

RISK ANALYSIS AND MANAGEMENT OF CONSTRUCTION PROJECTS

IN UGANDA

By

Brenda Umutoni

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(BSC CIVIL ENG., Makerere University)

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ABSTRACT

The construction industry in Uganda has been plagued by various risks often resulting in poor performance of construction projects with increasing costs and time delay. The main objective of this research was to evaluate the present status of awareness and implementation of risk management tools and techniques in construction projects in Uganda. The study also aimed to identify the significant risks that occur during a construction project's life cycle in the construction industry in Uganda, to assess the extent of the consequences of the identified risk factors on the cost and schedule of a construction project and to determine the risk analysis and management strategies that are currently being used in construction projects in Uganda.

The objectives of this research have been achieved through analysis of results from a close ended questionnaire. The analysis of the results showed that the ten most significant risk factors in the construction industry in Uganda are: financial failure, inflation, awarding the design to an unqualified designer, quality of work and time constraints, delayed payment on contract, lack of consistency between bills of quantities, drawings and specifications, change order negotiations, not coordinated design, changes in work and defining scope of work. The results also showed that the most severe risk factors on the cost and schedule of a construction project are: poor communication between the parties, financial failure of the contractor, defective design, awarding the design to an unqualified designer, rush design, unmanaged cash flow, delayed payment on contract, inflation, occurrence of accidents because of poor safety procedures and undocumented change orders.

Contractors and consultants in the construction industry in Uganda still depend on traditional methods of risk analysis, there is need for them to adopt more specialised techniques of risk analysis such as expert systems, sensitivity analysis and simulation analysis so as to manage the risks for better performance of construction projects