

Pre-Qualification Of Contractors For High-Rise Building Projects In Philippines: A Selection Method In Construction Management Using Analytic Hierarchy Process (AHP) As A Tool In Decision Making

Michael Almeida De La Salle University – Graduate School of Civil Engineering michael_almeida@dlsu.edu.ph

Abstract: The construction of high-rise buildings, one of the fastest growing in the country, experienced a boom in the first quarter of 2014, generating jobs and enhancing growth of the industry. In order to sustain steady growth of Philippine construction industry there is a need to evaluate and manage projects in terms of quality, schedule and costs. The role of construction management is necessary to eliminate the risks of project failure due to poor contractor's performance. Therefore, the evaluation of prospective contractor's capability in a pre-qualification process is one of the important decisions to be made before executing the project. Instead of the existing industry practice in contractor selection which is based on lowest offer, another set of pre-qualification criteria should be measured. This criterion is not easy to establish and to measure. A range of decision making tools that rely on multiattribute ranking are available for solving the problem. In this research paper the use of Analytic Hierarchy Process (AHP) is suggested in determining criteria weights and contractor's selection during pre-qualification process. Six criteria are evaluated for the primary objectives using a questionnaire. Comparisons are made by ranking the score of each contractor and the highest is considered the best. The used of this decision making tool as selection method for construction management in prequalification activities of high-rise construction project in Philippines is proposed. The results show that there is chance to make possible the objectives and rationalize the decisions during pre-qualification process in selecting contractors for high-rise building projects.

Key Words: pre-qualification process; construction management; contractor selection; high-rise building; analytical hierarchy process



1. INTRODUCTION

Management of high-rise construction project is carrying out in control: have a hold over quality, schedule and costs. The significance of contractor's pre-qualification process in construction management of high-rise buildings cannot be set aside. From the initial step of the building process to turn over ceremony, construction contractors plays a vital role. Failure to properly select a competent contractor can lead to problems for the entire project. The proper selection of contractors increases chancess of project delivery within cost, time and quality.

The pre-qualification of contractors for highrise building projects in the Philippines are very often conducted during pre-construction stage in the form of bidding or tendering. During tendering the potential contractors are selected based on their reputation or a set of pre-qualification criteria and with lowest proposals as shown in Table 1. In years, most owners of high-rise building projects made use of such method. As a result the lowest bidders often have problems in completing the project within cost, time and quality.

 Table 1. Example Prequalification Evaluation Result

Description	%w	t	Contract	or Rating	g (%)
		Α	В	С	D
Methodology	13	7.65	3.85	9.46	8.69
Schedule	10	7.78	1.11	6.67	6.67
Quality	10	10.00	5.00	10.00	10.00
Safety	10	8.57	8.57	10.00	10.00
Manpower	4	3.33	0.00	4.00	2.67
Equipment	5	2.00	0.00	3.75	3.75
Organization	8	6.67	5.33	7.33	7.33
Personnel	10	4.17	0.00	5.00	6.67
Financial	30	20.93	10.80	24.09	23.70
Total Points	100	71.10	34.66	80.30	79.48

Several researchers (Holt *et al*, 1994; Russell *et al*, 1992; Ng, 1992) have identified different criteria in use for contractor selection. In a recent study, Hatush and Skitmore (1996a) found that all clients use what are implicitly the same type of criteria, but vary in the way they quantify the criteria, with most having to resort to a very subjective assessment based on information provided by the contractors. Also many techniques are proposed and applied as a solution (Hatush and

Skitmore, 1998; Cheng and Heng. 2004; Plebankiewicz, 2009; Jaskowski et al.. 2010). Because of its wide application in construction project management Analytical Hierarchy Process AHP is, as decision making method, widely used for multiple criteria decision-making (MCDM) in construction project management. (Saaty, 1990; Kamal et al., 2001; Chun-Chang Lin et al., 2008; Jaskowski et al., 2010). Some areas of construction project management where AHP method is used are contractor selection (Kamal et al., 2001; Jaskowski et al., 2010; Abudayyeh et al., 2007), technology selection (Skibniewski and Chao, 1992), equipment selection(Shapiraand Goldenberg, 2005), analysis of causes of disputes in the construction industry (Cakmak and Cakmak, 2013). AHP based contractor selection procedure for highway infrastructure projects in serbia (Petronijević et al., 2015).

The objective of this research paper is to introduce the application of Analytical Hierarchy Process (AHP) on the contractor pre-qualification process. The paper will briefly review the concepts and application of AHP's implementation steps, and demonstrate AHP application on the contractor selection problem. It is hoped that this will encourage its application in construction management of highrise building projects in Philippines.

2. METHODOLOGY

In this research paper AHP was used in contractor pre-qualification process. Interviews and survey questionnaires were used to gather data and distributed to individuals experts in the field of contractor evaluation. Table 2 shows the types of questions used for data collection. The AHP was formulated based from the questionnaire responses.

No.	Question	Answer
1	How much more important do	Rating
	you think Financial Capability	(1 to 9)
	is than Past Performance in	
	selection criteria of	
	construction contractors?	
2	How much more important do	
	You think Past Performance is	
	than Resources in selection	
	criteria of construction contractors?	



The Analytical Hierarchy Process (AHP) is a decision-aiding method developed by Saaty (Saaty, 1980). It aims at quantifying relative priorities for a given set of alternatives on a ratio scale, based on the judgment of the decision-maker, and stresses the importance of the intuitive judgments of a decisionmaker as well as the consistency of the comparison of alternatives in the decision-making process (Saaty, 1985). Since a decision-maker bases judgments on knowledge and experience, then makes decisions accordingly, the AHP approach agrees well with the behavior of a decision-maker. The strength of this approach is that it organizes tangible and intangible factors in a systematic way, and provides a structured yet relatively simple solution to the decision-making problems (Skibniewski and Chao, 1992). In addition, by breaking a problem down in a logical fashion from the large, descending in gradual steps, to the smaller and smaller, one is able to through simple paired connect, comparison judgments, the small to the large (Al-Subhi and Al-Harbi, 1999). AHP is MCDM method where the organized. process factors are hierarchically Vertically, objective is on the highest level, with criteria, subcriteria and alternatives on lower levels, respectively, as it is showed on the hierarchical structure on Figure 1 (Marija et al., 2015).



Fig.1, Hierarchical structure for AHP model

For each level – the criteria, subcriteria and alternatives, elements are compared in pairs. It

Presented at the DLSU Research Congress 2016 De La Salle University, Manila, Philippines March 7-9, 2016

means that one unfamiliar with the methodology of AHP can compare two elements from the same level according to verbal description scale. Fundamental scale used to compare the elements consists of verbal judgments ranging from equal to extreme (equal, moderately more, strongly more, very strongly more, extremely more) (Marija et al., 2015). Corresponding to the verbal judgments are the numerical values (1, 3, 5, 7, 9) and intermediate values (2, 6, 8). (Saaty, 1990) Saaty's scale is given in Table 3.

Table 3. Pair-wise comparison scale for AHP

Numerical rating	Verbal judgments of preferences
9	Extremely preferred
8	Very strongly to extremely
7	Very strongly preferred
6	Strongly to very strongly
5	Strongly preferred
4	Moderately to strongly
3	Moderately preferred
2	Equally to moderately
1	Equally preferred

Comparison results of n elements belonging to Saaty's scale and AHP hierarchical structure levels are comparison matrices. These matrices ensue vectors priority or $\omega = (\omega 1, \omega 2, \dots, \omega n)^T$, ω is the eigenvector of corresponding matrix. Vector priority involves normalized values which determine importance of the elements - weights of the elements which are compared. This is the method for determination of the priority vector of criteria, the priority vector of alternatives, and as the final result the priority vector of the objective. The priority vector of objective ranks alternatives respect to the importance of the criteria. Judgment consistency ratio (CR) of CI = $(\lambda_{max} - n)/(n - 1)$, n is the matrix size with the appropriate value in Table 4. If CR is more than 0.10, the judgment matrix is inconsistent (Saaty, 1990).

Table 4. Random consistency index (RI)

n	1	2	3	4	5	6	7	8	9	10
RI	0	0	0.58	0.90	1.12	1.24	1.32	1.41	1.45	1.49



3. RESULTS AND DISCUSSION

The AHP method was used in decision making process in selecting the best contractor for the construction of high-rise building project. The AHP model consist of four alternatives and six criteria as follows:

Criteria

- C1 Financial Capability
- C2 Past Performance
- C3 Past Experience
- C4 Resources
- C5 Current Workload
- C6 Safety Performance
- Alternatives
- Contractor $\ \cdot \ A$
- Contractor -B
- Contractor C
- $\operatorname{Contractor} \mathrm{D}$

These six criteria were evaluated with respect to the primary objective, to select the best and capable contractor for the project. Scores were evaluated from the interviews and survey questions distributed to experts in the field of construction management and area of contractor's pregualification.

Table 1 is an example of set of pregualification criteria used during bidding for the construction of a high-rise building for which contractors A, B, C and D were the prospective bidders refer to Appendix 1 for company description. Appendix 2 presents a sample evaluation for each contractor. As discussed with the lead construction project manager during an interview, the names and information have been withheld due to confidentiality reasons. The example was used to demonstrate the result applying the six criteria from the AHP model.

Table 5 shows the scores for the six criteria based on interviews and survey questions distributed to experts in the field of construction management and area of contractor's pre-qualification. Appendix 3 presents a sample data from survey questionnaire. Table 5. Pair-wise comparision matrix for six criteria

	C1	C2	C3	C4	C5	C6	
C1	1	6	7	4	5	5	
C2	1/6	1	6	3	4	1	
C3	1/7	1/6	1	1	1	1	
C4	1/4	1/3	1	1	1	2	
C5	1/5	1/4	1	1	1	1	
C6	1/5	1	1	1/2	1	1	

Table 6 shows the normalized relative weight, priority vector and consistency ratio. The weight of each element was calculated by dividing each score by the sum of its column in the comparison matrix to form a new matrix and the average of each row was calculated to determine the priority vector. After all pair wise comparisons are made consistency ratio was calculated by multiplying the weight column by the Level-1 matrix in Table 5 obtain a new matrix. The sum of each row was calculated and the sum column was divided by the weight column to find the average of the column (λ_{max}) . The consistency ratio was calculated by dividing the consistency index by corresponding (RI) given in Table 4. The calculated consistency ratio does not exceed 10%, the judgement matrix is acceptable and consistent.

Table 6. Normalized matrix for six criteria

	C1	C2	C3	C4	C5	C6	Priority
							vector
C1	0.510	0.686	0.412	0.381	0.384	0.455	0.471
C2	0.085	0.114	0.353	0.286	0.308	0.091	0.206
C3	0.073	0.019	0.059	0.095	0.077	0.091	0.069
C4	0.128	0.038	0.059	0.095	0.077	0.182	0.096
C5	0.102	0.029	0.059	0.095	0.077	0.091	0.075
C6	0.102	0.114	0.059	0.048	0.077	0.091	0.082
						Σ=	1.00

 $\lambda_{max}\!\!=6.551,\, \mathrm{CI}\!\!=0.11,\, \mathrm{RI}\!\!=\!\!1.24,\, \mathrm{CR}\!\!=0.089<0.10$ OK.

Values for the pair-wise comparison, normalization matrices and consistency ratio for each criterion "alternatives" were calculated using the same procedure as shown in Table 7 and Table 8. The calculated consistency ratio for each criterion does not exceed 10%, therefore the judgement matrices are acceptable and consistent.



Table 7. Pair-wise comparision matrix "alternatives"

C1		А	В	С	D	
	А	1	3	1/2	1/2	
	в	1/3	1	1/4	1/4	
	С	2	4	1	1	
	D	2	4	1	1	
C2		А	В	С	D	
	Α	1	5	1/2	1	
	в	1/5	1	1/5	1/4	
	С	2	5	1	2	
	D	1	4	1/2	1	
C3		А	В	С	D	
	Α	1	4	1/2	1/3	
	В	1/4	1	1/5	1/6	
	С	2	5	1	1/2	
	D	1/0.333	1/0.167	2	1	
C4		А	В	С	D	
		-	0	1/3	1/2	
	Α	1	6	110		
	A B	1 1/6	6 1	1/8	1/7	
	A B C	1 1/6 1/0.333	6 1 8	1/8 1	1/7 1	
	A B C D	1 1/6 1/0.333 2	6 1 8 1/0.143	1/8 1 1/2	1/7 1 1	
C5	A B C D	1 1/6 1/0.333 2 A	6 1 8 1/0.143 B	1/8 1 1/2 C	1/7 1 1 D	
C5	A B C D	1 1/6 1/0.333 2 A 1	6 1 8 1/0.143 B 2	1/8 1 1/2 C 1/2	1/7 1 1 D 1/2	
C5	A B C D A B	1 1/6 1/0.333 2 A 1 1/2	6 1 8 1/0.143 B 2 1	1/8 1/2 1/2 1/2 1/2	1/7 1 1 D 1/2 1/3	
C5	A B C D A B C	$ \begin{array}{r} 1 \\ 1/6 \\ 1/0.333 \\ 2 \\ \hline A \\ \hline 1 \\ 1/2 \\ 2 \\ \end{array} $	6 1 8 1/0.143 B 2 1 2	1/8 1/2 1/2 1/2 1/2 1	1/7 1 D 1/2 1/3 1	
C5	A B C D A B C D	$ \begin{array}{r} 1 \\ 1/6 \\ 1/0.333 \\ 2 \\ \hline A \\ \hline 1 \\ 1/2 \\ 2 \\ 2 \\ 2 \end{array} $	6 1 8 1/0.143 B 2 1 2 1/0.333	1/8 1 1/2 C 1/2 1/2 1 1 1	1/7 1 D 1/2 1/3 1 1 1	
C5 C6	A B C D A B C D	1 1/6 1/0.333 2 A 1 1/2 2 2 2 A	6 1 8 1/0.143 B 2 1 2 1/0.333 B	1/8 1/2 1/2 1/2 1/2 1 1 C	1/7 1 D 1/2 1/3 1 1 D	
C5 C6	A B C D A B C D D	1 1/6 1/0.333 2 A 1 1/2 2 2 2 A 1	6 1 8 1/0.143 B 2 1 2 1/0.333 B 1	1/3 1/8 1 1/2 1/2 1/2 1 1 C 1/2	1/7 1 D 1/2 1/3 1 1 D 1/2 1/2	
C5 C6	A B C D A B C D A B B	1 1/6 1/0.333 2 A 1 1/2 2 2 2 A 1 1	6 1 8 1/0.143 B 2 1 2 1/0.333 B 1 1 1	1/8 1 1/2 C 1/2 1/2 1 1 2 1 1 C 1/2 1/3	1/7 1 1 D 1/2 1/3 1 1 D 1/2 1/2 1/2 1/2	
C5 C6	A B C D A B C D A B C	1 1/6 1/0.333 2 A 1 1/2 2 2 2 A 1 1 2 2	6 1 8 1/0.143 B 2 1 2 1/0.333 B 1 1 1/0.333	1/8 1/2 1/2 1/2 1/2 1/2 1 1 1 C 1/2 1/3 1	1/7 1 1 D 1/2 1/3 1 1 1 D 1/2 1/2 1/2 1/2 1/2 1/2 1/2 1/2	

Table 8. Normalized matrix "alternatives"

C1		А	В	С	D	ω
	А	0.188	0.25	0.182	0.182	0.200
	В	0.063	0.083	0.091	0.091	0.082
	С	0.375	0.333	0.364	0.364	0.359
	D	0.375	0.333	0.364	0.364	0.359
					Σ =	1.00
$\lambda_{max} = 4$	4.021,	CI= 0.007,	RI=0.9	, CR= 0	.008 < 0.1	0 OK.
C2		А	В	С	D	ω
	А	0.238	0.333	0.227	0.235	0.258
	В	0.048	0.067	0.091	0.059	0.066

	С	0.476	0.333	0.455	0.471	0.434
	D	0.238	0.267	0.227	0.235	0.242
					Σ =	1.00
$\lambda_{max} = 4.$	047,	CI = 0.016	, RI=0.9	, CR= 0.	018 < 0.1	0 OK.
C3		А	В	С	D	ω
	А	0.160	0.250	0.135	0.167	0.178
	В	0.040	0.063	0.054	0.083	0.060
	С	0.320	0.313	0.270	0.250	0.288
	D	0.480	0.375	0.541	0.500	0.474
					Σ =	1.00
$\lambda_{max} = 4.$	067,	CI= 0.022	, RI=0.9	, CR= 0.	025 < 0.1	0 OK.
C4		А	В	С	D	ω
	А	0.162	0.272	0.170	0.137	0.186
	в	0.027	0.045	0.064	0.039	0.044
	С	0.486	0.364	0.511	0.549	0.477
	D	0.324	0.318	0.255	0.275	0.293
					Σ=	1.00
λ _{max} = 4.	086,	CI= 0.029	, RI=0.9	, CR= 0.	Σ = .032 < 0.1	1.00 0 OK.
$\frac{\lambda_{\text{max}}=4}{\text{C5}}$	086,	$\frac{\text{CI= 0.029}}{\text{A}}$, RI=0.9 B	, CR=0.	$\frac{\Sigma = 0.032 < 0.1}{D}$	1.00 0 OK. ω
$\frac{\lambda_{\text{max}}=4}{\text{C5}}$	086, A	CI=0.029 A 0.182	, RI=0.9 B 0.250	$\frac{C}{C} = 0.167$	$\Sigma = 0.032 < 0.1$ D 0.176	1.00 0 OK. ω 0.194
$\frac{\lambda_{max}=4}{C5}$	086, A B	CI= 0.029 A 0.182 0.091	, RI=0.9 B 0.250 0.125	CR = 0. C 0.167 0.167	$\Sigma = 0.032 < 0.1$ D 0.176 0.118	1.00 0 OK. ω 0.194 0.125
$\frac{\lambda_{\text{max}}=4}{\text{C5}}$	086, A B C	CI= 0.029 A 0.182 0.091 0.364	, RI=0.9 B 0.250 0.125 0.250	, CR= 0. C 0.167 0.333	$\Sigma = 0.032 < 0.1$ D 0.176 0.118 0.353	1.00 0 OK. <u>ω</u> 0.194 0.125 0.325
$\frac{\lambda_{max}=4}{C5}$	086, A B C D	CI= 0.029 A 0.182 0.091 0.364 0.364	, RI=0.9 B 0.250 0.125 0.250 0.375	CR= 0. C 0.167 0.333 0.333	$\Sigma = \frac{032 < 0.1}{D}$ 0.176 0.118 0.353 0.353	1.00 0 OK. 0.194 0.125 0.325 0.356
$\lambda_{\text{max}} = 4.$	086, A B C D	CI= 0.029 A 0.182 0.091 0.364 0.364	, RI=0.9 B 0.250 0.125 0.250 0.375	C C 0.167 0.167 0.333 0.333	$\Sigma = \frac{0.32 < 0.1}{D}$ 0.176 0.118 0.353 0.353 $\Sigma = 0$	$ \begin{array}{r} 1.00 \\ 0 \text{ OK.} \\ \hline 0 0 \text{ OK.} \\ 0.194 \\ 0.125 \\ 0.325 \\ 0.356 \\ 1.00 \\ \end{array} $
$\hbar_{max} = 4.$ C5 $\hbar_{max} = 4.$	086, A B C D 046,	CI= 0.029 A 0.182 0.091 0.364 0.364 CI= 0.015	, RI=0.9 B 0.250 0.125 0.250 0.375 , RI=0.9	CR= 0. 0.167 0.333 0.333 0.333	$\Sigma = \frac{0.032 < 0.11}{D}$ 0.176 0.118 0.353 0.353 $\Sigma = 0.017 < 0.1$	1.00 0 OK. ω 0.194 0.125 0.325 0.356 1.00 0 OK.
$\frac{\lambda_{\text{max}}=4}{C5}$ $\frac{\lambda_{\text{max}}=4}{C6}$	086, A B C D 046,	CI= 0.029 A 0.182 0.091 0.364 0.364 CI= 0.015 A	, RI=0.9 B 0.250 0.125 0.250 0.375 , RI=0.9 B	, CR= 0. C 0.167 0.333 0.333 0.333 0.CR= 0. C	$\Sigma = \frac{0.32 < 0.1}{D}$ 0.176 0.118 0.353 0.353 $\Sigma = 0.000$ 0.000 0.000	1.00 0 OK. ω 0.194 0.125 0.325 0.356 1.00 0 OK. ω
$\frac{\lambda_{\text{max}}=4}{C5}$ $\frac{\lambda_{\text{max}}=4}{C6}$	086, A B C D 046, A	CI= 0.029 A 0.182 0.091 0.364 0.364 CI= 0.015 A 0.167	, RI=0.9 B 0.250 0.125 0.250 0.375 , RI=0.9 B 0.143	, CR= 0. C 0.167 0.333 0.333 0.333 , CR= 0. C 0.176	$\Sigma = \frac{0.32 < 0.1}{D}$ 0.176 0.118 0.353 0.353 $\Sigma = 0.17 < 0.1$ D 0.167	1.00 0 OK. ω 0.194 0.125 0.325 0.356 1.00 0 OK. ω 0.163
$\frac{\lambda_{\text{max}}=4}{C5}$ $\frac{\lambda_{\text{max}}=4}{C6}$	086, A B C D 046, A B	CI= 0.029 A 0.182 0.091 0.364 0.364 CI= 0.015 A 0.167 0.167	, RI=0.9 B 0.250 0.125 0.250 0.375 , RI=0.9 B 0.143 0.143	CR= 0. C 0.167 0.333 0.333 0.333 CR= 0. C 0.176 0.118	$\Sigma = \frac{0.32 < 0.1}{D}$ 0.176 0.118 0.353 0.353 $\Sigma = 0.17 < 0.1$ D 0.167 0.167	$\begin{array}{c} 1.00\\ 0 \text{ OK.} \\ \hline \\ \hline \\ 0.000\\ 0.125\\ 0.325\\ 0.356\\ 1.00\\ 0 \text{ OK.} \\ \hline \\ \\ \hline \\ 0.163\\ 0.148\\ \end{array}$
$\frac{\lambda_{\text{max}}=4}{C5}$ $\frac{\lambda_{\text{max}}=4}{C6}$	086, A B C D 046, A B C	CI= 0.029 A 0.182 0.091 0.364 0.364 $CI= 0.015$ A 0.167 0.167 0.333	, RI=0.9 B 0.250 0.125 0.250 0.375 , RI=0.9 B 0.143 0.143 0.143 0.429	CR= 0. C 0.167 0.333 0.333 CR= 0. C 0.176 0.118 0.353	$\Sigma = \frac{032 < 0.1}{D}$ 0.176 0.118 0.353 0.353 $\Sigma = 017 < 0.1$ D 0.167 0.167 0.333	$\begin{array}{c} 1.00\\ 0 \text{ OK.} \\ \hline \\ \hline \\ 0.125\\ 0.325\\ 0.356\\ 1.00\\ 0 \text{ OK.} \\ \hline \\ \\ \hline \\ 0.163\\ 0.148\\ 0.362 \end{array}$
$\frac{\lambda_{\text{max}}=4}{\text{C5}}$ $\frac{\lambda_{\text{max}}=4}{\text{C6}}$	086, A B C D 046, B C D	CI= 0.029 A 0.182 0.091 0.364 0.364 CI= 0.015 A 0.167 0.167 0.333 0.333	, RI=0.9 B 0.250 0.250 0.375 , RI=0.9 B 0.143 0.143 0.143 0.429 0.286	CR= 0. C 0.167 0.333 0.333 0.333 , CR= 0. C 0.176 0.118 0.353 0.353	$\Sigma = \frac{032 < 0.1}{D}$ 0.176 0.118 0.353 0.353 $\Sigma = 017 < 0.1$ 0.167 0.167 0.333 0.333	$\begin{array}{c} 1.00\\ 0 \text{ OK.} \\ \hline \\ \hline \\ 0.125\\ 0.325\\ 0.356\\ 1.00\\ 0 \text{ OK.} \\ \hline \\ 0 0 \text{ OK.} \\ \hline \\ 0.163\\ 0.148\\ 0.362\\ 0.326 \end{array}$
$\frac{\lambda_{\text{max}}=4}{C5}$ $\frac{\lambda_{\text{max}}=4}{C6}$	086, A B C D 046, A B C D	CI= 0.029 A 0.182 0.091 0.364 0.364 CI= 0.015 A 0.167 0.167 0.333 0.333	, RI=0.9 B 0.250 0.125 0.250 0.375 , RI=0.9 B 0.143 0.143 0.429 0.286	C 0.167 0.167 0.333 0.333 0.7 CR= 0. C 0.176 0.118 0.353 0.353	$\Sigma = \frac{0.32 < 0.1}{D}$ 0.176 0.118 0.353 0.353 $\Sigma = \frac{0.017 < 0.1}{D}$ 0.167 0.167 0.333 0.333 $\Sigma = \frac{0.000}{2} = \frac{0.000}{2}$	$\begin{array}{c} 1.00\\ 0 \text{ OK.}\\ \hline \\ \hline \\ 0.000\\ 0.125\\ 0.325\\ 0.356\\ 1.00\\ 0 \text{ OK.}\\ \hline \\ \hline \\ 0.000\\ 0 \text{ OK.}\\ \hline \\ 0.163\\ 0.148\\ 0.362\\ 0.326\\ 1.00\\ \hline \end{array}$

Table 9 shows the overall priority vector. The priority vectors of the six criteria were multiplied by the priorities of the four alternative decisions for each objective. In Table 7 judgments of the elements and comparison were provided by the independent experts. The experts assigned contractor C and D first on the ranking list in Table 9 considering criterion with highest importance C1 – financial capability as shown in Table 6. Also, considering the criteria which follows the financial capability on the criteria weights list, contractor C



has better characteristics than contractor D, A and B as presented in Table 8. Lastly, Table 9 ranked contractors according to their overall priorities as follows: C, D, A, and B, which signify Contractor C as the best capable to execute the project.

Table 9. Priority matrix

	А	В	С	D	
C1(0.471)	0.200	0.082	0.359	0.359	
C2(0.206)	0.258	0.066	0.434	0.242	
C3(0.069)	0.178	0.060	0.288	0.474	
C4(0.096)	0.186	0.044	0.477	0.293	
C5(0.075)	0.194	0.125	0.325	0.356	
C6(0.082)	0.163	0.148	0.362	0.326	
Overall	0.205	0.082	0.378	0.333	
priority vector					

4. CONCLUSIONS

The paper has presented AHP as a decisionmaking tool in determining the order of each criteria used to select the best alternative. AHP allows options for owner and construction managers in the selection of the best contractor for high-rise building project in Philippines. This selection method avoids many risks which may result to problems if the project was awarded to less capable contractor.

Managing complex projects involves complex decision making abilities. Project failures not only result to poor selection of contractors but who made the selection process. The method can also be used in selecting who will be the best capable construction project manager.

5. ACKNOWLEDGMENTS

The author would like to thank De La Salle University Graduate School adviser, Design Coordinates, Inc., colleagues and staffs for providing the data and support to conduct this research paper. Presented at the DLSU Research Congress 2016 De La Salle University, Manila, Philippines March 7-9, 2016

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APPENDICES

Is recognized as one of

APPENDIX 1. Company Description

	Contractor A	Contractor B	Contractor C	Contractor D
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the leading construction companies in the Philippines, known for the quality of its work and the excellence of its workforce. It has the broadest range of construction and engineering services, with expertise in the construction of largescale heavy and light industrial projects, infrastructure. and property development projects all over the world. Over the years, Contractor A has built several power plants, refineries. petrochemical plants, cement plants, mining facilities, industrial plants. buildings, schools, hospitals, roads, bridges, seaports, airports, railways. water distribution stations. flood control systems, steel structures and modular assemblies. such. it is a As preferred contractor of global Engineering,

Procurement

Construction

Companies.

and

Started as a modest sub-contractor and gradually worked their way to become an AAA Contractor. In a span of only twelve (12) years from its inception.As service oriented organization, contractor В give utmost importance to client satisfaction by continually improving the means of delivering projects, in the safest way possible, of highest attainable. quality shortest time achievable, at a reasonable cost.

Established in 1975, is a leading international construction company. Headquartered in Hong Kong, contractor C delivers a portfolio high-profile of infrastructure projects throughout Asia. As a proven leader in the delivery of complex tunnel, rail and road networks, contractor C also delivers turn-key renewable energy infrastructure including utility-scale wind. geothermal energy and waste-toinstallations. power Its building projects range from schools, embassies and luxury high-rise residential towers, to large scale leisure complexes, a growing number of which are built to international green building and energy efficiency standards. Contractor C currently operates in Hong Kong. Indonesia. India. Macau. Malaysia, Philippines, Singapore, Thailand and Iraq.

Over the years has left its mark on a multitude building projects and structures in the Philippines and abroad. Built its solid legacy and reputation on enduring values of excellence, high standards of quality and completed projects ahead on or of Continues schedule to undertake new construction techniques and using new products and processes. With more than 5 decades of solid track record. contractor D build world-class expertise and extensive portfolio high-rise and in commercial building construction.



APPENDIX 2. Sample Prequalification Evaluation

	DESCRIPTION		PARAMETERS	CHECKLIST	REMARKS	ASSESSMENT	PS	CP	RS
1.00	Construction Methodology	10%	(1) With program for mobilization at site, including procedure for	(1) Included in submittal.	(1) With submittals in proposal for:		1	1	
			turn-over of Excavation Works		a. Temporary MEPS Layout for Temfacil	a. Proposal is acceptable.			
					b. Procedure on Turn-over of Site/Joint Survey	b. Clarify if in cost offer soil bear test is inc	luded	-	
					with Excavation Contractor	as it is identified in method statement.			
			(2) Proposed work schedule should be validated by a pre-	(2) Included in submittal.	(2) With proposal for:	(2) Conflict in schedule is identified in MEPF/	1	0	-
			established calculations, with specific work now-sequence		a. basis of calculation of Projected Milestones	Equipment works, should be rechecked.			
			(3) Construction Procedures and Method Statements to be	(3) Included in submittal.	(3) General Method Statements given as:	(3) Schematics on methods shown and detaile	d-out		
			included (but not limited to):			particularly on concrete pour works, which	h is		
						tailored-fit with the project			
			(a) Mobilization	-	a. Noted		1	1	
			(b) Site Preparation; Temfacil, including equipment		b. Noted		1	1	
			(c) Formworks		c. Noted; with illustrations	c. Use of FUVI for formworks for better qu	1	1	
			(d) Concrete Works		d. Noted; with illustrations		1	1	
			(e) Basic Architectural Works and MEPF Works (including		e. Noted; with illustrations		1	1	
			(f) Curtain Wall Works		f Noted with illustrations		1	1	
			(i) Containt Wall Works		1. Hoted, with most attons				
			(g) Project Close-out and Demobilization		g. Noted.		1	1	
			(4) Interfacing with and Attendance to other Work Packages	(4) Included in submittal.	(4) Noted in proposal.		1	1	
			(5) Submittal Schedule	(5) See remarks.	(5) Not included in proposal.	(5) Clarify Submittal-Schedule preparation.	1	1	
			(6) Preparation of CSDs	(6) See remarks.	(6) Not clearly defined in proposal.	(6) Clarify attendance for CSDs preparation.	1	0	
			(7) Compliants to Description and Compliantians	(2) Concernation	(7) Neter January 1				
			(7) compliance to Drawings and Specifications	(7) see remarks.	(7) Noted in proposal.		1	1	1
<u> </u>				1			13	11	8.46
L						1	13	11	0.40
2.00	Temporary Facility Lavout	3%	(1) At least one (1) established control point for egress and	(1) Identified in submittal	(1) With two (2) egress/ingress points	(1) Two egress/ingress points with identified	1	1	1
2.00			ingress at site	in a second the second tell.	(-)	and security at site	· ·	· ·	
			(2) Orientation of temfacil should consider the actual location	(2) Identified in submittal.	(2) VMU location indicated not as per actual conditions.	(2) Check if ocular visit was conducted. Temfa	1	0	
			of VMU which will have a direct effect on the layout			layout may be revised accordingly.	-	-	1
			(3) A proposed floor layout of the offices should be defined and	(3) See remarks.	(3) With defined layout/floor plan for PM's Site Office	(3) Confirm location of waste disposal units	1	0	
			presented, including the contractor's laydown area, storage		and Gencon's Office, etc.				
			areas, waste disposal unit(s), etc.						
			(4) Accesway to the building from the temfacil/offices to the	(4) See remarks.	(4) Accessway to activity area/site and Alimak	(4) Access layout is acceptable as identified in	1	0	
			construction site should be properly identified, including the		clearly defined and identified in layout.	proposal.			
			the equipment to be used during operations/construction						
			(5) Office requirement for the Owner/Owner's Rep. should be	(5) See remarks.	(5) Noted. Included in proposal.	(5) Complying with requirements (with hoor is	1	1	
			(6) Office layout of Censon should be researed, identifying the	(6) Soo romarke	(6) Noted Included in proposal	(6) Comphing with requirements (with floor li	-	0	
			proposed location and layout of each departments in line w/	(b) see remarks.	(o) Noted. Included in proposal.	including MEP plans)			
			the proposed organization chart/manpower requirements.			inclosing their provisy.			
					÷		6	2	1.00
_				37	10				
3.00	Construction Schedule	10%	(1) Project Schedule should cover a maximum 24-month timeline	(1) Stipulated in submittal.	(1) Noted. With 24-month project timeline.	(1) With diagrams and illustrations on sequen	1	1	1
			(2) Set on a minimum of +/-200sqm per day of concrete works,	(2) See remarks.	(2) Noted. Target daily or weekly accomplishment not	works, only, conflict with MEPF/Equipme	nt		
			shell of the building should be about on a 3 to 3.5 floors/month		specifically detailed-out and presented.	Schedule should be refined with main wor	ks.		
			or about 10 to 12 months for the superstructure and relatively		(2) Structural is set at 17-months to top-off, 12 mos.	(2) Proposal is set at 2.83 floors ave. per mon	1	1	1
			5 to 6-months duration for the substructure (was based on		for superstructure and 5.0 mos. for substructure.	superstructure which is within the expected	d		
			completed similar projects)			timeline; substructure is still within expect	ea		
			(2) Established timeling for CWILL's 2 to 4 floors/month, or about	(2) See remarks	(3) CMU is at 3E/mo: 11mos to complete from	(2) Within anticipated target of 2.4 floors	1	0	0
1			Eight (8) to Nine (9) months duration, with building seal-off set	and a second real second se	October 2010 to August 2011.	per month. However, there is conflict with	-	· ·	
1			at 6 months before project hand-over			presented schedule vs. illustration (i.e. CW	U		
1						works in reference with Concrete Works)			
1			(4) Project Schedule Calculations & Parameters were based on:	(4) See remarks.	(4) Noted.	(4) Proprosed schedule subject for presentati	on.		
1			(a) Target Site Hand-over to Gencon - mid November 2009			(a) Within the parameter set.	1	1	
			(b) Gencon's Day 1 at Site - 3rd Week November 2009			(b) Within the parameter set.	1	1	
			(c) Top-off - April 2011		(c) Expected top-off by March 2011.	(c) Within te parameter set.	1	1	
1			(d) Building Seal-off - Mid-year 2011		(d) Expected to seal-off by August 2011.	(d) Water tightness of bldg. is inconsistent v	1	0	
1			(a) Testing and Commissioning by September 2011			CwU completion and removal of Alima	1	0	
			ter resung and Commissioning by September 2011	1		Confirm early procurement installation	sched	U	
			(5) Primavera Project Planner (and S-curve) or equivalent with	(5) See remarks.	(4) Noted included in proposal.	(4) Proprosed schedule subject for presentati	1	1	1
1			Monthly Projected Accomplishments		A Manual and a state of the second	in the second subject of presentation	-	-	
1									1
							9	6	6.67
_							-		
4.00	Quality Policy & Procedure	10%	(1) With written Quality Policies, which will include the company's	(1) Included in submittal.	(1) Noted in proposal.	(1) With established Quaity Program and Police	1	1	
1			Quality Plan, Quality Control and Quality Assurance						
T									
1			(2) With established Quality Systems which is ISO 9001:2000	(2) See remarks	(2) Noted.	(2) With certification.	1	1	
1			Certified						
							2	2	10.00
5.00	Safety Policy and Manual	10%	(1) With written Environment, Health and Safety Plan covering the	(1) Included in submittal.	(1) Noted in proposal.	(1) With established Safety Program and Polic	1	1	
1			following (but not limited to):			7.51.5.4.4			
1			(a) Company EHS Policies and Program			(a) included.	1	1	
1			(c) Accident Emergency and Eire Prevention/Control Plan			(c) included.	1	1	
1			(d) Environment Management			(d) Included.	1	1	
1			(e) Site and Building Security Measure and Program	1		(e) Included	1	1	
							-		

			(e) Site and Building Security Measure and Program			(e) Included.	1	1	
								2	
			(2) With established Safety Manual which is ISO 14001 Certified	(2) See remarks.	(2) Noted.	(2) With certification.	1	1	
			and DOLE Accredited						
							7	7	10.00
-									
6.00	Manpower Loading	4%	(1) Use of Approximation to Manpower Loading to check	(1) Included in submittal.	(1) Noted; with illustrations.		1	1	
			Validity of proposal:						
			(a) The maximum manpower at site is 160% of the average		(a) Max. manpower alloted is 745.	(a) As per calculations, max. manpower shou	1	1	
			manpower site			745 (at peak), hence, acceptable.			
			(b) The maximum manpower at site first occurs after 40% of the		(b) Max. manpower alloted is at 7th month.	(b) As per calculations, max. manpower is at n	1	1	
			total manpower requirement has been expended.			10 also, hence, acceptable.			
			(c) The period of maximum manpower at site accounts for 40%		(c) Max. manpower alloted is at 5,272 from month 7	(c) As per calculation max. manpower is at 47	1	1	
			of the Total Manpower Requirement		to month 14	during the peak period, hence, acceptable.			
			(d) The maximum manpower at site first occurs when 50% of		(d) Max. manpower alloted is at 12th month	(d) As per calculation max. manpower is at mo	1	1	
			the project time has elapsed.			12 also, hence, acceptable.			
			(e) The period of maximum manpower at site occurs for 25% of		(e) Max. manpower alloted is in 8 months, from month 7	(e) As per calculation max. manpower is about	1	1	
			the project time.		to month 14.	33.33%, hence, acceptable.			
									1.00



APPENDIX 3. Sample Survey Data

NAME:	JONATHAN BIONA
COMPANY:	DESIGN COORDINATES, INC.
POSITION:	QCMD HEAD

Instruction: Put a "x" mark on the box provided for your answers. Choose only one (1) answer for every question.

		1	2	3	4	5	6	7	8	9
No	Question		Equally to	Moderately	Moderately to	Strongly	Strongly to	strongly	strongly	Extremely
			moderately	preferred	strongly	preferred	very strongly	preferred	to	preferred
1	How much more important do you think Financial Capability is than									
	Past Performance in selection criteria of Construction Contractor?						Х			
2	How much more important do you think Financial Capability is than									
2	Past Experience in selection criteria of Construction Contractor?							х		1
	How much more important do you think Financial Capability is than									
3	Resources in selection criteria of Construction Contractor?				х					1
	How much more important do you think Financial Capability is than									
4	Current Workload in selection criteria of Construction Contractor?					х				1
	How much more important do you think Financial Capability is than									
5	Safety performance in selection criteria of Construction Contractor?					х				1
	How much more important do you think Past Performance is than									
6	Past Experience in selection criteria of Construction Contractor?						x			1
	How much more important do you think Past Performance is than									
	Resources in selection criteria of Construction Contractor?			X						1
	How much more important do you think Past Performance is than									
8	Current Workload in selection criteria of Construction Contractor?				x					1
-	How much more important do you think Past Performance is than									
9	Safety Performance in selection criteria of Construction Contractor?	х								1
10	How much more important do you think Past Experience is than									
	Resources in selection criteria of Construction Contractor?	х								1
11	How much more important do you think Past Experience is than									
	Current Workload in selection criteria of Construction Contractor?	х								1
12	How much more important do you think Past Experience is than									
	Safety Performance in selection criteria of Construction Contractor?	Х								1
13	How much more important do you think Resources is than									
	Current Workload in selection criteria of Construction Contractor?	Х								
14	How much more important do you think Resources is than									
	Safety Performance in selection criteria of Construction Contractor?		х							
15	How much more important do you think Current Workload is than									
	Safety Performance in selection criteria of Construction Contractor?	Х								1