AN EXPLORATORY STUDY OF FACTORS AFFECTING THE ACQUISITION METHOD OF CONSTRUCTION EQUIPMENTS AND MACHINERIES AMONG G7 CONTRACTORS

By

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ABSTRACT

Today contractors confront more than create, buying and construct in project construction. Contractors participate in various factors during dealing in buying or renting the equipment. As contractor, they must know how to budgeting with the capital they have with choosing the best to acquisition the equipment they want to have. This study examines the factors affecting the acquisition method of construction equipment and machinery among G7 contractors with the barriers and the problem solving for the barrier. Through 15 in-depth interviews and utilizing the constant comparative method of analysis, themes were identified including factor affecting the acquisition, barrier and also the problem solving. Price of machine as a reason for contractor to rent only emerged as a theme that was echoed by many of those interviewed. Whether it was the brand name of the machine or where the machines have much functionality made it become more expensive. Varieties of methodology are used to achieve the objectives, such as the literature review that give explanation of construction equipment and factor of acquisition. Participants’ share all their experiences including give some advice and strategy to new start-up contractor during the interview. These situation need the intelligence of project manager to determine the most appropriate construction equipment used in the project. In addition, themes that emerged in the data included: how can contractor accept and reject offered the price of the machine by the company.

Keywords: Factor of acquisition, barrier, recommendation, cost and machine

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CHAPTER 1

1.0 Introduction

The words 'construction' and 'development' are commonly associated with construction activities and development of physical; involve several parties such as clients, contractors, architects, engineers and developers. The use of machinery and engines in the construction industry is encouraged to increase productivity hence, can reduce the number of foreign workers. There are a lot of heavy machineries and high-tech machines in the market, but the ownership of the equipment and machines is little because of the highly cost-effective purchase. Malaysia, as a developing country requires strength and competence in the field of construction industry as the provision of physical challenges in line with the National Development Program. Although the construction industry only contributes 4% to the Malaysian Gross Domestic Product (GDP) in 2014, this industry is important for the country wealth creation as it acts as a catalyst, and has a multiplier effect on the economy; also allows other industrial, manufacturing, professional services, financial services, education and others to grow (CIMP, 2014).

Recently, a decrease in the performance of the construction industry has increased the need for Malaysian construction industry to determine the direction towards strengthening the foundations to face current and future challenges (Coker, 2007). When commercial distributor of heavy construction equipment begins, the absolute
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