

**DISPUTES BETWEEN CONTRACTORS AND  
SUBCONTRACTORS IN SRI LANKAN  
CONSTRUCTION INDUTRSY**

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Department of Building Economics

University of Moratuwa

Sri Lanka

May 2016

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May, 2016

## DECLARATION

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## ABSTRACT

### DISPUTES BETWEEN CONTRACTORS AND SUBCONTRACTORS IN SRI LANKAN CONSTRUCTION INDUTRSY

The construction industry includes profusion of Subcontractors employed in various projects. Moreover, a higher number of subcontractors have begun entering into the industry due to ease of entry. However, all subcontractors might not possess the required proficiency to fulfil client's necessities. Thus, various issues have aroused due to lack of proper subcontracting practices creating management of subcontractors in construction industry in Sri Lanka essential.

The study incorporated interviews and questionnaire survey to derive at the aim of this research which was to identifying the caused for disputes in subcontracts in the construction industry in Sri Lanka and propose mitigation measures. Besides, to understand the practice of subcontracting in construction industry and caused for possible disputes, a literature synthesis followed by questionnaire survey and structured interviews were executed. Similarly, literature synthesis assisted to identify causes for disputes in subcontracts. Furthermore, preliminary investigation aided in validating the findings of the literature synthesis while more issues and solutions were added by the interviewees. Consequently issues and solutions were ranked through the questionnaire survey to identify the most-critical issue. Subsequently the mitigation measures were proposed to overcome the disputes in subcontracts with the aid of the findings of literature synthesis, interview and questionnaire survey. Payment problems, coordination problems, lack of communication, quality issues, scheduling conflicts, no form of subcontract prepared for Sri Lankan usage; no compulsory subcontractor registration procedure; no practice of security of payment in Sri Lanka are major issues. Mitigation measures were suggested o overcome disputes in subcontracts by addressing the causes for disputes.

**Keywords:** *Subcontractor, disputes, causes, mitigation measures*

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**Dedication.....**



**To my beloved parents ..**  
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## TABLE OF CONTENTS

DECLARATION .....	i
ABSTRACT .....	ii
ACKNOWLEDGEMENT .....	iii
DEDICATION .....	iv
TABLE OF CONTENTS .....	v
LIST OF TABLES .....	ix
LIST OF FIGURES .....	x
LIST OF ABBREVIATIONS .....	xi
LIST OF APPENDICES .....	xii
CHAPTER 1 .....	1
1. INTRODUCTION .....	1
1.1. Background .....	1
1.2. Research Problem .....	3
1.3. Aim .....	4
1.4. Objectives .....	4
1.5. Research Methodology .....	4
1.6. Scope and limitations .....	5
1.7. Chapter breakdown .....	5
1.8. Summary .....	6
CHAPTER 2 .....	7
2. LITERATURE REVIEW .....	7
2.1 Introduction .....	7
2.2 Subcontracting in Construction Industry .....	7
2.3 Relationship between Contractor and Subcontractor .....	8
2.3.1. Legal basis of subcontracts .....	9
2.3.2. Contractual relationship in subcontracts .....	9

2.3.3. Interpersonal Relationship .....	11
2.4 Type of Subcontracting .....	12
2.5 Standard Forms for Subcontracts .....	13
2.6 Disputes in Construction Industry .....	13
2.7 What is a dispute?.....	14
2.8 Disputes in subcontracts .....	15
2.9 Causes of disputes in subcontracts .....	16
2.9.1. Payment problems .....	20
2.9.2. Non adherence to safety requirements .....	22
2.9.3. Contractor's Capability and fairness .....	23
2.9.4. Insurance and bonding issues .....	24
2.9.5. Onerous subcontract terms .....	25
2.9.6. Delay in Subcontractor's work .....	26
2.9.7. Poor communication .....	26
2.9.8. Incomplete work-drawings or specifications .....	27
2.9.9. Assigning part of the works to new subcontractors without informing the original subcontractor .....	27
2.9.10. Lack of construction quality .....	28
2.9.11. Acts-of-God factors .....	28
2.9.12. Non-adherence to Conditions of subcontract .....	29
2.9.13. Non-adherence to the time schedule .....	29
2.9.14. Variations .....	29
2.9.15. Delay in approval for shop drawings, sample material and finish work....	30
2.9.16. Restriction Access .....	31
2.9.17. Non availability of standard form of Subcontract .....	31
2.9.18. Scheduling conflicts .....	32
2.9.19. Unreasonable attendance fee .....	32
2.9.20. Builder's work .....	33
2.10 Interface problems and disputes .....	34
2.11 Conceptual model .....	36
2.12 Summary .....	38





CHAPTER 3 .....	39
3. RESEARCH METHODOLOGY .....	39
3.1.Introduction.....	39
3.2.Research Design.....	39
3.2.1 Research approach .....	39
3.2.2 Research techniques .....	41
3.3 Research Methodology.....	42
3.4 Summary .....	45
CHAPTER 4 .....	46
4. PRELIMINARY INVESTIGATION.....	46
4.1.Introduction.....	46
4.2.Preliminary Investigation.....	46
4.2.2 Details of interview respondents.....	47
4.3.Summary .....	52
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CHAPTER 5 .....	53
5.DATA COLLECTION, ANALYSIS AND DISCUSSION .....	53
5.1.Introduction.....	53
5.2.Quantitative Analysis - Questionnaire survey .....	53
5.3.Reasons for disputes in subcontracts .....	57
5.4.Reasons for disputes caused by the Contractor.....	57
5.5.Reasons for disputes causes by the subcontractor .....	59
5.6.Reasons for disputes caused by the Employer .....	60
5.7.Reasons for disputes causes by the Engineer/Consultant .....	61
5.8.Reasons for disputes causes by External Factors.....	61
5.9.Qualitative Analysis - Interviews.....	62
5.10.Mitigation Measures for Disputes in Subcontracts.....	68

CHAPTER 6 .....	75
6. CONCLUSIONS AND RECOMMENDATIONS.....	75
6.1. Introduction.....	75
6.2. Overview of Research and Conclusions Drawn from Study .....	75
6.3. Recommendations.....	77
6.4. Further research.....	78
REFERENCES.....	79
APPENDICES .....	85



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## LIST OF TABLES

Table 2-1: Causes for disputes in Subcontracts .....	18
Table 2-2 : Causes for Disputes and Responsible Parties .....	37
Table 2-3 : Factors leading to interface problems.....	37
Table 2-4 : Conceptual model .....	37
Table 3-1: Characteristics of quantitative,qualitative and mixed method approaches .....	40
Table 4-1 : Details of Interview Respondents.....	48
Table 4-2 : Preliminary Investigation Findings .....	49
Table 5-1: Reasons for disputes causes by Contrator.....	59
Table 5-2: Reasons for disputes causes by Subcontrator .....	60
Table 5-3: Reasons for disputes causes by Employer.....	61
Table 5-4: Reasons for disputes causes by Engineer/Consultant .....	62
Table 5-5: Reasons for disputes causes by External Factors .....	61
Table 5-6: Content Analysis .....	61



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## LIST OF FIGURES

Figure 2-1: Interface problems and disputes .....	34
Figure 3-1: Research methodology .....	42
Figure 5-1: Rate of response of respondents .....	55
Figure 5-2: Professional background of the respondents .....	55
Figure 5-3: Type of Organization of respondents .....	56
Figure 5-4: Work experience of respondents .....	56
Figure 5-5: Type of Subcontract used in Sri Lanka .....	57
Figure 5-6: Preperation of Subcontract .....	57
Figure 5-7: Form of Subcontract.....	58



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FIDIC	Federation Internationale des Ingenieurs Conseils
ICE	Institute of civil Engineer
JCT 80	Standard form of building contract 80 <sup>th</sup> Ed of JCT standard form of Building Contract
JCT	Joint Contract Tribunal
FCEC	The federation of civil engineering contractor's form of sub-contract
MC	Main contractor



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## LIST OF APPENDICES

Appendix A - Questionnaire



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