

IDENTIFYING AND ANALYZING CHALLENGES IN ADMINISTERING CONSTRUCTION CONTRACTS OF THE LARGE PUBLIC PROJECTS IN BHUTAN

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Abstract

Construction projects encompass three major phases: the pre-construction phase, the construction phase, and the post-construction phase. Although problems are inevitable in every phase, most of them are encountered during construction. A construction contract is a formal agreement between the contracting parties. An important contract document is the conditions of contract (COC), which entails the rules and regulations to administer the contract. In Bhutan, all public construction projects are mandated to follow the Bhutan Procurement Rules and Regulations 2019 and the Standard Bidding Documents for procurement of works 2019. Although these documents are updated regularly, administering them is often faced with various challenges. This paper identifies major gaps between the existing construction contract and the contract administration of the public projects in Bhutan. To identify the challenges in the contract administration, we conduct in-depth interviews with a group of local procurement professionals, government engineers, and contractors. As per the interviews, 16 out of 26 factors can cause challenges in the contract administration of the large public projects in Bhutan. The survey questionnaires are then prepared to measure the likelihood of occurrence and the impact of the factors on the project in terms of time and cost. Subsequently, the priority level of the factors are determined using the likelihood-impact matrix. The challenges identified in this study can help the relevant authorities make rational decisions and enhance the efficiency of the existing standard form of construction contract in Bhutan.

Keywords: (Bhutan Construction Industry, Construction Contract, Large Public Projects, Conditions of Contract, Standard Bidding Document)