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# FACTORS AFFECTING THE CONTINGENCY BUDGET OF BRIDGE PROJECTS

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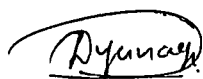
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## DECLARATION

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Declaration.

The above candidate has carried out research for the Dissertation under my supervision.

*UOM Verified Signature*

Signature of the supervisor:

Date 05/12/2011

Dr. L.L. Ekanayake

## DEDICATION

**Dedicated to**

**My beloved parents,**

**Sister, Brother and Husband.**



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## ABSTRACT

Cost overrun in any sector brings bad image to the organisation and unrest to the professionals. The cost overrun can be resulted either due to risk events or non risk events. Possible non risk events in bridge projects are the scope changes, design changes, quantity increase and variations. However those non risk events produce a justification to the additional cost incurred and it enhance the value of the project adding more properties.

On the other hand risk events take place unexpectedly and it wastes the project money and degrades the value of the project. Therefore in order to absorb this risk cost, without making any burden to the project, conventionally it is practicing to allocate contingency budget.

However still the most road and bridge contracts do not meet set cost targets as a result of improper assessment of risk factors inherent in construction. The majority of time and cost overruns are attributable to either unforeseen or foreseen events for which uncertainties were not properly accommodated. The Sri Lankan practice is to add a 10% contingency sum in bill quantities to cover the risks or uncertainties. However, even with the presence of this contingency allocation, cost overruns still prevail in the industry.

Identification of the root causes for the contingency budget overrun and presenting preventive strategies for the small bridge contracts cover the research topic.

## ACKNOWLEDGEMENT

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**ABBREVIATIONS AND ACRONYMS**

BOQ	-	Bill of Quantities
CAPC	-	Cabinet Appointed Procurement Committee
CE	-	Chief Engineer
DPC	-	Department Procurement Committee
EE	-	Executive Engineer
EOT	-	Extension of Time
GOSL	-	Government of Sri Lanka
HD	-	Head of the Department
ICTAD	-	Institute of Construction Training and Development
MOU	-	Memorandum of Understanding
MPC	-	Ministry Procurement Committee
PD	-	Provincial Director / Project Director
PMBOK	-	Project Management Body of Knowledge
RDA	-	Road Development Authority
SBD	-	Standard Bidding document
TEC	-	Technical Evaluation Committee
VO	-	Variation Orders



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