SUBCONTRACTOR PREQUALIFICATION PRACTICES IN PALESTINE

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Abstract
The construction industry is a major part of the Palestinian economy. Contracting companies carry out important construction projects in cooperation with subcontractors. The majority of elements of a construction project (such as shuttering, building, plastering, painting, carpentry, and ironmongery works) are implemented by subcontractors through the main contractors. The aim of this paper is to identify and rank the factors used by main contractors in the selection of suitable subcontractors in the Gaza Strip, and to propose recommendations for improving the selection of subcontractors. A survey was conducted of 57 main contractors and 57 subcontractors randomly selected from the Gaza Strip. The study revealed the important factors used by main contractors for selection of suitable subcontractors. These include adherence of the subcontractor to contract terms, adherence to time schedule, commitment to prices, good reputation, expertise in certain type of work, commitment to quality and the existence of required equipment and machinery. Factors related to the resources group were identified as the most important group of factors among the 16 groups used for the selection of subcontractors. It is recommended that contractors select the subcontractor according to previous experience, reputation and capabilities in terms of labour, equipment and machinery, since these items ensure the subcontractor’s commitment to contract conditions and completing the works according to the time schedule and while achieving best quality. This paper would be valuable for all academics and professionals involved in construction contracting business in general.

Keywords
Main contractors, subcontractors, selection process, prequalification.

INTRODUCTION

Palestine is a developing country in the Asia region that suffers from economic and financial problems due to the current unstable political situation. The construction industry has played an important role in Palestinian economic growth (PASSIA, 2008). The industry has contributed approximately 5-8% of the national Gross Domestic Product (GDP). There are two main sectors for construction projects in Palestine: public and private sector. Some of the public sector projects are handled by Public Works and Housing Ministry and a majority of public projects are offered to contractors. The construction project can be regarded as successful when the project is completed on time, within budget, with appropriate quality, and without accidents.