

Special Research Studies Title	A Study Risk Factor and Justice of Government Contracts Effects to Liquidity of Construction Project
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Abstract

Financial risk associated with government contract is one of the several problems for government contractors. The risk may cause delay and other problems in project due to contractor's financial liquidity. This project studied 29 financial risk factors by surveying three main parties involved in a typical government project – the contractor, the owner and the consultant. Two main topics, the significant level of the risk factors and the fairness of the contract associate with each factor, were examined. All three parties agreed that the highest risk factors with the least fairness in contract terms are "Inflation that caused higher material and labor costs," "effects from economic slumps," "payment's delay," and "change orders outside contract agreement." Furthermore, when comparing the contents of the government contract and the FIDIC standard contract of the nine factors with the least fairness, it was found that six out of the nine factors have differences in the terms. They were factors related to "drawing delays," "owner's coordination and instructions," "Inflation that caused higher material and labor costs," "effects from economic slumps," "payment delays," "geological or subsurface conditions," and "natural causes" such as flood, storm, etc.

Keywords : Risk Factor / Government Contracts / Management Financial