

Contractor-related Cost Overrun Causes, Controlling Tools and Techniques: Study on Selected Building Construction Projects in Colombo District

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Construction projects in Sri Lanka often fail completion within the specified time and cost allotted for the projects. Hence, cost overrun and delays are major problems that construction projects frequently experience. Many stakeholder-related causes affect cost overrun in construction projects despite their attempt to minimize cost overrun using various methods. Among them, there is a considerable proportion of Contractor-related causes. Therefore, this study attempted to find significant Contractor-related cost overrun factors and apposite cost controlling techniques that can be used to minimize the likely impact of cost overrun on building construction projects in Sri Lanka. This study primarily focused on completed or ongoing building construction projects between the years 2010 to 2019 located in Colombo District. First, a literature review was carried out and Contractor-related cost overrun causes and cost controlling techniques in general were identified. Then, a questionnaire survey was conducted among eighty professionals who worked in building construction projects in the Colombo district belonging to contracting companies with above C3 level Construction Industry Development Authority (CIDA) grade. Sixty-two of them were responded to and considered as valid for further analysis. The ultimate result was obtained through the Relative Importance Index (RII) technique, and the results revealed 'poor project management skills' as the most significant contractor-related cost overrun cause. Besides, the results disclosed the implementation of the labour controlling mechanism as the most prominent cost controlling method that can be utilized for minimizing contractor-related cost overrun causes.

Keywords: *cost overrun, contractor causes, cost controlling techniques, cost controlling tools*