

1. Research Title.

The Effect of Using Descoping Methodology on Construction Projects by Contractors to Close Out Project with Maximizing Profitability.

2. Introduction.

Most of construction projects in various sectors, number of stakeholders are involved either related to materials or services which depends on project and end user or client requirements. Usually, during bid or estimation stage contractors are building their proposal technically and commercially according to outsource stakeholder's offers.

As is known, one of main points in techno-commercial quotations is the offer validity, which is the period between offer submission by contractors to PO or order placement by client is subject to multiple technical clarifications and commercial negotiations, which is mostly exceeding the validity of external stakeholders' offers. Such delay might affect contractors with holding estimated budget from vendors, suppliers, or any service provider.

The main concern will be highlighted once PO or order placed by client to contractor and the project shifted from contractor's estimation team to project team to start project execution and revalidate the project budget and scope of work. The Issue will be with the estimated budget against materials or services that fixed by estimation team and to move forward with external service providers procurement process initiating project cash flow and scope of work.

Project team will face challenges to maintain same budgeted costs with external service providers or even with internal team manhours, most likely project team will force client to accept variation order against increase of external service provider offers or flagging unclear scope of work which will be difficult approach. Descoping could be a solution to avoid conflict with client or end user and to maintain project profit or even to increase it, as well as to ensure sustainability of the relationship with client or end user, descoping method will secure contractor from activities that not estimated which might be out of contractor's business core or inability to bear its cost.

3. Research Problem.

Our research problem is that project closure of construction projects by contractors that affected negatively due to unclear scope of work, wrong estimation of manpower or services, and increase in materials cost by manufacturers. While maintaining relationship with client and controlling or mitigating project planned cost, or even maximizing project profit. Contractors may approach descoping method also due to change in their business expertise or difficulties to negotiate a change order with client. Overall, contractor must close out projects smoothly especially with major client or end user without effecting the relationship and be in huge loss. Descoping project tasks isn't always a bad thing sometimes it's the trick to meet your objectives.

4. The importance and objectives of the research.

Our research consolidated in project closure process, which is last process in project management process groups according PMBOK 6 edition figure (1-5 in PMBOK) illustrate the interrelationship of project components and closure process in project life cycle, most of organizations that operate upon projects facing challenges during project closing process. Following are objectives of the research:

- To study closing process solutions for smooth project closure and avoiding any impact.
- To identify the impact of descope construction project on contractors financially and organization market position.
- Formulating descope decision for securing project budget and avoiding legal conflict.

5. Research Hypotheses.

Project's outcomes are set of deliverables which formulate objectives of the project, and project's milestones which is target of contractor to achieve it to maintain project cash flow or objectives. Therefore, the significant relationship between project deliverables and milestones must be addressed during bid stage or commercial negotiations between client and contractor.

We focused on our research that project's milestones alignment or breakdown does not match with project deliverables due to several reasons like winning the project without proper estimation of the project's tasks time or cost. Descoping project's tasks could be a solution for contractor to avoid bearing unplanned cost or time of the project's activities or to benefit of project contract gaps furthermore, taking a chance of contract clauses breached by client.

6. Literature review.

Step-By-Step Guide To De-Scope Project Tasks:

- a. Analyze the task
- b. Align user needs with the task's goal
- c. Use idea management to learn if the task is high-priority
- d. Confirm the level of effort vs. stakeholder value
- e. Ask your project team for feedback
- f. Own the final outcome
- g. Write all the details down