



Analyzing the Impact of Factors Affecting Contract Award on Construction Project Performance

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ABSTRACT

The effect of factors influencing award of contract on the performance of construction projects has caused many havoc to contractors and the construction industry in Nigeria. This study examined the effects of factors influencing award of contracts on the performance of the construction projects in the study area. The important of this study cannot be underestimated as it will help the construction stakeholders, policy makers and future studies. Seventy-one (71) valid questionnaires were administered among the construction stakeholders working on construction projects in the study area, these include the Quantity surveyor, Architect, Engineer and Builder with a retrieval of Sixty-two (62). Frequency and percentage were used to analyze the demographic information of the respondents while data on effects of factors influencing award of contracts on the construction projects was analyzed using mean score and ranking.

The study concluded that effects of factors influencing award of contracts on construction projects are removal of effective and competent contractor, the contractor will continue to lack technical competence and time overrun. Hence recommend that effective and competent contractor should be employed by the firm to bid for the contract, technical competence in the plant and equipment of the contractor should be considered and construction work should be done within the project duration

Keywords: award of contracts, construction projects, construction stakeholders, effects on project outcomes, factors influencing performance

Introduction

The development business is imagined as the significant driver of the economy with 5% expansion in Gross domestic product development, different Areas like wellbeing, training, transportation and the preferences rely vigorously upon the development business. However, the building industry, heavy and civil engineering projects, and specialist contractors that provide carpentry, plumbing, electrician, tiling, and painting services are the three most important segments of the construction industry (Sanusi, 2008).

Contractor selection is a decision-making process that involves the development and consideration of a wide range of necessary and sufficient decision criteria as well as the participation of many decision makers (Orkun and Nesrin, 2003). The key stage for every construction project is implementation, and the choice of the right contractor has a significant impact on the project's completion (Nabi, 2015).

Literature review

Effects of factors influencing the award of contract on the performance of construction projects

Huang (2011), describes contractor selection as a crucial aspect of a successful development project's completion. The support for the craving providing for exile project workers in the honor of agreements in every public and confidential areas depends absolutely on partners and, surprisingly, public comprehension of the phenomenal of work wrapped up via the project worker (Godwin, 2010)

As per Ahmed, Lodhi and Farooqui, (2009) said that project execution is a confirmation of satisfaction of specific diversion or challenge which connects with the endorsed wants or goals that shape task highlights. The contractor's lack of experience and poor planning may have contributed to the project's poor performance in terms of time, cost, and quality.

Since improvement project esteem assessment has been considered as a simple monetary designation, its exactness stays unsure, and this frequently reasons hole between the underlying undertaking cost and fulfillment cost (Abiodun, Ruben and Julius,2014). The different Variables answerable for wrong expense assessment are referenced has worker for hire capability and awful preparation of the tasks.

Kalenzo, (2019) opined that the consequences of elements impacting grant of agreements in building undertaking incorporates absence of specialized capability, low standing, unfit to acquired stuff and plant, absence of task insight, absence of assets.

Lack of productivity, task delays, time overruns, and poor performance are some of the outcomes of factors that influence the award of contracts (Mwangi, 2016).

According to Abiodun, Ruben, and Julius (2014), the contractor will lose credibility as a result of inaccurate cost estimates.

Research methodology

Non-probability sampling technique was used for this study and data were collected through the use of well-structured self-administered questionnaires that were administered to registered professionals in Ondo State, Southwestern, Nigeria. The target population comprises Quantity Surveyors, Architects, Builders, and Engineer. The questionnaires were divided into two sections: the respondents' demographic information (Section A) and the effects of factors influencing the award of contract on construction project. Seventy-one (71) questionnaires were administered in person in each of the three senatorial districts of the state. Moreover, respondents came from both consulting and contracting firms with a retrieval of Sixty-two (62). Data on effects of factors influencing the award of contract on construction project on were analyzed using descriptive statistics and mean score response analysis. Furthermore, frequency and percentage were used to analyze the demographic information of the respondent.

Findings and discussion

A total number of seventy-one (71) questionnaire were administered to Quantity surveyor, Architect, Engineers and Builders in the study area.

Sixty-two (62) copies were retrieved and used for the analysis. This represent a response rate 87%

Table 1 showed the number of questionnaire received from different organizations that made up the population.

Table 1: Questionnaire distributed and retrieved

Questionnaire	Frequency	Percentage
Number distributed	71	100
completed and returned	62	87.32
Number not returned	9	12.67

Source: Author (2023)

The table 2 below shows years of experience in the construction industry of the respondents has 1- 5years of 21% experience in the construction industry establishment, 34% has a range of 5-10 years, 10-20 years have 32% while above 20years of experience in the construction industry of the respondents are 13% respectively.

Table 2: Years of experience in the construction industry

Classification	Frequency	Percentage
1 – 5	13	21
5 – 10	21	34
10 – 20	20	32
20-above	8	13
Total	100	100

Source: Author (2023)

The table 3 below shows that the academic qualification of the respondent varies, 7% has ND holders,15% were HND holders, also 27% were BSc. holders, 15% have PGD 31% have MSc. and 7% have PhD the highest majority of the response are MSc. and BSc. holder.

Table 3: Academic qualification of respondents

Education background	Frequency	Percentage (%)
ND	4	7
HND	9	15
BSc	17	27
PGD	9	15
MSc.	19	31
PhD	4	7
Total	62	100

Source: Author (2023)

Furthermore, table 4 below shows on the area of specialization in construction works 21% were Quantity surveyor, 11% were Architect, 55% were Builder while 2% were contractor.

Table 4: Area of specialization in construction works

Category of workers	Frequency	Percentage
Quantity surveyor	21	21
Architect	7	11
Engineer	34	55
Builder	7	11
Contractor	1	2

Source: Author (2023)

Also, table 5 below shows the type of project involve in building project were largest chunk of project type involved for this research accounting to about 52% of the total respondents. Civil Engineering 32%, and Heavy Engineering were 13% followed by others project accounting for 5%.

Table 5: Type of project involved

Options	Frequency	Percentage
Building Project	32	52
Civil Engineering Project	20	32
Heavy Engineering Project	8	13
Others	2	5
Total	62	100

Source: Author (2023)

Table 6 below shows the result of possible solution to the effects of global recession on construction projects stakeholders was placed on a likert scale 1-5 to test respondent's opinion on the listed variables (5-strongly agreed,4-agree,3-neutral,2-disagree, 1- strongly disagree). It present the mean score on the response of the respondents on effects of factors influencing award of contracts on the performance of construction projects which include the removal of effective and competent contractor ,the contractor will continue to lack technical competence , time overrun , lack of financial resource ,Poor construction budget, Leads to ineffectiveness of contractor , Lack of project experience , unable to require equipment ,poor scheduling , project delay, poor project delivery, poor performance of contractor , project failure ,low quality, unable to acquired plant and equipment , loss of credibility , safety issues, lack of productivity and loss of confidence between client and contractor.

Table 6: Effects of factors influencing award of contract on the performance of construction projects

Options	Mean	Rank
Removal of effective and competent contractor	4.63	1 st
The contractor will continue to lack technical competence	4.55	2 nd
Time overrun	4.48	3 rd
Lack of financial resources	4.38	4 th
Poor construction budget	4.36	5 th

Leads to ineffectiveness of contractor	4.34	6 th
Lack of project experience	4.31	7 th
Unable to acquired equipment	4.30	8 th
Poor scheduling performance	4.30	9 th
Project delays	4.23	10 th
Poor Project delivery	4.18	11 th
Poor performance of contractor	4.15	12 th
Project failure	4.07	13 th
Low quality	4.07	14 th
Low reputation	4.03	15 th
Unable to acquired equipment and plant	4.02	16 th
Loss of credibility	3.97	17 th
Safety issues	3.97	18 th
Lack of productivity	3.92	19 th
Loss of confidence between the client and contractor	3.90	10 th

Source: Author (2023)

V. Conclusion

The study concluded that effects of factors influencing award of contracts on construction projects are removal of effective and competent contractor, the contractor will continue to lack technical competence and time overrun.

VI. Recommendation

The study recommend that effective and competent contractor should be employed by the firm to bid for the contract, technical competence in the plant and equipment of the contractor should be considered and construction work should be done within the project duration

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