

EXECUTIVE SUMMARY

The Construction industry plays a key role for governments in both growing and mature economies, which creates new jobs, drives economic growth, and provides solutions to address social, climate and energy challenges. There are many challenges posed by the construction projects to their stakeholders in achieving the project objectives. In general, construction projects are notorious for being over-budget, late and saddled with scope creep, as well as for poor communication protocols and inadequate controls around scope management & change management. As per Deloitte GCC Powers of Construction (2013) report “Nuclear Power Project in Abu Dhabi – UAE” has been plagued by project delays and cost inflation. The cost estimate has risen by a staggering USD 10 Billion since its initial announcement, taking the total to USD 30 Billion.

The core of this research is all about the project governance and risk management of power projects in UAE been impacted adversely by cost and schedule overruns, converging into a business problem. This study involves primarily a detailed literature review which unlocks the gaps prevailing in the system causing the business problem, resulting into a requirement of a detailed research on ‘How the perception of the stakeholders in contingency estimation while establishing the Project Risk Management plays a role towards firm value maximization’, the problem statement that revolves around the core theme. This problem statement was further broken down into meaningful and attainable research objectives.

The first objective resulting in identification of 108 number of Significant Risk Variables across 20 Nos. of Categories by factor analysis considering the factor loading; while the second objective confirms by hypothesis testing that there is significant relationship between the perception of the stakeholder pertaining to contingency estimation on project performance in Construction of substations in United Arab Emirates.

The third objective results in formulation of a model for the estimation of the cost contingency, applicable in construction of substation projects in United Arab Emirates and subsequently validated with historical data proving that the contingency estimated from the said model is viable for consideration thereby minimizing the cost overrun, rather than the traditional way of contingency estimation.

This thesis offers a platform for Construction of Substation projects in the United Arab Emirates by providing with a contingency estimation model, by considering the perception of various stakeholders while formulating.

The consolidated findings of the entire research have been presented in the chapter 7 of this thesis. The recommendation along with the limitations has also been laid out in the same chapter.