

Cost Overrun in Construction Projects

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Abstract : Construction delays are suitable where project events occur at a certain time expected due to causes related to the client, consultant, and contractor. Delay is the major cause of the cost overrun that leads to the poor efficiency of the project. The cost difference between completion and the originally estimated is known as cost overrun. The common ways of cost overruns are not simple issues that can be neglected, but more attention should be given to prevent the organization from being devastated to be failed, and financial expenses to be extended. The reasons that may raised in different studies show that the problem may arise in construction projects due to errors in budgeting, lack of favorable weather conditions, inefficient machinery, and the availability of extravagance. The study is focused on the pace of mega projects that can have a significant change in the cost overrun calculation. 15 mega projects are identified to study the problem of the cost overrun in the site. The contractor, consultant, and client are the principal stakeholders in the mega projects. 20 people from each sector were selected to participate in the investigation of the current mega construction project. The main objective of the study on the construction cost overrun is to prioritize the major causes of the cost overrun problem. The methodology that was employed in the construction cost overrun is the qualitative methodology that mostly rates the causes of construction project cost overrun. Interviews, open-ended and closed-ended questions group discussions, and rating qualitative methods are the best methodologies to study construction projects overrun. The result shows that design mistakes, lack of labor, payment delay, old equipment and scheduling, weather conditions, lack of skilled labor, payment delays, transportation, inflation, and order variations, market price fluctuation, and people's thoughts and philosophies, the prior cause of the cost overrun that fail the project performance. The institute shall follow the scheduled activities to bring a positive forward in the project life.

Keywords : cost overrun, delay, mega projects, design

Conference Title : ICAAFM 2024 : International Conference on Advanced Accounting and Financial Management

Conference Location : Ottawa, Canada

Conference Dates : July 11-12, 2024