

**AN EVALUATION ON CAUSES OF DELAYS RELATED
TO PRE-CONSTRUCTION PERIOD APPROVAL
PROCESS OF HOTEL CONSTRUCTION PROJECTS**

Anupa Chandra Nayanajith Sabaragamuwe Ranaweera

(158824N)

Degree of Master of Science in Project Management

Department of Building Economics

University of Moratuwa

Sri Lanka

November 2020

**AN EVALUATION ON CAUSES OF DELAYS RELATED
TO PRE - CONSTRUCTION PERIOD APPROVAL
PROCESS OF HOTEL CONSTRUCTION PROJECTS**

Anupa Chandra Nayanajith Sabaragamuwe Ranaweera

(158824N)

Thesis submitted in partial fulfillment of the requirement for the degree of
Master of Science in Project Management

Department of Building Economics

University of Moratuwa
Sri Lanka

November 2020

DECLARATION

I declare that this is my own work and this thesis does not incorporate without acknowledgment of any material previously submitted for a Degree or Diploma in any other University or Institute of higher learning and to the best of my knowledge and belief, it does not contain any material previously published or written by another person except where the acknowledgment is made in the text.

Also, I hereby grant the University of Moratuwa, the non-exclusive right to reproduce and distribute my thesis, in whole or in part, in print, electronic, or other medium. I retain the right to use this content in whole or part in future works.

.....

Signature

.....

Date

The above candidate has carried out research for the Masters under my supervision.

.....

Signature of the Supervisor

.....

Date

ABSTRACT

A project consists of a defined timeline. Any failures in achieving the targeted timeline may create difficulties in project financing and also in project management. Due to several reasons, the actual timeline of a project can differ from the expected timeline. A construction project goes through the initiation phase and planning phase, before commencing the construction works that are conceded as the pre-construction stage.

The tourism sector plays a crucial role in the Sri Lankan economy. Accordingly, there is an essential and continuous requirement for large-scale tourism hotel construction projects. In Sri Lanka, for large-scale construction projects, there are a lot of approval burdens that can be identified within the pre-construction phase. The pre-construction stage of the large-scale hotel project consists of many approvals/clearances from relevant government authorities and pre-feasibility studies that have frequently lead projects towards delays. Hence, this research focused on the delays related to the pre-construction period approval process of large-scale hotel construction projects.

To accomplish the aim of the study, a literature review was carried out to review the details on the pre-construction approval process, causes of delays effect on the same process, and recommendations /strategies to overcome the causes of delays.

Empirically, five (05) large-scale hotel construction projects were selected as case studies and identified the variations of the actual time duration versus expected time duration for each case. Also, 20 causes of delays in the approval process were uncovered by interviewing the project stakeholders. “Consultant and design team delays” and “the complication of the approval process” are the main causes of delays that were identified in this research. Finally, the research concluded several recommendations/strategies to overcome the respective delay causes; e.g. to overcome the institutional framework-related delays; “adoption of a single-window approval process” and “create high accessibility for the information”.

Keywords: Pre-construction approval process, Hotel construction project, Causes of the delays, Recommendations/strategies

DEDICATION

To My beloved family.....

ACKNOWLEDGEMENT

The present work is an effort to throw some light on identifying the issues in the pre-construction period of large-scale hotel construction projects. This work would not have been possible to come to the present shape without the assistance, support, and encouragement of many wonderful people to whom I wish to convey my sincere gratitude.

First, I would like to give my gratitude to my supervisor Dr. (Mrs.) Chandanie Hadiwattege - Senior Lecturer, Department of Building Economics, University of Moratuwa, for her constant guidance and encouragement, without which this work would not have been possible. For her unwavering support, I am truly grateful.

It is also my foremost duty to pay my gratitude to Prof. (Mrs.) Yasangika Sandanayake (Head of Department of Building Economics), Ch.QS. Vijitha Disaratne (Course Director), Ms. Lakshmi Siriwardane (Course Administrator), and all the staff members of the Department of Building Economics, the University of Moratuwa for their immense assistance and advice during this study. I am highly indebted to all the professionals in the industry as well as government officials especially the Sri Lanka Tourism Development Authority, who contributed to this study by sparing time for data collection and for sharing their valuable knowledge despite their busy schedule.

I would also like to thank my friends and colleagues at the MSc. In Project Management - Department of Building Economics (2015- 2017 Batch) the University of Moratuwa, for their encouragement & moral support. To them, I say “we meet to part, but more importantly we part to meet”.

Finally, I express my heartfelt gratitude to my beloved family members especially my loving wife for giving me their utmost support, love, and continuously motivating me to carry out the work successfully.

TABLE OF CONTENTS

	Page
Declaration of the candidate & supervisor.....	i
Abstract	ii
Dedication	iii
Acknowledgement	iv
Table of contents	v
List of figures	ix
List of tables.....	x
List of abbreviations.....	xi
List of appendices	xii
CHAPTER ONE	1
1.0 Research background	1
1.1 Introduction.....	1
1.2 Problem statement.....	4
1.3 Aim and objectives	5
1.4 Methodology.....	5
1.5 Scope and limitations	6
1.6 Research structure.....	6
CHAPTER TWO	7
2.0 literature review	7
2.1 Introduction.....	7
2.2 Tourism	7
2.2.1 Tourism in Sri Lanka	7
2.2.2 Tourism institutional framework in Sri Lanka	9
2.2.3 Hotel sector	10
2.3 Project and hotel construction project	11
2.3.1 Project attributes for hotel construction project.....	12
2.3.2 Project life cycle.....	12
2.3.2.1 Initial phase	13

2.3.2.2	Planning phase	13
2.4	Pre-construction period approval process	14
2.5	Steps of pre-construction period approval process of the hotel project.....	17
2.5.1	Land clearance	17
2.5.2	Preliminary clearance.....	17
2.5.3	Environmental approval process and stakeholder authorities’ approvals/clearances	19
2.5.4	Construction (Building) approval stage	22
2.6	Delays in the construction industry	25
2.7	Causes of delays	25
2.8	Causes of delays in pre-construction period approval process	25
2.9	Recommendations and strategies to minimise the delays in the pre- construction period approval process.....	30
2.10	Summary	35
CHAPTER THREE		36
3.0	Research methodology	36
3.1.	Introduction	36
3.2.	Research design	36
3.3.	Research approaches.....	36
3.3.1.	Mixed approach	37
3.4.	Research strategy	37
3.4.1.	Case study method	37
3.5.	Target population.....	38
3.6.	Data sample out of the final approval granted projects	39
3.7.	Data Collection methods	40
3.7.1.	Primary data collection on the pre-construction approval process .	40
3.7.2.	Secondary data collection on the pre-construction approval process	40
3.8.	Data analysis.....	41
3.8.1.	Content analysis	41
3.8.1.1.	Within case analysis	41

3.8.1.2. Cross case analysis	42
3.9. Summary	42
CHAPTER FOUR	43
4.0 Research findings and discussions	43
4.1 Introduction	43
4.2 The expected time duration for the critical path of the pre-construction period approval process.....	43
4.3 Critical path evaluation with the time duration for case study projects.....	43
4.3.1 Case A – located at Gintota.....	44
4.3.2 Case B – located at Colombo	44
4.3.3 Case C – located at Panadura	45
4.3.4 Case D – located at Tangalle	45
4.3.5 Case E – located at Nuwaraeliya	45
4.4 Evaluation of the causes of delays in case study projects.....	46
4.5 Actual time duration versus expected time duration	48
4.6 Identifying the possible “causes of delays effect on pre-construction period approval process” in each case and proposed suggestions to overcome the delays	50
4.6.1 Causes of delays related to case A	51
4.6.2 Causes of delays related to case B	53
4.6.3 Causes of delays related to case C	54
4.6.4 Causes of delays related to case D	55
4.6.5 Causes of delays related to case E.....	57
4.7 Discussions – common categories of “causes of delays effect on pre-construction period approval process”	59
4.8 summary.....	61
CHAPTER FIVE	62
5.0 Conclusions & recommendations	62
5.1 Introduction	62
5.2 Conclusion	62

5.3	Recommendations.....	65
5.4	Further studies.....	67
LIST OF REFERENCES		68
APPENDIX A: Database of the line agency pre-construction approvals of the selected case study hotel construction projects.....		76
APPENDIX B: Interviewer’s Guidelines		77

LIST OF FIGURES

	Page
Figure 2.1	Tourist arrivals to Sri Lanka and year on year growth from 1966 to 2015..... 08
Figure 2.2	The pre-construction approval process for tourism projects in Sri Lanka..... 16
Figure 2.3	Preliminary clearance process in Sri Lanka..... 18
Figure 2.4	Pre-construction period approval process for hotel construction projects in Sri Lanka..... 24
Figure 4.1	Expected period versus actual time for the preliminary clearance process 48
Figure 4.2	Expected period versus actual time for the environmental approval process and other approvals..... 48
Figure 4.3	Expected period versus actual time for final design stage and construction approval process..... 48
Figure 4.4	Expected period versus the actual time for the total pre-construction approval process..... 49

LIST OF TABLES

	Page
Table 2.1 EIA/IEE process with major steps.....	22
Table 2.2 Summary of the identified causes of delays in the pre-construction approval process.....	29
Table 2.3 Identified recommendations and strategies to overcome the causes of delays in the pre-construction approval process.....	34
Table 3.1 One-Stop Unit project categories.....	38
Table 3.2 Final approval granted large scale projects frequency within the provinces.....	39
Table 4.1 Summary of the case studies	44
Table 4.2 Summary of the expected versus actual periods of the projects with the percentage of variation from the actual time.	47
Table 4.3 Case study interviewers' index.....	50
Table 4.4 Common categories for the causes for delays in the pre-construction approval process.....	59-60
Table 5.1 Recommendations and suggestions for each main category related to the institutional framework of the causes of delays in the pre-construction approval process.....	66-67

LIST OF ABBREVIATIONS

Abbreviation	Description
CCD	Coast Conservation Department
CEA	Central Environment Authority
DMC	Disaster Management Center
EIA	Environmental Impact Assessment
ER	Environmental Recommendation
FA	Final Approval
FICCI	Federation of Indian Chambers of Commerce and Industry
IEE	Initial Environmental Examination
NBRO	National Building Research Organisation
NEA	National Environmental Act
OSU	One Stop Unit
PAA	Project Approving Agency
PIA	Planning Institute Australia
SAIL	Supporting Accelerated Investment in Sri Lanka
SLCB	Sri Lanka Convention Bureau
SLITHM	Sri Lanka Institute of Tourism and Hotel Management
SLTDA	Sri Lanka Tourism Development authority
SLTPB	Sri Lanka Tourism Promotion Bureau
UDA	Urban Development Authority
UNWTO	United Nation World Tourism Organisation
USAID	United States Agency for International Development

APPENDICES

Appendix A – Database of the line agency pre-construction approvals of the selected
case study hotel construction projects

Appendix B – Interviewer’s Guidelines