

CHAPTER 6

SIGNIFICANCE AND ANTICIPATED USES OF THE RESEARCH

6.1 SIGNIFICANCE OF THE RESEARCH

✓ *Anticipated uses of the Research:*

This research is anticipated to be used in Contract Award process as a transparent, fair process of contract award considering comprehensive parameters beyond Lowest Price.

This research is intended to be used by O and G Owner and Operators, EPC Contractors, Large equipment manufacturers in Upstream, Midstream and downstream sector.

✓ *Relevance of the Research in International Arena:*

The holistic approach can help build trust in award process among Oil and Gas contractors, manufacturers and technical service providers from outside India.

✓ *Relevance of the research in Contract and Procurement :*

The big take away from the research is that the current system of contract award based on lowest price bid is the main cause of project delays, cost over runs, anti-incumbency towards the project handler. Most of the time it also happens that the project is won based on L1 basis and then various cost overruns and delays account for the overall price per service or quantity to go up. A holistic model is proposed via this thesis where the contract award is based on various factors impacting success of the project, and to avoid pitfall towards completion on timely basis and without cost overruns.

There is a major overhaul required in the way projects are awarded and handled with a score sheet been maintained via a “Contract Award Index”.

The CAI can be used as a benchmark against which future awards and tendering process can be handled.

✓ *Relevance of the research in Project performance*

CAI and PPI indices worked out in this research are anticipated to be used as a measure of Project success. This indicator is a tool to reward performer of quality projects encouraging R and D and new technology.

6.2 CONTRIBUTION TO LITERATURE

Contract Award Index (CAI) is a quantitative Contract Award Framework which is an alternative when competitive bidding theory do not work due to theory's assumption of rationality which is far from what happens in reality. CAI, and PPI are quantitative Index formulations can be referred by researcher, industry people and Policy makers. Establishing relationship between Contract Award Index and Project Performance Index can open ways for contract award based project performance which is further addition to contribution to literature.