construction products and services to our customer in a timely manner and to seek to create sustainable returns to all stakeholders.

The objectives of this company have been divided by department. Each department has its own objectives. Objective of project department was to make sure 100% complete the job according to spec within completion time & budget. Besides, project department want to reduce on site material damage and wastage, the target was 50% from the budgeted. Next, project department want to reduce of client complaint and maximums

10 NCR only per project. Then for tender department, want to get Letter of Award for tender and at least 20% of tender was submitted.

Purchasing department of objectives was wants to competitive the price based on prescribe material list with at least 2 quotation. Besides, want to supplier selection base on good term and good services and to carry out supplier evaluation at least once a year for active supplier. After that, for the human resources & admin department objective was wants to upgrade employee competency and skill. Target for that was need minimum 5 hours of training per head per year.

Lastly, for the safety department objectives was want to ensure site workers was provided with adequate and appropriate safety information by having safety toll box meeting. Besides, want to emphasize all site workers to follow safety terms and rules while at site. Target for this objective was want to zero fatality and increase incident at site.

Main activities of Haily Construction just like any other development company was construction of building including heavy and civil engineering construction. The market strategy was to expand and penetrate the market through effective marketing efforts. Haily construction will provide a price that was relevant through customer service sensitive to client needed.

This company has about 60 staffs including staff at the site. All of the staff has a skilled and experience working in the industries. So that, the staff normally known to handle every situation. It also, his staff always give a good commitment when do their work. This is a one of the secret of his company success. This company very concerned about the attitude worker, cause that this company can birth a credible worker.

2.3 Organization Chart

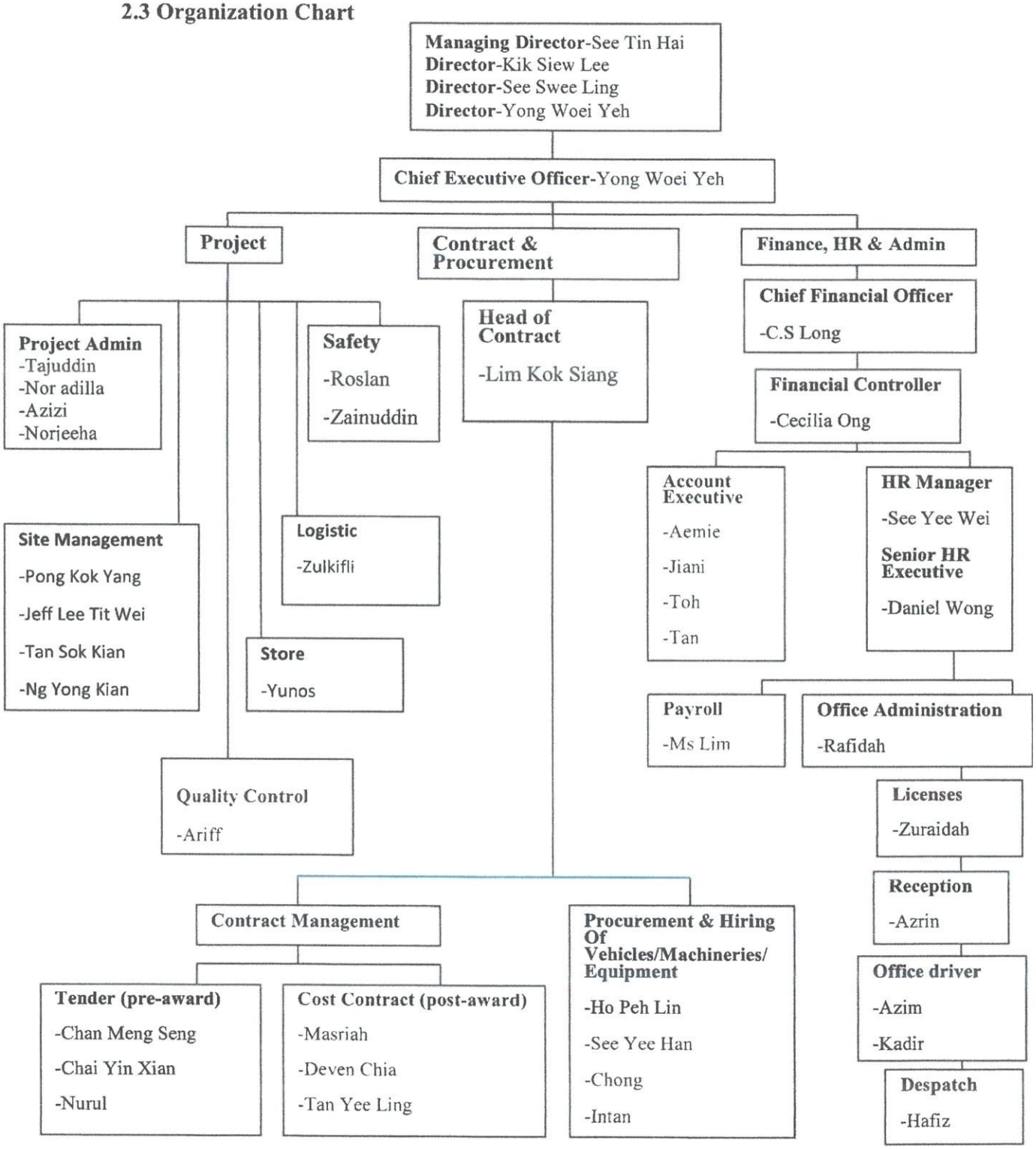


Figure 2.2: Organization chart of Haily Construction

Source: Haily Construction Sdn Bhd

There are three departments it was project department, contract department and finance, human resources and admin department. Mr. Yong Woei Yah as a director and Chief Executive Officer was responsible for leaded all leader of departments. Lim Kok Siang was head of contract department. He was responsible to guard tender (pre-award), contract (post-award) and procurement and hiring of vehicles, machineries and equipment units. A tender (pre-award) unit was led by Chan Meng Sang. He was Assistant contract manager and has assisted by Chai Yin Xian as a Quantity surveyor and Nurul Syafiqah has a Junior contract executive.

A cost contract (post-award) unit was led by Masriah. She was a senior quantity surveyor. She was assisted by Deven Chia and Tan Yee Ling as an assistant of quantity surveyor. Ho Peh Lin led a unit of procurement and hiring of vehicles, machineries and equipment and holds a position as Senior purchasing officer. His has assisted by See Yee Han as a Purchaser executive, Chong as a Purchasing officer and Intan as a Purchasing assistant and office stationary or sundries controller.

There are quite a few units of project department such as project admin, site management, quality control, safety, logistic and store. A project admin unit was led by Tajuddin Hisham. He was a project controller. His was assisted by Nor Adila as a draughtsman, Azizi as a site engineer and Norjeeha as project executive. Besides, site management unit was lead by Pang Kok Yang, Jeff Lee Tit Wei, Tan Sok Kian and Ng Yong Kian. They were a project manager on each of their sites. They were assisted by site agent and site supervisors. Safety unit was led by Roslan and Zainudin as a safety officer. Safety officer will assisted by the safety supervisor. Unit logistic managed by Zulkifli and unit store was managed by Yunos. Besides, for unit quality control was managed by Arif.

After that, there are some units of account department such as finance or treasury and human resources and admin. C.S Long was Chief financial officer of account department. He was responsible to guard the whole unit in account department. He was helped by Cecilia Ong as a financial controller. Under them there are 2 units, finance or

treasury unit and human resources and admin unit. Aemie, Jiani, Toh and Tan that was Account executive have been assigned to handle finance unit. See Yee Wei as a Human resources manager was responsible to guard the whole of human resources and admin unit. She was helped by Danial Wong as a senior human resources executive. Under them there are 7 units such as office administration, licenses and foreign workers, reception, payroll, office driver and despatch. Payroll unit was responsible by Ms. Lim as a personal account. Rafidah as an assistant admin executive has been responsible for the office administration unit. Besides, Zuraidah as admin executive has been responsible for the licenses and foreign workers unit. After that, Azrin as receptionist, officer driver was Azim and Kadir and despatch clerk was Hafiz.

2.4 List of Project

Table 2.1: Table of completed project

Project (Completed)	Client / Architects	Contract Sum (RM)	Year	Duration
Cadangan Pembangunan Yang Mengandungi:1 Block A 25 Tingkat Bangunan (Apartment) Di Atas Lot PTD 212898, Taman Sierra Perdana, Mukim Plentong, Daerah Johor Bharu, Johor Darul Takzim (Meridin Bayvue) (Phase 1)	Venice View Development Sdn Bhd / JYP Architect	163,744,304.11	12/14 - 04/17	28 Months
Cadangan Pembangunan Yang Mengandungi: 1 Block B 25 Tingkat Bangunan , Taman Sierra Perdana, Mukim Plentong, Daerah Johor Bharu, Johor Darul Takzim (Meridin Bayvue) (Phase 2)	(Mah Sing) Meridin east /RDC Architect	144,825,695.89	09/16 - 01/19	28 Months
Cadangan Pembangunan Yang Mengandungi:90 Unit Rumah Teres 2 Tingkat (20'X75') Di Atas PTD 175242, Mukim Plentong, Daerah Johor Bahru, Johor Darul Takzim (Meridin East-Parcel 1D)	(Mah Sing) Meridin east /RDC Architect	19,780,000.00	07/17 - 10/18	15 Months

Cadangan Pembinaan Yang Mengandungi:10 Unit Kilang Ringan Berkembar 1 Tingkat Dengan Pejabat 1 Tingkat), Taman Perindustrian Ringan Pulai,Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim Untuk Tetuan Loong Soon Kemajuan Sdn. Bhd. (Phase 3)	(Tasek Maju) Loong Soon Kemajuan Sdn Bhd / Jurutera JRK Sdn Bhd	10,170,000.00	10/17 - 01/19	15 Months
Proposed Construction And Completion Of 182 Units Of 2 Storey Terrace House, Taman Austin Duta, Mukim Tebrau, Daerah Johor Bahru, Johor Darul Takzim	IJM Properties Sdn Bhd / DC Architect Sdn Bhd	27,270,000.00	09/17 - 01/19	16 Months

Source: Haily Construction Sdn Bhd

Table 2.2: Table of ongoing project

Project (Ongoing)	Client / Architects	Contract Sum (RM)	Year	Duration
The Construction, Completion & Maintenance Of 66 Units 3-Storey Cluster House, Taman Nusa Sentral, Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim	Country View Resources Sdn.Bhd / JYP Architect Sdn Bhd	24,906,534.08	09/18 - 12/19	15 Months
Cadangan Pembangunan Yang Mengandungi: 360 Unit Rumah , Bestari Perdana, Mukim Plentong, Daerah Johor Bahru, Johor Darul Takzim	Meridin East / RDC Arkitek Sdn Bhd	44,900,000.00	12/18 - 02/20	14 Months
Cadangan Membina Dan Menyiapkan Bangunan Yang Mengandungi : 174 Unit Rumah Teres 2 Tingkat (22'X70'), Mukim Senai, Daerah Kulai, Johor Darul Takzim Untuk Tetuan Casa Bayu Idaman Sdn Bhd	Casa Bayu Idaman / Wai Lai Architect	41,500,000.00	08/19 - 07/20	11 Months
Cadangan Pembinaan Yang Mengandungi: 164 Unit Rumah Teres 2 Tingkat (20'X65'), Mukim Plentong, Johor Bahru, Johor Darul Takzim	Meridin East / JYP Architect Sdn Bhd	30,800,000.00	07/19 - 10/20	15 Months

The Construction And Completion Of : 1. 128Units Type 'A' Double Storey Terrace House , Taman Impian Emas, Mukim Tebrau, Daerah Johor Bahru, Johor Darul Takzim	Gunung Impian Dev Sdn Bhd	25,998,979.96	08/19 - 07/20	11 Months

Source: Haily Construction Sdn Bhd

CHAPTER 3.0

CASE STUDY

2.1 Introduction to Case Study

The project is about residential houses construction which is located at Mukim Plentong, Daerah Johor Bahru, Johor Darul Takzim. It is consisting of 125 number of double storey terrace Type H (Phase 1) highlight in blue color and 111 number of double storey terrace Type H (Phase 2) highlight in yellow color referring to the planned layout (as shown in figure 3.1 and figure 3.2). It is under the Mah Sing Group Sdn as a landlord. The developer which organics this project is Meridin East Sdn Bhd. RDC Arkitek Sdn Bhd is responsible in designing work on structures as according the client need. The civil and structural engineer is Serumpun Consultant Sdn Bhd which responsible in following the update mainly about the structure constructed, in progress or will be constructing. The mechanical and electrical engineer in charge for fulfilling the equipment in the built structure in this project is Lingo Consulting Engineers and all the detail were present in front of the tender document (as shown in figure 3.3).

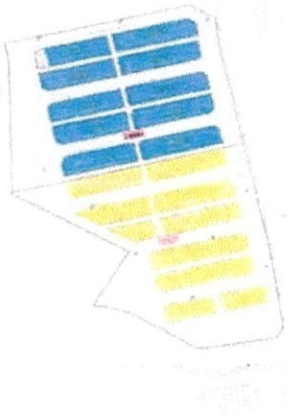
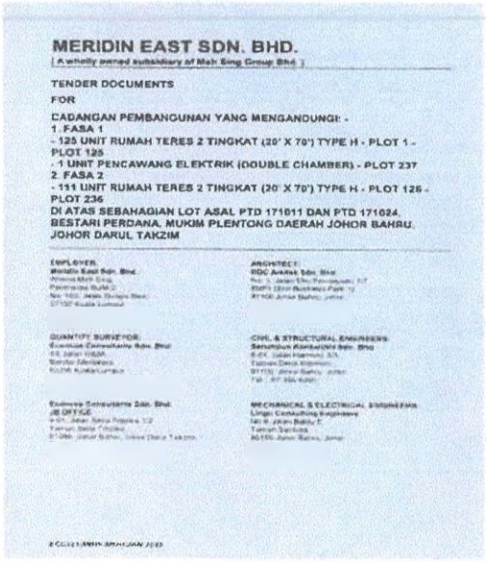


Figure 3.1: Layout Plan

Source: Haily Construction Sdn Bhd

Figure 3.2: Location Plan

Source: Company profile Haily Construction Sdn Bhd


MERIDIN EAST SDN. BHD.

TENDER DOCUMENTS

FOR

CADANGAN PEMBANGUNAN YANG MENGANDUNGI: -
1. FASA 1
- 125 UNIT RUMAH TERES 2 TINGKAT (20' X 70') TYPE H - PLOT 1 - PLOT 125
- 1 UNIT PENCAWANG ELEKTRIK (DOUBLE CHAMBER) - PLOT 237
2. FASA 2
- 111 UNIT RUMAH TERES 2 TINGKAT (20' X 70') TYPE H - PLOT 126 - PLOT 236
DI ATAS SEBAHAGIAN LOT ASAL PTD 171011 DAN PTD 171024,
BESTARI PERDANA, MUKIM PLENTONG DAERAH JOHOR BAHRU,
JOHOR DARUL TAKZIM

Figure 3.3: Tender Document

Source: Haily Construction Sdn Bhd

This project was started on December 2018 and supposed to finish by February 2020 with the duration of 14 months. The overall for this project is 44.9 million. The site is surrounded by road which high safety features must be followed to avoid accident among the road public users. Every monthly, progress claim required to submit to the architect on a regular basic based on the progressively throughout the project. Payment claims are which the contractor to maintains the cash flow company. Flows of the funds are progress payment for the work done in monthly with the contract.

2.2 Progress payment claims procedures

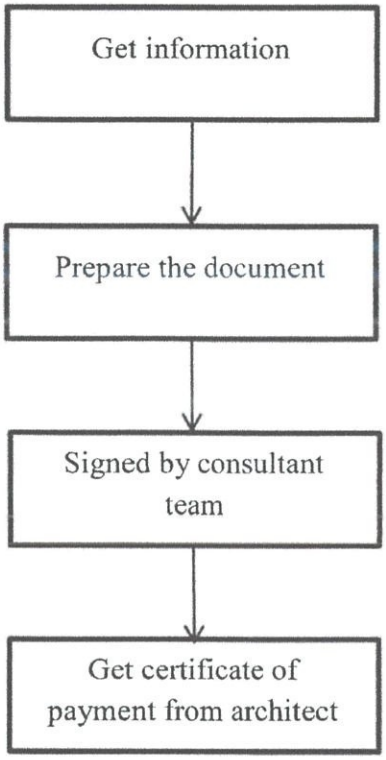


Figure 3.4: Procedure progress payment claims

1. Information of progressively project

There are two way to get an information about the progress progressively project progress. Information needed to update the progress on monthly project. Firstly, need to survey at the site and looked the surrounded area of the progress project and material on site for the update progressively by the quantity surveyor. Therefore, all information about progressively obtain more specifically. Second way was get information from staff at site without survey at site. Staff at site was project manager, site supervisor and sub-contractor. Information that needed was progressively project with picture as evidence and delivery order (DO).

2. Prepare Documents

1. Preliminaries (Bill No .1)

Preliminaries normally appear in tender document for providing a description of a project that allows the contractor to assess costs. Preliminaries was provides a description of the project, the contractor's general obligation, general facilities, and setup running costs. It generally divided among initial cost and final cost. If work is disrupted for reasons out contractor's control, returning cost are often used calculate compensation for the extension on the contract period.

In progress payment claim for this project was divided into four categories, namely initial cost, omission, recurring cost and final cost usually by the project consulting quantity surveyor in consultation with the contractor. The initial cost and final cost are usually fixed and payable upon commencement and at completion, while the recurring costs are then spread evenly over the project completion period.

2. Piling works

Piling works is works by inserting large amounts of wood, steel or concrete into the soil of the ground. Piling works is a first works for ensures a sturdier base for the construction to take place. Report of piling works and PDA test was needed to claim progress piling works. Soft copy of piling report and PDA test was be included once during submit progress payment claim. The point of piling was drawn by quantity surveyor for a strength evidence when submit the document of progress claim. The point of piling was illustrate according to the data obtain. All documents pertaining to piling works was included for claim.

3. Building works

Building works means any works involved in constructing the building, altering or adding at the building. Building works was the construction work for the erection of a building. Work below lowest floor finish, frame work, external works within lot boundary and painting works are building works as shown in figure 3.3. All information about the building works progress was taken noted by the site vision. Sometime the progress of the contract building was requested by the quantity surveyor as evidence. Therefore, building works was drawn by the quantity surveyor to give a diagram about a building works.

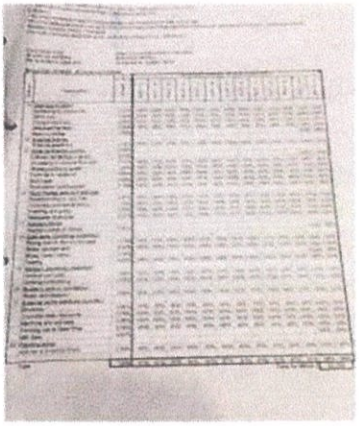


Figure 3.5: Building work on document

4. Mechanical and Electrical works (M&E Works)

Mechanical was mechanical system such as element of infrastructure, plant and machinery and components of heating and ventilation. Electrical works was electrical system such as power supply and distribution, telecommunication and control system. M&E works or service building was the system that installed to make comfortable, functional, and efficient save to people in the building. Normally, consultant appointed by the client. Therefore, data progress for M&E works needs to support from other teams for provides data.

5. Ancillary Building (TNB)

Ancillary building is an additional area that supports the function and mains area of the areas. It is not part of the primary purpose of the building but is required in order that the primary purpose can function. Claim for progress works ancillary building was still the same as building works but different bill. Normally TNB building was finished in advance and that progress does not take long time.

6. External Work

External works is a work that outside the main building such as fencing, hoarding and staircase at back line. External works normally often calculated as lump sum without the progress. It also still needs to be entered when claiming as shown in figure 3.4.

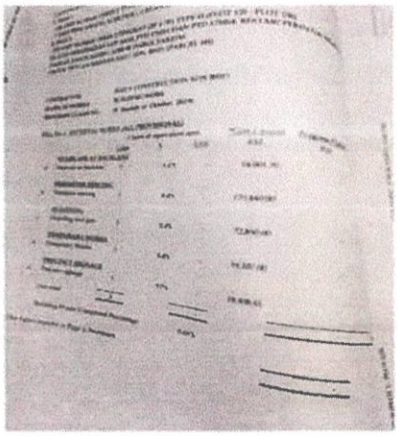


Figure 3.6: External works on document

7. Provisional Sum (Infrastructure Work)

Provisional sum is an estimated that amount. This is caused by rate an uncertain, sometime can be expensive and can be cheap. Provisional sum normally for infrastructure works. For example, to install the manhole was needed to look at the condition of the soil and measure the depth. To calculate the cost, site measurement was required. Infrastructure work was takes consultant and engineer down to the site to measure the depth and need to attach with architect drawing.

8. Material On Site

Not all material on site that the contractor can claim as shown in figure 3.5. It depends on the client and the quantity surveyor consultant. Material that can be claimed for this project were aggregate, concrete and BRC. Claim material needed to attach with delivery order (DO) as evidence and references to quantity surveyor consultant as shown in figure 3.6.

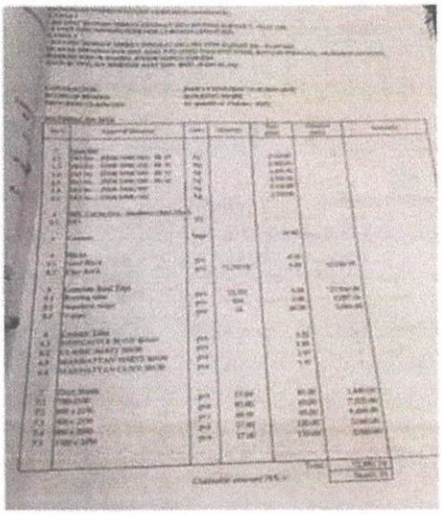


Figure 3.7: Material on site progress claim

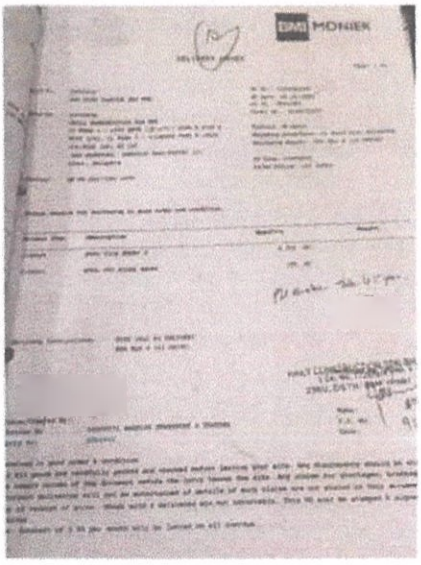


Figure 3.8: Delivery order on site

3. Signed By Consultant Team (Join Site Valuation)

After completed all the bills that required for progress claim payment, this document will passed to the consultant team (join site valuation) for the checked and signed as shown in figure 3.7. A consultant's team or better known as were club of work were made up of client, consultants and main contractor. Consultant team consist of client, civil and structure engineer, mechanical and electrical engineer, quantity surveyor and main contractor. All of the consultant team for this project will go to site and saw all the construction progress was a same as in the document progress claim. When the construction progress was a same as in the document progress claim, the document progress claim will be signed for approval. Process checked by consultant team was taken about two weeks. Sometimes, there are client was only representative of two consultant, which is quantity surveyor and client to signed and can continue to go to the architect. For this project was needed all of consultant team to signed cause this project was by Mah Seng Group.

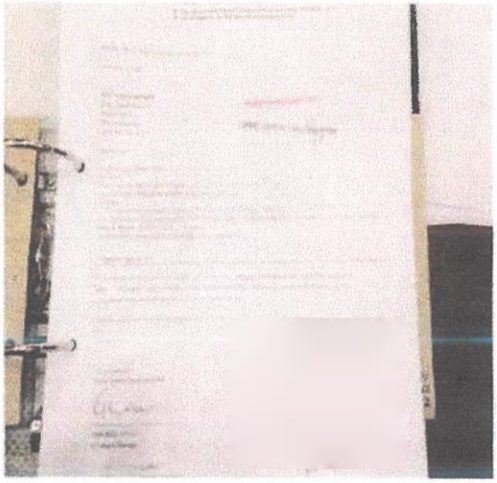


Figure 3.9: Signed by consultant team

4. Certificate of payment

After the document progress claim was signed by the consultant team, the document progress claim will continue to do to the architect of this project which is RDC Arkitek Sdn Bhd. For submit to the architect, contractor must follow the date contained in the contract. If delayed and misses the expected date, the certificate of payment will be issued on next month. Process to get certificate from architect was taken about two weeks to evaluate the work undertaken, materials that used and any other construction according with the construction contract as shown in figure 3.8. After get the certificate, client will take 45 days to 60 days to pay a progress claim to the contractor.

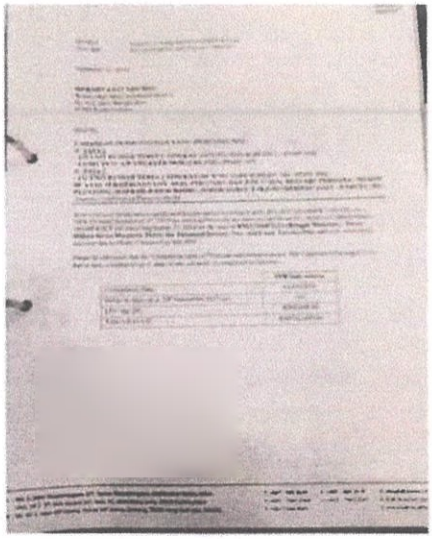


Figure 3.10: Certificate from client (architect)

2.3 Causes And Effects Of Progress Payment Delay

Each two causes that will make payments claim was delay. The two causes are by main contractor and by client.

1. By Main Contractor

   First of all, client (Architect) will set a date either beginning of the month, mid-month or end of the month to submit a progress claim and on that date the progress claim will be submitted. For this project, the client was determined that the progress claim will be submitted at the end of each month. When the main contractor delays 1 week to submit, the client will bring a progress claim that month to next month. Because of this situation, progress payment claim will be delayed and also will bring to the next month payment. Main contractor will followed the schedule client, so quantity surveyor of main contractor was arranged the schedule correctly so that there was no delayed. Sometimes that causes was caused by the project manager. Project manager was late give information about the progress in site. Besides, quantity surveyor takes time to prepare a document of progress claim. This situation was caused that progress claim delayed to issue to architect.

2. By Client (Architect)

   After get a certificate of payment, client has 45 days to 60 days to pay a progress claim to the contractor. If founded that client was unable to pay during that period then the contractor can take action on the payment delays. The clients may be delayed to pay due to financial problems such as their payment is not as good as it is once a month. The effect of payment delay caused by the client can give the contractor advantages. Contractor can issue this payment delay to apply EOT (Extension of Time), before to apply this EOT, contractor must find out first the cause of delayed payment. If not caused by contractor, issued to apply EOT can continue. Process to get a certificate of extension of time will take a time. The original setup will be change to the new one and the contractor asked to submit a new work program was an effect of extension of time.

2.4 Problems and Solutions Taken In Regards To Progress Claim Payment

1. Information Not Complete or not clear

Information from site vision very important caused quantity surveyor main contractor did not go to the construction site. Sub-con and staff in site project was site vision. Site vision was play role in providing the information to quantity surveyor. The problem was site vision taking it easy and do not want to work together in give information about progress construction such as site vision do not know where progress was, delay give the delivery order. This matter will delay the progress claim document to prepare. To get to the certificate will also delay and payment claims will delayed.

The solution was quantity surveyor will request to obtain sufficient information such as always keep in site vision mind what was required for the progress claim and a date. Besides, overlooked that issue and don't forget for the site vision.

2. Certificate of payment was not the same as progress claim

Certificate of payment by architect was a fund monthly for contractor. Normally architect will evaluate each claim based on the work undertaken, materials that used, and other construction cost according with the contract. The problem was amount which architect calculated does not like amount that calculated by quantity surveyor main contractor. That effect was contractor use much of own funds.

The solution was quantity surveyor by main contractor need to give all detail of information to the architect as evidence. Quantity surveyor needed to always alert and make sure that all required documents of progress claim are complete before given at architect.

CHAPTER 4.0

CONCLUSION

3.1 Conclusion

This report will explain how the procedure of progress payment claim, causes and effect and problem and solution taken in regards to progress claim payment. Progress throughout the project was required each month to be submitted to the architect. The procedures of progress payment claims were get information about the project work progress by staff in site such as project manager. Besides, the prepared the documents of progress claim by quantity surveyor. After that, checked and signed the document by the consultant team. Lastly, certificate payment will get after the evaluation by architect.

There are two causes of delay payment claim. The first cause was by the main contractor. Quantity surveyor for main contractor was not arranged the schedule correctly. The effect was delayed payment for one month. A second cause was by the client. Delayed payment by client was given the main contractor advantages. Main contractor can issue that payment delayed and apply EOT for that project.

The problem faced in regards to progress claim payment was information not complete and not clear. Site vision does not cooperated when give a data about the progress work in site. It becomes a cause if late to prepare a document progress claim. The solution was site vision will be reminder by the quantity surveyor. Besides, payment in certificate was not like a amount in progress claim. This case was deducted by architect about a progressively work done. The solution for this problem was given the all of information to the architect for the evaluation. All required document of progress claim needed to complete and checked by quantity surveyor.

In conclusion, all these the process in the progress payment claims give a lot of new knowledge and advanced for a practical student before move forward into a real work environment.

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