Causes Of Cost Overrun In Construction

Anyone who has got a rework or renovation work done in their house can tell you what a troublesome activity it is. Not only that, it seems to take forever to be completed and is heavy on the wallet. Even an international icon like the Sydney Opera house, which has always been Australia’s pride, was delayed by 10 years with its budget shooting up by 14.5 times its estimated budget of $7 million. There are plenty of such examples available. It is very common for construction projects to get delayed and outrun their budget. This is a tough scenario faced by almost all projects around the world, with India not being an exception. Thus, the researcher has undertaken this research to investigate the factors responsible for delays and cost overruns. Both secondary research and primary research have been carried out and the barriers have been identified. Such barriers create problems that hinder the efficiency and progress of a project, making it lag behind its schedule. The factors identified in the secondary research are compared to the findings of the primary research to see if they hold true in the Indian context. This book gathers the proceedings of the 1st Global Civil Engineering Conference, GCEC 2017, held in Kuala Lumpur, Malaysia, on July 25–28, 2017. It highlights how state-of-the-art techniques and tools in various disciplines of Civil Engineering are being applied to solve real-world problems. The book presents interdisciplinary research, experimental and/or theoretical studies yielding new insights that will advance civil engineering methods. The scope of the book spans the following areas: Structural, Water Resources, Geotechnical, Construction, Transportation Engineering and Geospatial Engineering applications.

This book presents an analysis of why some large infrastructure projects are delayed or compromised and offers important insights into the better delivery of future projects. It provides an important reaction to the ambitious €315 billion investment plan devised by the European Commission, wherein Europe’s infrastructure is a key investment target. Germany is adopted as a focus, as Europe’s largest economy, and a nation that has seen significant delays and tensions in the delivery of key infrastructure projects. The contributions to this volume demonstrate various patterns for infrastructure assets and illustrate how factors such as poor project governance, early planning mistakes, inappropriate risk management and unforeseen technological challenges influence delivery. The in-depth case studies on the Berlin Brandenburg Airport, the Hamburg Elbphilharmonie, and offshore wind parks show how project delivery can face massive problems, and illuminating solutions are offered to these problems. Overall, the case of Germany also offers the opportunity to assess various new forms of project delivery, such as public-private partnerships (PPP), and the risks and opportunities of ambitious first-mover 'pioneer' projects. The book will be of great interest for scholars and upper-level students of human geography, business and management, as well as policy makers.
This book offers a new way of thinking about the causes and consequences of cost overrun to firms and society. It is ideal for academic researchers in project management, management accounting and corporate finance, as well as for managers in the private and public sectors.

Boston's Central Artery/Tunnel Project, a 7.8 mile system of bridges and underground highways and ramps, is the most expensive public works project ever undertaken in the United States. The original cost estimate of $2.6 billion has already been exceeded by $12 billion, and the project will not be completed until 2005, seven years late. The Massachusetts Turnpike Authority (MTA), the public steward of the project, requested that the National Research Council carry out an independent assessment of the project's management and contract administration practices, with a focus on the present situation and measures that should be taken to bring the project to a successful conclusion. This report presents the committee's findings and recommendations pertaining to cost, scheduling, and transitioning from the current organization dominated by consultants to an operations organization composed largely of full-time MTA staff. The report recommends that MTA establish an external, independent, peer-review program to address technical and management issues until the transition to operations and maintenance is complete; begin a media campaign now to teach drivers how to use the new system safely; and develop, immediately implement, and maintain a comprehensive security program.


Cost Overruns are a common problem in technology, defense, and corporate capital improvement projects. This book explains the problem and what is at stake, the uncertainties and risks involved, and methods for improvement. The book proposes and provides methods for establishment and implementation of Cost Overrun Insurance Systems and improved Risk Management practices. A Strategic Decision Making Framework process is provided based on professional, objective analysis of the Status Quo and Alternative Courses of Action. The author addresses Psychological and Strategic Misrepresentation causes of Cost Overruns, calling for a return to Core Values and Integrity as the ultimate solution to the Cost Overrun problem. The United States Federal Government is $14 Trillion in Debt. Estimates for future unfunded liabilities are 50-100 Trillion $ +, and new problems and liabilities are surfacing daily. Cost
Overruns: What's Wrong And How To Fix It, is a call to action for citizens, corporations, and governments to relearn problem and requirements definition, planning, estimating, and solution execution, all in the interest of creating Greater Utility (Benefits) for all mankind. It is written from the perspective of an Analyst who has worked on these problems from many different angles: as an Air Force veteran, a Federal Civil Servant, Systems Engineer, Federal Government Consultant, and Quantitative Analyst. Further information is available on the YouTube Cost Analyst Channel:
http://www.youtube.com/user/CostAnalyst?feature=mhum
This book covers the project financing process from the perspective of a wider and more general group of stakeholders by addressing the three key elements of cash flow; collateral/support structures; and risk management. Following a detailed description of project financing in the first chapter, the authors discuss the project financing process, modelling and risk management, public private partnerships and project financing in practice including the use of the principles in a range of different contexts. A sound understanding of project management is fundamental to successful project financing, as is the need to have a clear plan for a project to communicate the essential information that different stakeholders require. A successful project financing starts with the different phases of a project and descriptions of the key risk areas include the challenges in estimating the cost of a project and the general principles of financial modelling with a discussion of the unique aspects of financial modelling for different industries. Throughout the book, short recent international case studies are used to illustrate successful and unsuccessful projects allowing the lessons learned to be visible and there are many examples of specific applications of project finance techniques throughout the text.
This book describes concepts, methods and practical techniques for managing projects to develop constructed facilities in the fields of oil & gas, power, infrastructure, architecture and the commercial building industries. It is addressed to a broad range of professionals willing to improve their management skills and designed to help newcomers to the engineering and construction industry understand how to apply project management to field practice. Also, it makes project management disciplines accessible to experts in technical areas of engineering and construction. In education, this text is suitable for undergraduate and graduate classes in architecture, engineering and construction management, as well as for specialist and professional courses in project management.
This book gathers pioneering experiences based on the same concept: innovation. According to Schumpeter's research, there would be four types of innovations: product or service innovation (market introduction of a new type of good), process innovation (introduction of a new type of production), market innovation (introduction of a new market in a country or a new market structure), and innovation of matter (introduction of a new raw material). This book contains ten chapters organized in four main sections: (a) "Strategic Issues," (b) "Risk Management in Innovative Projects," (c) "Economic Issues and Financing Innovation," and (d) "Leadership and Teamwork."
This basic text offers a comprehensive and fundamental description of the construction industry and the construction process, citing examples from several countries at various stages of development. It considers the features of the industry, describes factors influencing the demand for, and supply of construction, problems facing the industry and ways of planning for and managing its development. The book should be a basic source of information on the construction industry for undergraduate and postgraduate courses in architecture, construction management, quantity surveying, related engineering fields and estate management. It should
also be of relevance to administrators of the construction industry. What are the reasons for cost overruns? Do reforms reduce the magnitudes of cost overruns in projects? Has the impact of cost overruns been analyzed? What causes cost overrun in transport infrastructure projects? What is the total value of project cost overruns? This powerful Cost overrun self-assessment will make you the reliable Cost overrun domain visionary by revealing just what you need to know to be fluent and ready for any Cost overrun challenge. How do I reduce the effort in the Cost overrun work to be done to get problems solved? How can I ensure that plans of action include every Cost overrun task and that every Cost overrun outcome is in place? How will I save time investigating strategic and tactical options and ensuring Cost overrun costs are low? How can I deliver tailored Cost overrun advice instantly with structured going-forward plans? There's no better guide through these mind-expanding questions than acclaimed best-selling author Gerard Blokdijk. Blokdijk ensures all Cost overrun essentials are covered, from every angle: the Cost overrun self-assessment shows succinctly and clearly that what needs to be clarified to organize the required activities and processes so that Cost overrun outcomes are achieved. Contains extensive criteria grounded in past and current successful projects and activities by experienced Cost overrun practitioners. Their mastery, combined with the easy elegance of the self-assessment, provides its superior value to you in knowing how to ensure the outcome of any efforts in Cost overrun are maximized with professional results. Your purchase includes access details to the Cost overrun self-assessment dashboard download which gives you your dynamically prioritized projects-ready tool and shows you exactly what to do next. Your exclusive instant access details can be found in your book. You will receive the following contents with New and Updated specific criteria: - The latest quick edition of the book in PDF - The latest complete edition of the book in PDF, which criteria correspond to the criteria in... - The Self-Assessment Excel Dashboard - Example pre-filled Self-Assessment Excel Dashboard to get familiar with results generation - In-depth and specific Cost overrun Checklists - Project management checklists and templates to assist with implementation INCLUDES LIFETIME SELF ASSESSMENT UPDATES Every self-assessment comes with Lifetime Updates and Lifetime Free Updated Books. Lifetime Updates is an industry-first feature which allows you to receive verified self assessment updates, ensuring you always have the most accurate information at your fingertips.

Since it was set up in 1994, the Heritage Lottery Fund has awarded £3.8 billion of funding to some 24,000 projects. This report looks at how the money has been spent, what has been achieved, and the effectiveness of the grant-making process. It is based on a detailed review of 30 projects, a survey of applicants and interviews with staff. The conclusion is that the Fund has been successful in supporting projects that are helping to preserve the heritage of the UK. Although its robust processes have led to better and more sustainable projects, more should be done to reduce the burden on applicants, speed the delivery of projects, and provide more support for those who need it.

In this open access book the cost and revenue overruns of Olympic Games from Sydney 2000 to PyeongChang 2018 from eight years before the Games to Games?time are investigated to provide a base for future host cities. The authors evaluated the development of expenditure and revenues of the organizing committees to operate the event, and the investment of taxpayers’ money for Olympic venues (non?OCOG budget). The study is based on data collected worldwide and is currently the most advanced study on cost and revenue changes of Olympic Games.

This thesis presents a literature research analyzing the cost overrun of the construction industry worldwide, exploring documented causes for cost overrun, and documented parties responsible for the inefficiency. The analysis looks at a comparison between the metrics of construction projects in different continents and regions. Multiple publication databases were
used to look into over 300 papers. It is shown that although construction demands are increasing, cost overrun on these projects is not decreasing at the same rate around the world. This thesis also presents a possible solution to improve cost overrun in the construction industry, through the use of the Best Value Performance Information Procurement System (BV PIPS). This is a system that has been utilized in various countries around the world, and has documented evidence that it may be able to alleviate the overrun occurring in the construction industry.

Megaprojects and Risk provides the first detailed examination of the phenomenon of megaprojects. It is a fascinating account of how the promoters of multi-billion dollar megaprojects systematically and self-servingly misinform parliaments, the public and the media in order to get projects approved and built. It shows, in unusual depth, how the formula for approval is an unhealthy cocktail of underestimated costs, overestimated revenues, undervalued environmental impacts and overvalued economic development effects. This results in projects that are extremely risky, but where the risk is concealed from MPs, taxpayers and investors. The authors not only explore the problems but also suggest practical solutions drawing on theory, experience and hard, scientific evidence from the several hundred projects in twenty nations and five continents that illustrate the book. Accessibly written, it will be the standard reference for students, scholars, planners, economists, auditors, politicians and interested citizens for many years to come.

Abstract: A project is pronounced successful if it is finished on time within the budgeted value. Cost overruns and time overrun (delays) have been a critical problem of many projects that led to poor project execution. The construction industry has a poor reputation in terms of finishing the project within budget and on time. Although contractors and designers are one of the key players in construction projects, various other factors affect the project cost overrun depending on the main cause of change. This thesis takes the previous studies one step forward by identifying the root causes of cost overrun using real data extracted from one of the largest general contractors in California and analyzing the data to find the main causes of change orders in the top three market sectors, and the key responsible parties for each change. The analysis showed that the contract value is irrelevant to the amount of change orders. In addition, it proved that depending on the market sector, the underlying root causes for the cost overrun may vary accordingly. Furthermore, it provides legitimate data to help quantify the change impacts on project performance.

Project Cost OverrunDecision-Making, Overruns, and Their ConsequencesCambridge University Press

The aim of this research is to identify the major cost overrun factors in the construction sector of the Free State Province of South Africa and the effective remedial cost control measures, generate and recommend possible solutions. The primary objective of the research is to identify the major causes of cost overrun in the construction sector of the Free State Province of South Africa and the related effective remedial cost control measures.

In recent years the construction industry has been criticised for lack of successful innovation compared to other major industries. The question of why the industry has not been seen to be innovative has created concern among many involved with construction and property. The driving concern is where the motivation for this innovation should come from. Although construction clients have made an impact in this area, the industry itself seems divided as to whether, when and where clients should drive the innovation process. Clients Driving Innovation brings together an international group of researchers and practitioners to investigate the role of clients in construction innovation. Written in three parts, it covers the context for innovation driven by clients, the client impact on the innovation process and how new ideas can be pushed through into practice. Numerous case studies illustrate the role clients can play and the key issues that need to be addressed. With increasing interest in the contribution clients
can make to construction innovation. Clients Driving Innovation will be essential reading for construction management researchers, major construction contractors and clients and government policy makers.

In a global world, where the acceleration of technological changes is happening in all industrial sectors, a special focus is forced on innovation and creativity. The book has gathered a small number of sectors where innovation is being the main vector to achieve the competitiveness that companies are craving. The motivation to choose these sectors has been preceded by a careful selection in which we wanted to pick up those in which innovation is a key today. Different aspects push to create and innovate: the environment in general and in particular climate change is forcing to rethink sectors such as energy, infrastructure, water, biotechnology, materials, defense, education, or health. Dear reader, in your hand is a work that reflects the same spirit of the human being: curiosity and eagerness to overcome have allowed humanity to have evolved and still continue today.

Construciton Project Management provides a thorough understanding of construction project management techniques with the help of various concepts, practical insight, real-life examples and skills to execute large and small projects. Broadly, this comprehensive book is organized in 5 parts: Introducing Construction Project Management ? Developing Project Construction Time Schedule ? Developing Project Resources Plans ? Planning and Budgeting Construction Costs ? Controlling Project Construction Plan Focusing on project planning, scheduling and controlling techniques, the 3rd Edition covers the practical application of the knowledge and skills required to plan and control construction project scope, time, resources, cost, risk and integration using project management technique.

This book presents the proceedings of CRIOCM_2016, 21st International Conference on Advancement of Construction Management and Real Estate, sharing the latest developments in real estate and construction management around the globe. The conference was organized by the Chinese Research Institute of Construction Management (CRIOCM) working in close collaboration with the University of Hong Kong. Written by international academics and professionals, the proceedings discuss the latest achievements, research findings and advances in frontier disciplines in the field of construction management and real estate. Covering a wide range of topics, including building information modelling, big data, geographic information systems, housing policies, management of infrastructure projects, occupational health and safety, real estate finance and economics, urban planning, and sustainability, the discussions provide valuable insights into the implementation of advanced construction project management and the real estate market in China and abroad. The book is an outstanding reference resource for academics and professionals alike.

The continued growth of emerging nations depends largely on the development of their built infrastructures and communities. Roads, dams, bridges, hospitals, schools, and housing are all examples of the built environment that impacts economic improvements in the developing world. Decision Support for Construction Cost Control in Developing Countries explores how the construction industry contributes to a nation’s GDP and the related cost issues and proposed cost reduction solutions for construction projects and initiatives in developing regions. Emphasizing the role of decision support systems for reducing and managing the costs associated with construction projects, this title is an essential reference source for civil engineers, business and engineering managers, project managers, researchers, and professionals in the construction industry.


The continued growth of any nation depends largely on the development of their built infrastructures and communities. By creating stable infrastructures, countries can more easily thrive in competitive international markets. Sustainable Infrastructure: Breakthroughs in Research and Practice examines sustainable development through the lens of transportation, waste management, land use planning, and governance. Highlighting a range of topics such as sustainable development, transportation planning, and regional and urban infrastructure planning, this publication is an ideal reference source for engineers, planners, government officials, developers, policymakers, legislators, researchers, academicians, and graduate-level students seeking current research on the latest trends in sustainable infrastructure.

This book covers various current and emerging topics in construction management and real estate. Papers selected in this book cover a wide variety of topics such as new-type urbanization, planning and construction of smart city and eco-city, urban-rural infrastructure development, land use and development, housing market and housing policy, new theory and practice of construction project management, big data application, smart construction and BIM, international construction (i.e., belt and road project), green building, off-site prefabrication, rural rejuvenation and eco-civilization and other topics related to construction management and real estate. These papers provide useful references to both scholars and practitioners. This book is the documentation of the 24th International Symposium on Advancement of Construction Management and Real Estate, which was held in Chongqing, China.

“This textbook is intended for business analysts, engineers, system developers, systems analysts, and others just getting started in management, and for managers and administrators with little project management training.”--Jacket.

Communication within project-based environments presents special challenges. This is especially true within the construction industry, where interaction tends to be characterised by unfamiliar groups of people coming together for short periods before disbanding to work on other endeavours. This book examines communication at a number of levels ranging from interpersonal interactions between project participants to corporate communication between organizations. Several non-typical perspectives on the process of communication are introduced to encourage the reader to think about communication in a more innovative manner. The combination of differing perspectives illustrates the diversity of communication problems facing those working within project-based environments. Practical guidance is provided on possible solutions to communication problems, and a number of examples and case studies are presented.

Construction industry is one of the most significant industries that growth rapidly
to develop countries. These construction industries facing many problems the most common are delay and cost overrun. However, studies show that in OMAN rarely projects are completed within stipulated budget and time. This study is focusing on identification of significant causes affecting construction cost and time in Oman projects. The data of delay and cost overrun factors were collected through questionnaire distributed among the construction experts who involved in the current construction projects in Oman. The survey was carried out by interviewing respondents from consultants, contractors and client’s parties. The collected data were analyzed by using Average Index method for each factor and these factors were ranked based on the index to determine its significance. The findings will help construction industry to avoid and reduce the Delay and Cost overrun in future projects.

Global construction data is vital for contractors, governments, international organisations, policy makers, academic researchers and statisticians. As the global population of the world expands, the sustainability of the built environment raises the political agenda and the need to manage infrastructure and buildings in both urban and rural contexts becomes ever more pressing. How much more can the built environment grow and how can it be managed sustainably? This edited volume addresses how we can find a possible way through the inconsistencies between national construction data sets to devise a consistent approach to national construction data to further the global sustainability agenda and inform policy making. This search begins in Part I, which looks at the methods and definitions used in construction statistics in different countries. Part II considers examples of different types of construction data from the cost of materials, measuring work on high rise buildings and existing stock. In Part III, the authors consider construction data internationally, beginning with the problem of comparing data in different countries using exchange rates and purchasing power parities (PPPs), comparing innovation processes in different countries and looking at the provision of building design internationally. In Part IV, the international theme is continued by comparing accounting practices and company performance in different countries and concludes with an international comparison of construction industries. This book raises awareness of the significance of the construction industry globally and the importance of data to measure it. It informs the discussion of the best ways of handling the consequences of policies affecting the built environment and the effect of the built environment on the rest of the economy and society. It is essential reading for international economists, construction industry consultants, policy makers, construction statisticians and academics.

Effective risk management is essential for the success of large projects built and operated by the Department of Energy (DOE), particularly for the one-of-a-kind projects that characterize much of its mission. To enhance DOE’s risk management efforts, the department asked the NRC to prepare a summary of the most effective practices used by leading owner organizations. The study’s
primary objective was to provide DOE project managers with a basic understanding of both the project owner’s risk management role and effective oversight of those risk management activities delegated to contractors. The Cost Management Guidebook describes a number of tools that can be used to examine the cost structure of a business, including analyses for cost objects, constraints, and processes. The book also addresses how to reduce costs in all of the major areas of a corporation, including compensation, sales, production, procurement, and administration. There are extensive discussions of asset reduction techniques, as well as cost management reports and measurements.

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