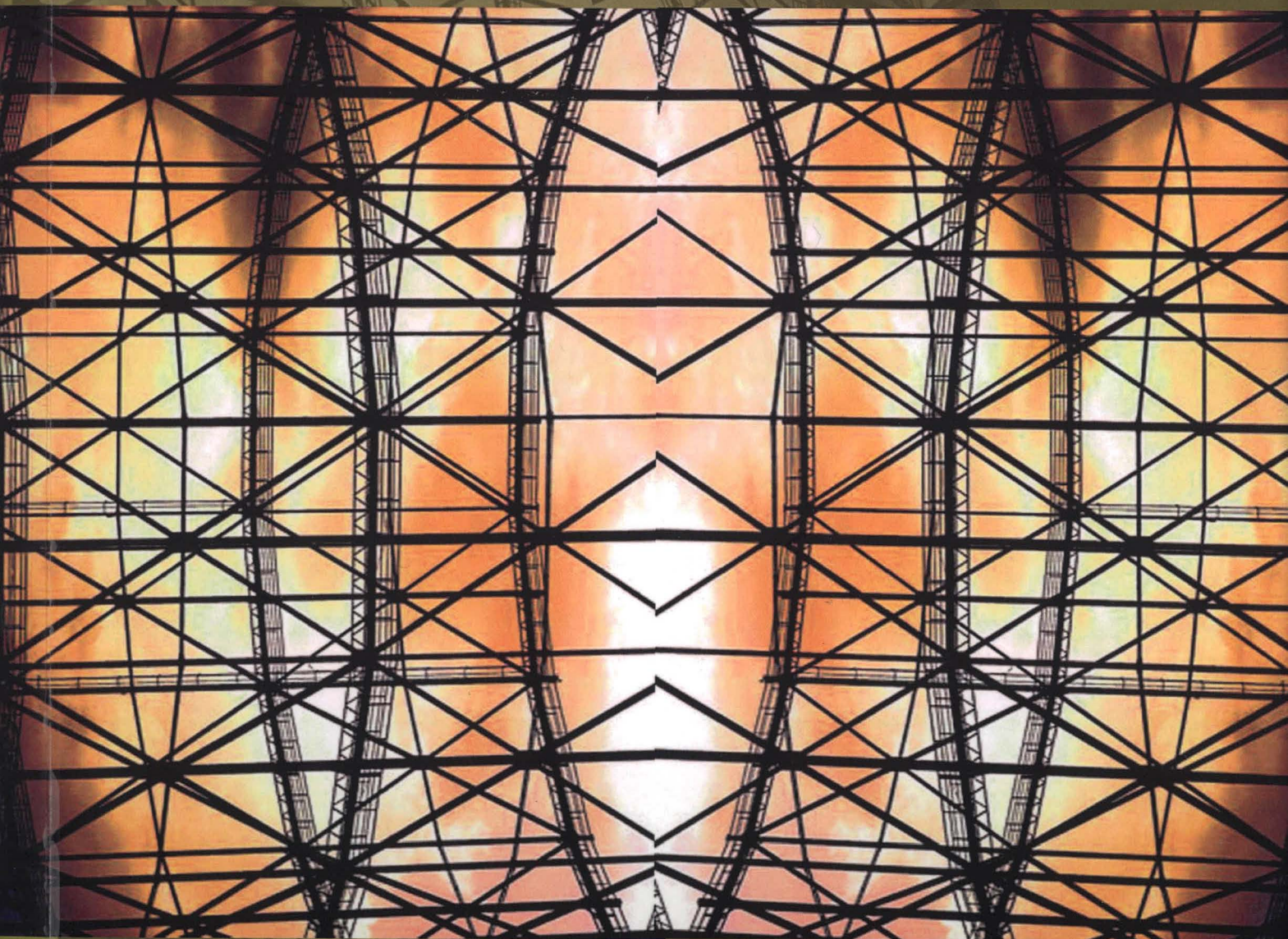


RESEARCH IN *QUANTITY SURVEYING*

Tan Chin Keng



Research Management Centre
INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA



RESEARCH IN QUANTITY SURVEYING

**Editor
Tan Chin Keng**



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CHAPTER 6

MAIN CONTRACTORS' PARTNERING WITH DOMESTIC SUB CONTRACTORS

Liban Hassan Sheikhhaden¹ & Yahaya Mohd Yunus²

ABSTRACT

It is common practice that main contractors in Malaysia sub contract some of their works to (domestic) sub contractors. How much of the works is sub contracted varies from project to project, as well as from contractor to contractor. There are many reasons why contractors sub contract their work; lack of finance, not having the expertise or equipment, uncertainty about getting more projects in the future, are some of the common reasons. If there are many sub contractors employed in a project, the main contractor's role becomes more of a manager and/or coordinator of the sub contractors. And the performance of the project will also depended a lot on the performance of the sub contractors. Hence, it is important that main contractors should have good working relationship with their subcontractors. And this can be achieved if they treat their subcontractors as partners in the projects. This study was conducted to find out how main contractors select their sub contractors, whether based on pricing alone, or do other factors such as good (previous) working relationship are more important. From the study it was found that even though 60% of respondent claimed that they treat their sub contractors as partners, 70% of them selected their subcontractors through competitive bidding instead of negotiation, while the relationship-based criteria used in selecting their subcontractors fall at the bottom half of the list of criteria given. Hence, relationship between main contractors and domestic subcontractors in Malaysian construction industry are short term in nature and price (lowest bid) is valued over relationship related factors.

Keywords: main contractors, (domestic) sub contractors, partnering, long term, relationship.

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