SIGNIFICANT FACTORS CAUSING TIME AND COST OVERRUNS IN CONSTRUCTION PROJECTS IN THE GAZA STRIP: CONTRACTORS’ PERSPECTIVE

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Abstract
The construction industry is considered one of the most important industries in Palestine. However, most construction projects in the Gaza Strip have been exposed to time and cost overruns. The aim of this paper is to identify factors influencing time and cost overruns in construction projects in the Gaza Strip. A detailed questionnaire containing 110 factors that caused time delay and 42 factors that caused cost overruns was developed as a basis to invite inputs from contractors. 80 questionnaires were distributed to contractors and 66 were completed and returned representing an 83% response rate. The view of contractors has been analyzed to rank the causes of delay and cost overruns on an importance index. The most significant causes of time delay identified in this research are; strikes, border closures, lack of materials in markets, shortage of construction materials at site, delay of material delivery to site, cash-flow problems during construction, and poor site management. The most significant causes of cost overruns are; increase in material prices due to continuous border closures, delay in construction, supply of raw materials and equipment by contractors, fluctuations in the cost of building materials, project materials monopoly by suppliers, instability of the local currency in relation to dollar value, low commitment of donors to compensate any negative outcomes attributable to the poor economic and political situation, and donor policy in awarding tenders to the lowest bidder. Better project management procedures and the inclusion of an appropriate contingency allowance in the pre-contract estimate are recommended as a means of minimizing the adverse effect of construction delays.

Keywords
Construction, Time, Cost, Overruns, Contractors Survey, Gaza Strip.

INTRODUCTION
The construction industry is the vehicle through which physical development is achieved, and this is truly the locomotive of the national economy. The more resources, engineering know-how, labor, materials, equipment, capital, and market exchange provided from within the national economy, the higher the extent of self reliance. The increasing complexity of infrastructure projects and the environment, within which they are constructed, place greater demands on construction managers to deliver projects on time, within the planned budget and with high quality (Enshassi et al. 2003).

The successful execution of construction projects, and keeping them within estimated cost and prescribed schedules, depends on a methodology that requires sound engineering