

Scope Creep is a Critical Risk Area of Contract Risk Management in Engineering-Procurement-Construction (EPC) Projects?

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Abstract

In the modern world the projects have become more popular in different organizations. There are hundreds of projects running around the globe. The size of projects varies in terms of scope, cost, capacity, technology, complexity and time durations. As the projects increase in magnitude the risk associated with them also amplifies. To counter or mitigate these associated risks, best Risk Management (RM) practices and Risk Management (RM) methodologies are used and implemented. Risk Management (RM) is an effective way to identify and mitigate the risks associated with the modern day complex projects. Every Project is governed by contracts and some of the risks are caused by the activities performed under the contract. The Contract Risks are one of the most important Risk factors that effects the outcome of any project especially the EPC project. This paper proposes to determine the impact of scope creep type contract risks on the EPC projects and analyze the effects on projects in terms of success and failure. The aim of this paper is to study that to what extent the scope of an EPC project can be changed without jeopardizing the success of the project. After completing this paper, the researcher will be able to recommend the practices/procedures/methodology to mitigate scope creep type contract risks in every project in general and EPC project in specific.

Keywords

Risk Management, Project Management, EPC, Contract Risks.

Acknowledgements

It is a working abstract and the acknowledgements will be mentioned after completion of this research.

Biography

Rashid Hameed is an Electrical Engineer by profession, and a MS scholar currently doing MS Engineering Management from Riphah International University, Al Mezan Campus, Rawalpindi, Pakistan. He earned B.E. in Electrical Engineering from National University of Science & Technology (NUST), Pakistan. He is also serving as an Engineering Manager at Theta Technologies (Pvt.) Ltd since September 2012. He has an overall industry experience of 6 years. The motivation of doing this research it to create some value addition in the field of Contract Risk Management and to implement the knowledge gained so far in the course of study.