

# MITIGATING CIRCUMSTANCES ON PAYMENT DELAYS IN SRI LANKAN CONSTRUCTION INDUSTRY

MDG WEERASINGHE<sup>1</sup> and DR SENARATHNE<sup>2</sup>

<sup>1</sup>Undergraduate, <sup>2</sup>Lecturer (Probationary)

Department of Quantity Surveying, Faculty of Built Environment and Spatial Sciences  
General Sir John Kotelawala Defence University, Sri Lanka

## ABSTRACT

Payments of construction project is an important element where payments are done for the completed work as per the progress. Normally payments take place between the client - consultant, contractor - consultants, contractor - subcontractors, contractor - suppliers etc Basically advance payment, interim payments and final account which are mainly targeted on this research. Payment delays are a most common dispute within the construction process which directly and indirectly affect the other construction activities as well. Though standard conditions of contracts are also addressing the area of payments, still payment delays occur in construction projects.

Mixed research method is used for this particular research. Secondary data collection method of the literature review addresses the first objective of this research which adopts the existing knowledge on the subject matter of the payments. Primary data collection is carried out through semi structured interviews and the questionnaire distributed to the selected industrial professionals deal with the payment process of Sri Lankan construction projects in both government funded and private funded in order to address the second and the third objectives of this specific research. The data collected through the above mentioned methods are analysed using the content data analysis method.

The prominent causes of payment delays in the Sri Lankan construction industry are to be found that professionals refuse available remedies in the current practice in order to protect contractual relationship, unawareness etc. Further the occurrence of payment delays are high in measure and pay contracts due to the lengthy measurement finalizing process. Recommendations to minimize these payment delays were identified as to aware the parties involved in the projects about the related clauses of the agreements, standard conditions of contract and available remedies to be taken in a case of a payment delay. Implementing provisions for Sri Lankan construction industry to expedite the payments and hiring qualified and prioritizing workforce in pre contract events can minimize the occurrence of disputes like payment delays from the construction industry.

**Key words:** Payment Delays, Construction Industry, Measure and Pay contracts