Disputes in Public Construction Projects:
A Case Study on Ministry of Works in Bahrain

Thesis submitted in partial fulfillment of the requirements for the degree of Master of Science in Engineering Management

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March, 2018
Abstract

Construction projects include two parties or more for a shared interest, often get tainted by a "conflict". If conflicts are not resolved immediately, the affected party has no option but to "claim". Unresolved claims escalate into "disputes". Thus, disputes are one of the inevitable problems that any construction project could face any time through the project process.

The research investigates the significant causes and effects of disputes in public construction projects in the Kingdom of Bahrain, in order to avoid and at least mitigate disputes. It also recommends the suitable dispute resolution (DR) method based on the public project's nature. Ministry of Works (MOW) in Bahrain was selected to represent the public sector in this field.

The research adopted multi method approach, which is both qualitative and quantitative research. Qualitative research includes data collected from scholarly materials, personal interviews and case studies. The outcome of this research helped to craft the questionnaire for the quantitative research. The survey sample consisted of the client represented by MOW and both contractors and consultants that has been involved in disputes in some recent projects.

The statistical analysis of this study was carried out using the statistical package of social sciences (SPSS). The methods used are the Relative Importance(RI) and the analysis of one variance (ANOVA) for the hypotheses. The results of the main survey of the three categories of respondents -client, contractors and consultants- revealed that the most significant causes of disputes in the public construction projects in Bahrain related to the project process are (delay in the authorities approval), (lack of proper planning) and (misinterpretation for terms of contract).While the causes related to project uncertainty are (variations), (scope change) and (unexpected site conditions).And the most significant causes related to personnel engaged are (lack of communication between project parties), (ineffective management control) and (improper coordination).

The research also revealed the most significant effects of disputes in the field, which are (slow work progress), (waste of efforts and time), and (delay of public benefit). (Mediation) came in the first place as the most widely used method of dispute resolution, followed by (ad hoc arbitration) and (institutional arbitration).
Finally, it recommends proactive corrective actions to be considered by all project parties in order to avoid pitfalls that lead to future disputes. It also provides solutions to the main causes and especially recommends a Dispute Avoidance and Adjudication Board (DAAB) as an alternative dispute resolution. Which consists of qualified and independent experts, who follow up the project at early stages through site visits in order to solve any problem. DAAB has a judicial role as well to avoid arbitration - as much as possible - which is costly and and tends to be as complex as litigation.