



College of Business and Economics School of Commerce

Graduate Studies in Project Management

**Assessment on the Contract Administration Practices of Inland Port and Terminal
Construction Projects Management: a Case Study of Ethiopian Shipping and
Logistics (ESL)**

By

Debora Seyoum Meshesha

GSD 2115/09

A Project Work Submitted to Addis Ababa University College of Business and
Economics School of Commerce in Partial Fulfillment of the Requirements for the
Degree of Master of Arts in Project Management

Advisor

Dr. Worku Mekonnen (PHD)

June 2024

Addis Ababa

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Statement of Declaration

I, Debora Seyoum Meshesha, declare that this thesis entitled “Assessment on the Contract Administration Practices of Inland Port and Terminal Construction Projects Management: a Case Study of Ethiopian Shipping and Logistics (ESL)” submitted by me for the award of the degree of Master of Project Management, Addis Ababa University is my original work and it has never been presented in any university.

All sources and materials used for this project work have been appropriately acknowledged.

Declared by: Debora Seyoum Meshesha

Signature _____

Statement of Certification

This is to certify that Debora Seyoum Meshesha, has conducted this project work entitled “Assessment on the Contract Administration Practices of Inland Port and Terminal Construction Projects Management: a Case Study of Ethiopian Shipping and Logistics (ESL)” under my supervision. This project work is original and suitable for the submission in partial fulfillment of the requirement for the award of Master of Arts Degree in Project Management.

Worku Mekonnen. (PhD.)

Research Advisor

Approval by Board of Examiners

Members of the Board of Examiners approve that this research project entitled: Assessment on the Contract Administration Practices of Inland Port and Terminal Construction Projects Management: a Case Study of Ethiopian Shipping and Logistics (ESL) undertaken by Debora Seyoum Meshesha, fulfills the requirements for the Degree of Master of Arts in Project Management and is acceptable with regards to the standards and regulations of the University.

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Abstract

The primary aim of this study was to thoroughly assess the contract administration practices of Ethiopian Shipping and Logistics (ESL) specifically in the context of inland port and terminal construction projects. This included the identification of challenges related to contract administration within ESL and proposing recommendations for improvement. The literature review encompassed an in-depth exploration of relevant studies and theories related to contract administration and project management, providing a comprehensive overview of key concepts and empirical studies.

To achieve this, a descriptive research design was employed, utilizing both primary and secondary data sources. The study targeted the population from three key departments within ESL: port and facility, procurement, plan and business development. A sample size of 45 participants was purposefully selected using a non-probability sampling technique to ensure the representation of diverse perspectives and experiences.

Several significant findings emerged from the study. These included the identification of staff shortages affecting inspection practices, highlighting the importance of documentation for capturing lessons learned from contract implementation, and emphasizing the value of utilizing periodic meetings with stakeholders to enhance project quality and compliance. Based on these findings, the study offers actionable recommendations for ESL. It advises addressing challenges such as staff shortages, enhancing documentation practices, and leveraging stakeholder engagement for inspections, as crucial steps towards enhancing the delivery of ESL's inland port and terminal construction initiatives.

Key Words: Contract Administration, Project Outcomes, Inland Ports and Terminals, Construction Project

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Acronyms

CEO - Chief Executive Office

ESL - Ethiopian Shipping and Logistics

ESLSE - Ethiopian Shipping and Logistics Service Enterprise

GMP- Guaranteed Maximum Price

IACCM - International Association for Contract and Commercial Management

KPIs - Key performance indicators

PMI -Project Management Institute

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the Study

Contract administration is an essential process within project management, encompassing the oversight of contract execution to ensure adherence to agreed-upon terms and conditions. It involves activities such as performance monitoring, change management, cost control, and dispute resolution to facilitate successful project completion. Effective contract administration is vital for risk mitigation, cost control, and the maintenance of quality standards. Additionally, it plays a crucial role in fostering positive relationships between contracting parties, as noted by Kerzner (2017). This is pivotal for achieving project objectives, managing stakeholder expectations, and maximizing the value derived from contractual agreements. By implementing robust contract administration practices, organizations can minimize uncertainties, enhance project outcomes, and mitigate legal and financial risks associated with contract execution.

In the context of inland port and terminal construction projects, contract administration serves as a fundamental prerequisite for the seamless execution of projects from inception to completion. It establishes clear expectations and guidelines, defines roles and responsibilities, and mitigates potential disputes. Furthermore, it aids in managing costs, timelines, and quality standards while ensuring compliance with regulations and specifications. Strong contract administration fosters transparency, accountability, and trust among project participants and is integral to the successful execution of inland port

and terminal construction projects, safeguarding their integrity and long-term viability. Through diligent oversight of contract compliance, documentation, and communication, contract administration serves to safeguard project integrity and foster its successful delivery, ultimately contributing to the efficiency, reliability, and safety of inland port and terminal infrastructures.

According to Berhanu et al. (2018), the strategic location of Ethiopia in the Horn of Africa and its landlocked status underscore the significance of robust inland port and terminal infrastructure to facilitate international trade and economic growth. Additionally, as highlighted by Abate et al. (2019), Ethiopia Shipping and Logistics (ESL) plays a central role in the development and management of maritime transport infrastructure, making it a pivotal case study for examining the impact of contract administration on project outcomes. Despite this importance, the contract administration practices of inland port and terminal construction projects within the Ethiopia Shipping and Logistics (ESL) remain understudied.

Therefore, this study aims to assess the contract administration practices of ESL in order to gain insights into their impact on project outcomes.

1.2. Statement of the Problem

The development of inland ports and terminals is integral to the facilitation of international trade by establishing vital connections between countries and continents via maritime routes. These projects serve as essential conduits for the import and export of goods on a large scale, thereby fostering economic growth and bolstering trade relationships between nations. Well-designed inland ports and terminals optimize supply chain operations, leading to reduced transit times and lower logistics costs for businesses engaged in global trade. Furthermore, they act as catalysts for job creation and economic progress in the surrounding regions, creating employment opportunities and driving local prosperity. Investments in inland port infrastructure significantly contribute to trade facilitation efforts, streamlining customs procedures, and enhancing connectivity between countries.

Ethiopia, as a landlocked country, actively pursues infrastructure development initiatives to overcome geographical limitations and drive economic advancement. Inland port and terminal construction projects represent strategic investments that substantially enhance Ethiopia's connectivity and trade capabilities. The country is currently home to nine inland ports situated in Modjo, Kality, Gelan, Semera, Dire Dawa, Kombolcha, Mekelle, Hawassa, and Woreta, all overseen by Ethiopian Shipping and Logistics. However, the success of these projects is impeded by challenges such as delays and cost overruns, often attributed to ineffective contract administration practices within the Ethiopian Shipping and Logistics organization.

Renowned project management author Harold Kerzner underscores the critical role of contract administration in ensuring project success. He emphasizes the necessity of comprehensive contract management processes to adeptly manage project contracts from initiation to closure, encompassing clear communication, thorough documentation, proactive risk management, and the cultivation of robust relationships with contractors and stakeholders. Effective contract administration is imperative for delivering projects according to plan, within budget, and to the satisfaction of all involved parties.

Inadequate contract administration can result in cost overruns, schedule delays, and disputes, exerting significant influence on project outcomes. The importance of effective contract administration as a cornerstone of successful project management cannot be overstated, as it contributes to project efficiency, transparency, and stakeholder contentment. Without proper management and oversight, contracts can engender confusion, misunderstandings, and disputes, ultimately jeopardizing project success.

Namakulu et al. (2022) have identified a research gap concerning the relationship between contract administration and the performance of road construction projects in Uganda. Lemi (2022) has similarly highlighted obstacles that impede the implementation of contract administration in Addis Ababa City Residential Building Projects, pointing to a research gap in the construction sector with regard to contract administration practice. Furthermore, the absence of research related to Ethiopian Shipping and Logistics's inland port and terminal construction contract administration practices indicates a research gap in the realm of inland port and terminal construction projects.

1.3. Research Questions

An analysis has been conducted to evaluate the contract administration practices of ESL in the construction of inland port and terminal projects. The assessment aimed to address the following research questions:

1. What are the current contract administration practices used by Ethiopian Shipping and Logistics (ESL) in managing inland port and terminal construction projects?
2. What are the challenges associated with contract administration in inland port and terminal construction projects within ESL?
3. What recommendations can be proposed to improve the contract administration practices for ESL's inland port and terminal projects management?

1.4. Objective of the Study

1.4.1. General Research Objective

To assess the contract administration practices in inland port and terminal construction projects within Ethiopian Shipping and Logistics (ESL).

1.4.2. Specific Research Objectives

1. To assess the existing contract administration practices employed by Ethiopian Shipping and Logistics (ESL) in managing inland port and terminal construction projects.
2. To identify the challenges and constraints in the contract administration practices of ESL inland port and terminal construction projects.
3. To propose recommendations for enhancing contract administration practices based on the findings.

1.5. Significance of the Study

The study will have significant importance to provide valuable insights and recommendations that can enhance the efficiency, transparency, and overall effectiveness of contract administration practices within the context of Ethiopian Shipping and Logistics inland port and terminal projects. The findings of this study could benefit Ethiopian Shipping and Logistics for its contract administration of inland port and terminal construction projects.

1.6. Scope of the Study

The study focuses on examining the impact of contract administration practices of inland port and terminal projects within Ethiopian Shipping and Logistics. It investigates various aspects of contract administration, including planning, monitoring, and inspection, to understand how these practices influence inland port and terminal projects management. The study focuses only on the inland port and terminal projects of the organization which is managed at the head office of the enterprise. By examining the contract administration practices of ESL inland port and terminal projects, the research aims to provide valuable insights into improving contract administration practices in the context of inland port and terminal projects in Ethiopia.

1.7. Limitation of the Study

The primary obstacle during this research work is related to time constraints for conducting the research. The study was undertaken amidst a heavy workload within a significantly condensed timeframe. Although numerous factors influence project

outcomes in the construction of inland ports and terminals managed by ESL, the focus of this study was solely on the contract administration practice of ESL.

1.8. Organization of the Study

This project work consists of five chapters. The initial chapter provides an introduction, offering background details on the topic, including the significance of contract administration in construction projects, with a specific focus on inland port and terminal projects within Ethiopian Shipping and Logistics. The subsequent section delves into the literature review, exploring existing research and theories concerning contract administration processes in construction, as well as pertinent studies on Construction Contract Administration in similar contexts. Following that, the methodology chapter outlines the research design, data collection methods, and analysis techniques employed in the study. Chapter four presents the results and discussion, including the interpretation of the findings. Finally, chapter five concludes with insights drawn regarding the impact of contract administration processes on the construction of inland port and terminal projects within the Ethiopian Shipping and Logistics, along with recommendations.

In the reference section, sources and materials utilized for this project work are documented. Additionally, the appendices encompass the questionnaires employed for data collection, along with the interview guide questions.

1.9. Operational Definition of Key Terms

Contract: a legally binding agreement between two or more parties that outlines the terms and conditions of their relationship regarding the project. Contracts typically specify the scope of work, deliverables, timelines, payment terms, responsibilities of each party, and any other relevant details to ensure the successful completion of the project.

Contract Administration: is the process of systematically and efficiently managing contract creation, execution, and analysis to maximize financial and operational performance and minimize risk.

Effective Contract Administration: the efficient and organized management of contracts throughout their lifecycle, from negotiation and execution to performance monitoring and compliance. It involves ensuring that all parties involved adhere to the terms and conditions of the contract, resolving any disputes or issues that may arise, and ultimately achieving the intended outcomes of the agreement.

Construction Projects: Construction projects refer to specific endeavors that involve the planning, design, and construction of structures or infrastructure such as buildings, roads, bridges, or utilities. These projects typically follow a series of phases, including feasibility studies, design development, procurement of materials and labor, construction, and project completion. Effective management of resources, time, and budget is crucial for the successful execution of construction projects.

Inland Port: also known as dry port is a transportation hub located away from traditional coastal areas, typically situated along major rivers, canals, or railroads, facilitating the movement of goods between different modes of transportation. It's situated away from the seaport where cargo is transported to be cleared through customs and processed before being transported to its final destination. It serves as a hub for the efficient movement of goods between different modes of transportation, such as ships, trains, and trucks. A dry port connects road/railway and seaport. It is a hub for inland areas to transport cargo via transshipment. Inland ports can complement the functions of seaports which include storage, workshops for vehicles, and custom services.

Inland Port Terminals: are facilities within the inland ports where goods are transferred between different modes of transportation, such as ships, trains, and trucks. These terminals often feature warehouses, loading docks, and storage facilities to facilitate the efficient handling and storage of cargo. They play a crucial role in the logistics chain by enabling the seamless transfer of goods between various transportation networks.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

Inland ports and terminals serve a vital function in expediting the flow of goods and bolstering trade efficacy within a nation's transport infrastructure. The implementation of effective contract administration processes is imperative for the proficient completion of these endeavors. This literature review attempted to examine theoretical and empirical studies about contract administration. The theoretical aspect covers an overview of theories posited by various scholars concerning the subject matter across different periods. Meanwhile, the empirical segment encompasses a synthesis of pertinent research findings gathered from studies conducted by other researchers addressing analogous issues within diverse Ethiopian institutions.

2.1. Theoretical Literature Review

2.1.1. Contracts in Project Management

Contracts in project management serve as legally binding agreements delineating terms, conditions, responsibilities, and deliverables among project stakeholders. In project management, contract administration is a cornerstone, which ensures the effective execution of projects while managing associated risks and obligations. According to the Project Management Institute's (PMI) Body of Knowledge (PMIBoK), contract administration encompasses a multifaceted approach to overseeing contractual agreements throughout their lifecycle. The Key principles outlined in the PMIBoK include contract documentation, which involves establishing clear and concise contractual terms, conditions, and deliverables to mitigate ambiguity and enhance project clarity. Within project management, delineating the scope of work in the contract is one core component of contract administration. It entails detailing the precise tasks,

deliverables, timelines, and quality benchmarks expected from each party involved. Establishing a clear scope prevents misunderstandings and mitigates scope creep, ensuring that all parties share a common understanding of the project objectives and requirements.

Contract administration also entails proactive monitoring and control mechanisms to ensure compliance with contractual obligations, budgetary constraints, and project timelines. Also, effective communication strategies are essential for fostering transparency and alignment among project stakeholders. It helps to facilitate the resolution of disputes and conflicts promptly (Project Management Institute, 2017). Thus, within the context of inland port and terminal construction projects, adherence to PMIBoK principles in contract administration is critical for optimizing project performance and mitigating risks.

According to, Smith (2020) comprehensive review of contract administration processes further elucidates the multifaceted nature of contract administration within project management contexts. Contracts are pivotal in defining the relationship between the project team, stakeholders, vendors, and other entities. They establish the framework within which the project is executed and help mitigate risks by clearly delineating expectations and obligations. Building upon the foundational principles outlined by PMI, Smith (2020) also emphasized the importance of stakeholder engagement and collaboration in contract administration. Project managers can mitigate misunderstandings and proactively address issues as they arise by fostering open channels for interaction and establishing effective feedback mechanisms. He also highlighted the significance of risk management strategies in contract administration that

help to perform advocating for identification, assessment, and mitigation of potential risks throughout the project lifecycle. By integrating these insights into the contract administration process, project managers can enhance project resilience and adaptability, thereby improving the overall success rate of inland port and terminal construction projects (Smith, 2020).

Contracts serve as a crucial mechanism for establishing the financial framework of the project (Smith, 2020). Within these agreements, various financial aspects are defined, including the budget allocation, payment terms, and any associated penalties or incentives tied to performance metrics. By outlining these financial terms, contracts offer clarity on how costs will be distributed, invoiced, and reimbursed throughout the project lifecycle. This clarity is essential for all parties involved, as it helps to minimize ambiguity and prevent potential conflicts arising from financial discrepancies (Project Management Institute, 2017). Additionally, including specific financial provisions in contracts enhances accountability and transparency, ensuring that all parties adhere to agreed-upon financial arrangements (Jones 2018).

Furthermore, the financial terms stipulated in contracts provide a solid foundation for resolving disputes that may arise concerning payments or budget overruns. By referring back to the contract terms, project stakeholders can effectively address any financial discrepancies or disagreements, thus safeguarding the financial integrity of the project and ensuring its successful completion within the defined parameters.

Another critical function of contracts is risk management. Contracts typically include clauses addressing risk allocation, liability, indemnification, and dispute resolution mechanisms. Donald O'Meara (2017) underscores their significance by noting that

contracts serve as a structured framework for delineating responsibilities, thereby reducing uncertainty and potential disputes among project stakeholders. By identifying potential risks upfront and assigning responsibilities for their mitigation or resolution, contracts help protect the interests of all parties involved.

Clear contract terms can minimize the likelihood of legal disputes and facilitate swift resolution in case conflicts arise during the project execution. Peter Siviglia (2019) further emphasizes the necessity of contractual clauses that allocate risks, specify liability, and outline indemnification measures to protect the interests of all parties involved in the project. Jennifer Hill (2020) adds that incorporating dispute resolution mechanisms, such as arbitration or mediation clauses, into contracts facilitates prompt conflict resolution, ensuring minimal disruption to project timelines. By leveraging contracts with comprehensive risk management provisions, project managers can effectively navigate uncertainties and enhance project success.

In essence, contracts often include detailed provisions outlining communication and reporting requirements between the parties involved (Smith, 2020). These protocols serve a crucial role in ensuring the smooth flow of information throughout the project. By establishing clear channels for communication, such as regular status updates, milestone reports, and designated points of contact, relevant information is shared promptly among stakeholders (Johnson et al., 2018).

Moreover, these communication protocols contribute to efficient decision-making processes, as stakeholders have access to timely updates and can promptly address any

issues or concerns that may arise (Jones, 2019). This not only enhances the overall efficiency of the project but also minimizes the risk of misunderstandings or delays. Additionally, the transparency fostered by clear communication channels outlined in contracts promotes accountability among all parties involved (Brown, 2021). When expectations regarding communication and reporting are clearly defined in the contract, each party is accountable for fulfilling their respective obligations, thereby reducing the likelihood of disputes or conflicts.

Furthermore, fostering a collaborative environment is essential for the successful delivery of any project (Adams & White, 2017). By incorporating communication requirements into the contract, project participants are encouraged to work together towards common goals. This collaborative approach not only enhances productivity but also fosters a sense of ownership and shared responsibility among stakeholders. The inclusion of communication and reporting requirements in contracts serves to promote transparency, accountability, and collaboration among project participants (Robinson, 2022). By adhering to these protocols, parties can effectively navigate the complexities of project management and increase the likelihood of successful project delivery.

2.1.2. Contract Administration

The successful execution of contractual obligations and the achievement of project objectives in project management are ensured via contract administration. According to Kerzner (2017), contract administration involves the meticulous management of contracts throughout their lifecycle, from initial negotiation to closeout. It encompasses activities such as monitoring contract performance, ensuring compliance with terms and conditions, and resolving disputes that may arise during the project execution phase.

Effective contract administration requires clear communication, attention to detail, and a thorough understanding of contractual requirements.

Similarly, Turner (2014) denoted contract administration as the backbone of project management as it helps to establish the framework for collaboration between project stakeholders. Robust contract administration processes are important to mitigate risks and avoid costly delays or disputes. Contract administration activities should be supervised by project managers to ensure alignment with project objectives and stakeholder expectations. By proactively managing contracts, project managers can minimize the likelihood of misunderstandings and maintain positive relationships with suppliers, contractors, and other parties involved in the project.

In addition, according to Meredith and Mantel (2017), contract administration is viewed as a strategic function within project management. They contend that contract administration goes beyond mere compliance and involves leveraging contractual agreements to achieve project goals more effectively. Integrating contract administration into overall project planning and execution processes helps to maximize value for the project and its stakeholders. The importance of fostering collaborative relationships with contractors and suppliers to drive innovation, reduce costs, and enhance project outcomes is also emphasized. Contract administration in project management plays a vital role in project management by ensuring that contractual obligations are fulfilled, risks are managed, and project objectives are achieved. And, Project Managers can minimize uncertainties, promote transparency, and strengthen partnerships with key stakeholders, ultimately contributing to the overall success of the project by embracing best practices in contract administration,

2.1.3. Importance of Contract Administration

Contract administration holds paramount importance in project management as it serves as the linchpin for ensuring the successful execution of contractual agreements and the achievement of project objectives. It plays a pivotal role in project management, by ensuring that contractual agreements are effectively implemented, monitored, and enforced throughout the project lifecycle. As stated by Kerzner (2017), "The contract administration process includes initiating, executing, and closing out all contract requirements and terms." For proper contract administration contract administrators play a pivotal role in safeguarding project interests and mitigating potential disputes or deviations from contractual requirements by meticulously overseeing contract performance, compliance, and documentation. Effectively administering contracts is essential for managing a multitude of complexities inherent in project execution, including procurement, resource allocation, risk management, and stakeholder engagement. It helps to mitigate risks, ensures compliance, and fosters successful project outcomes by establishing clear responsibilities, managing expectations, and resolving disputes promptly (Bajpai & Rai, 2019). Without proper contract administration, projects are susceptible to delays, cost overruns, and legal disputes.

Also, Contract administration is instrumental in cultivating transparency, accountability, and trust among project stakeholders. As of Turner (2014), clear communication and proactive management of contractual obligations facilitate the alignment of expectations and promote collaborative relationships with contractors, suppliers, and other project partners. By providing a structured framework for interaction and accountability, contract administration enhances the likelihood of project success by minimizing

misunderstandings, resolving conflicts, and fostering a culture of collaboration and mutual respect.

Furthermore, effective contract administration contributes to the overall efficiency and cost-effectiveness of project delivery. Meredith and Mantel (2017) argue that robust contract management practices enable project managers to optimize resource utilization, mitigate risks, and identify opportunities for performance improvement. Through diligent monitoring, evaluation, and enforcement of contractual provisions, organizations can identify potential deviations, address issues promptly, and capitalize on value-adding opportunities throughout the project lifecycle.

In addition to its operational significance, contract administration holds strategic importance in project management by shaping organizational procurement strategies, vendor selection processes, and long-term partnerships. By integrating contract administration into overall project planning and execution processes, organizations can leverage contractual agreements to drive innovation, achieve strategic objectives, and enhance competitive advantage. Meredith and Mantel (2017) assert that proactive contract management practices enable organizations to adapt to evolving market dynamics, regulatory requirements, and stakeholder expectations, thereby enhancing their resilience and sustainability in a dynamic business environment.

Overall, contract administration helps to ensure compliance with contractual obligations, promote collaboration among project stakeholders, optimize resource utilization, and drive strategic alignment. The construction project of inland ports and terminals requires careful planning, coordination, and execution to meet the demands of increasing trade volumes and logistics efficiency. In this regard, Contract administration plays a pivotal

role in ensuring that these projects are completed on time, within budget, and according to specified quality standards, thus contributing to the overall effectiveness of inland port and terminal operations.

2.1.4. Approaches of Contract Administration

Contract administration can be classified into three approaches, these approaches are centralized, decentralized, and hybrid. A contract administration which involves the concentration of administrative functions within a single entity or department, typically the project management office is a centralized approach. According to Kim and Ballard (2002), this approach makes uniformity possible in contract management practices and promotes centralized control over contract-related activities such as procurement, performance monitoring, and dispute resolution.

In decentralized contract administration, administrative responsibilities are distributed across multiple project teams or departments (Turner 2014). In this system, individual project managers or functional units assume greater autonomy in managing their contracts, allowing for flexibility and responsiveness to project-specific needs. However, this approach may cause challenges for organizations with diverse project portfolios, as it creates challenges in maintaining consistency and coordination across projects.

The third approach that combines elements of both centralized and decentralized models is a hybrid approach. This model is proposed by Keane (2002). It seeks to hold the benefits of centralized oversight while adapting the unique requirements of individual projects. This approach may involve centralizing certain critical functions and at the same time delegating operational tasks to project teams or specialized units.

2.1.5. Steps in Contract Administration

Contract administration encompasses a range of activities essential for ensuring the successful implementation and management of contractual agreements. These elements typically include contract initiation and planning, performance monitoring and control, change management, communication and documentation, and contract closeout. As emphasized by Meredith and Mantel (2017), effective contract administration requires careful planning and proactive management of each element throughout the contract lifecycle.

The contract administration process in project management involves several sequential steps aimed at ensuring the effective management and fulfillment of contractual obligations. According to the Project Management Institute (PMI), these steps typically include contract initiation and planning, contract execution, contract monitoring and control, and contract closure (Project Management Institute, 2017).

During the initiation and planning phase, project managers and contract administrators collaborate to define project objectives, scope, and deliverables, as well as establish contractual terms, conditions, and performance metrics. Proper planning at this stage ensures that the contract aligns with project goals and sets the foundation for effective contract management throughout the project lifecycle.

Once the contract is negotiated and signed, it enters the execution phase. Contract administrators oversee the implementation of contractual agreements, ensuring that all parties fulfill their obligations as per the agreed terms and conditions. Effective execution involves coordinating with vendors, contractors, and internal project teams to mobilize resources, initiate work, and maintain compliance with contractual requirements.

Throughout the project lifecycle, diligent monitoring and control mechanisms are employed to track progress, assess performance, and address deviations or issues that may arise. Contract administrators continuously evaluate contract performance against established metrics, identify areas of concern, and take corrective actions to mitigate risks and ensure adherence to contractual obligations. Proactive monitoring and control help minimize disruptions, optimize resource utilization, and maintain project momentum.

Additionally, change management processes are integral to managing contract modifications, ensuring that changes are properly documented, evaluated for impacts, and implemented under contractual provisions. Change is inevitable in project environments, and effective change management processes are essential for managing modifications, variations, and amendments to contract terms and requirements. Clear communication and documentation practices are essential for facilitating transparency, accountability, and alignment among project stakeholders. Timely and accurate reporting of contract performance, issues, and resolutions fosters trust and enables informed decision-making by project sponsors and stakeholders. Contract administrators document change requests, assess their impacts on cost and schedule, obtain approvals, and implement changes under contractual provisions. By managing changes systematically, project teams can adapt to evolving circumstances, address stakeholder needs, and maintain project alignment with contractual objective.

Finally, during the contract closure phase, contract administrators facilitate the formal acceptance of deliverables, reconcile any outstanding matters, and ensure that all contractual requirements have been met, conduct post-project reviews to capture lessons

learned and identify opportunities for improvement. Contract closure activities may include conducting final inspections, obtaining approvals, settling financial accounts, and archiving project documentation. Proper contract closure ensures that project outcomes are achieved, lessons learned are captured, and contractual relationships are concluded adequately.

Throughout the phases of contract administration Clear communication and documentation practices are essential for facilitating transparency, accountability, and alignment among project stakeholders. Timely and accurate reporting of contract performance, issues, and resolutions fosters trust and enables informed decision-making by project sponsors and stakeholders.

2.1.6. Pillars of Contract Administration

In project management, contract administration relies on several pillars that serve as foundational principles for effective contract management. While specific terminologies may vary, these pillars generally encompass essential aspects of contract administration. According to the International Association for Contract and Commercial Management (IACCM), the pillars of contract administration include governance, relationship, performance, risk, change, and knowledge management.

Governance refers to the establishment of clear roles, responsibilities, and decision-making processes within the contract management framework. It involves defining accountability structures, setting up communication channels, and ensuring compliance with organizational policies and procedures.

Relationship management emphasizes the cultivation of collaborative and mutually beneficial relationships with stakeholders, including suppliers, contractors, and internal

project teams. Building trust, fostering open communication, and addressing conflicts proactively are key components of effective relationship management.

Performance management involves monitoring and evaluating contract performance against established metrics, objectives, and service level agreements (SLAs). It encompasses tracking key performance indicators (KPIs), conducting performance reviews, and taking corrective actions to address deviations or deficiencies.

Risk management focuses on identifying, assessing, and mitigating risks associated with contract execution. This pillar entails conducting risk assessments, developing risk mitigation strategies, and establishing contingency plans to address potential threats to project success.

Change management encompasses processes for managing modifications, variations, and amendments to contract terms and requirements. It involves documenting change requests, assessing impacts on cost and schedule, obtaining approvals, and implementing changes per contractual provisions.

Finally, Knowledge management involves capturing, sharing, and leveraging lessons learned, best practices, and insights gained from contract administration activities. This pillar focuses on fostering organizational learning, enhancing decision-making, and continuously improving contract management processes.

2.1.7. Construction Contract Administration

Construction contract administration refers to the process of overseeing and ensuring the successful execution of a construction project per the contract documents. This involves managing the various aspects of the construction process, including coordinating activities, monitoring progress, verifying compliance with specifications, and resolving

any issues that may arise during the construction phase. The construction contract administrator plays a crucial role in facilitating communication between the parties involved, such as the owner, contractor, and architect/engineer, to ensure that the project is completed satisfactorily and in compliance with the agreed-upon terms.

Contract administration in the context of construction refers to the activities necessary to ensure the fulfillment of the contract requirements by the parties involved in a construction project. It involves overseeing and managing the execution of the contract terms and conditions to ensure that the project is completed according to the agreed-upon specifications, schedule, and budget.

2.1.8. Key Aspects of Contract Administration

Key aspects of contract administration in construction encompass several vital functions, each crucial for project success. One of the key aspects of contract administration is compliance. Contract Compliance is about confirming adherence to specifications, schedules, payment terms, and other contractual obligations.

Monitoring and inspecting construction work is also another important aspect that is essential to ensure whether predefined quality standards and requirements are met or not. This maintains the integrity of the project and satisfies client expectations. Also monitoring the progress by which the track record of the project progress, milestones, and timelines are kept is vital to ensure whether the project stays on schedule or not. Regular monitoring allows for timely interventions to address any deviations from the plan (Harris & McCaffer, 2013). Dealing with changes to the contract scope, schedule, or budget requires a structured approach through formal change order processes is also another aspect that ensures project control is maintained and helps to prevent disputes.

In addition, identifying and addressing potential risks and issues that may impede project completion is critical. This involves proactive measures to mitigate risks such as safety concerns, delays, or unexpected cost escalations. Also, another important aspect of contract administration is Communication. Effective communication among all project stakeholders is indispensable. Facilitating clear and transparent communication fosters collaboration minimizes misunderstandings, and enhances project outcomes (Cannon & Kreutzer, 2020).

Finally, maintaining accurate records of project activities, decisions, and changes is essential for accountability and dispute resolution. Comprehensive documentation provides a clear project history and supports claims or disputes that may arise during or after project completion

In general, by combining the key aspects of Contract administration and effectively managing contracts, risks can be mitigated, issues also resolved promptly, and positive relationships among stakeholders can be maintained, leading to successful project outcomes. This makes contract administration the backbone of construction project delivery, promoting transparency, accountability, and compliance with contractual obligations.

2.1.9. Theories of Contract

A. The will Theory

In project management, the will theory of contracts plays a crucial role in defining and enforcing agreements between project stakeholders. According to this theory, contracts are formed when parties objectively express their intent to be bound by the terms and conditions of an agreement. In the context of project management, this means that clear

and unambiguous communication of project requirements, deliverables, timelines, and responsibilities is essential for contract formation. The will theory underscores the importance of mutual assent and the objective manifestation of consent in project contracts, helping to ensure that all parties are aligned and committed to the project's success. Scholars such as Harold Kerzner (2017), highlight the significance of effective contract management practices grounded in the will theory to mitigate risks, foster collaboration, and achieve project objectives. This theory maintains that commitments in project contracts are enforceable because the promisor has "willed" or chosen to be bound by his or her commitment(s). Because, the will is something naturally worthy of respect; the use of force against a defaulting promisor in project contracts is ethically justified.

B. Contract Compliance Theory

Contract compliance theory is a framework within contract law that emphasizes the importance of enforcing agreements to ensure parties adhere to their obligations as stipulated in the contract. This theory hypothesize that contracts serve not only as instruments for the allocation of resources and risk management but also as mechanisms for promoting social order and economic efficiency. According to Ayotte and Bolton (2011), contract compliance theory recognizes that the enforcement of contracts fosters trust between parties, facilitates cooperation, and ultimately contributes to the stability and functioning of markets. By upholding the terms of contracts, parties can mitigate transaction costs, reduce uncertainty, and safeguard their interests, thereby promoting overall welfare within the contractual relationship and beyond.

C. Contract Management Theory

Contract management theory encompasses various approaches and frameworks aimed at optimizing the effectiveness and efficiency of contract management processes throughout the contract lifecycle. It involves the systematic planning, execution, and monitoring of contracts to ensure that parties fulfill their obligations and achieve their intended outcomes. According to Paul C. Dinsmore 2005, one prominent aspect of contract management theory is relationship-based contract management, which emphasizes collaboration, communication, and trust-building between contracting parties to enhance long-term value and mitigate risks. Other aspects may include performance-based contracting, risk management, and the use of technology to streamline contract administration.

D. The Agency Theory

Agency theory in project management examines the dynamics between project owners (principals) and project managers (agents), focusing on the challenges that arise due to misaligned incentives and information asymmetries. In this context, the principal-agent relationship entails the delegation of authority by project owners to project managers to execute and deliver projects on their behalf. Agency theory highlights the potential for conflicts of interest between the two parties, where project managers may prioritize their own interests over those of the project owners, leading to agency problems such as moral hazard and adverse selection. To mitigate these issues, project contracts play a crucial role in defining the roles, responsibilities, and incentives of both parties, aligning their interests, and establishing mechanisms for monitoring and accountability. By

understanding and addressing the underlying principles of agency theory, project managers and owners can design contracts and governance structures that promote cooperation, transparency, and successful project outcomes. The underlying principle of the theory is there should be a clear understanding of the needs of the principal and ability of the agent to meet these needs competently. (Chiappori and Salanie', 2003)

2.2. Empirical Literature Review

A study done by Dandane Hirpa (2018) on "The role of contract administration on project performance: The Case of Oromia Regional State, Water, Mineral and Energy Bureau" investigates the impact of contract administration on project performance within the context of the Oromia Water, Mineral and Energy Bureau. The research aims to assess the practices of contract administration planning, monitoring of contract implementation, and inspection of deliverables to understand their contributions to project success. A descriptive research design was employed, utilizing both qualitative and quantitative methods. The study population consisted of 42 employees from the Contract Administration and Construction Supervision department and other functional departments of the bureau. A sample size of 35 respondents was selected using non-probability sampling techniques. Data collection involved questionnaires and semi-structured interviews, with analysis conducted using descriptive statistical techniques and SPSS version 25. The findings of the study revealed that poor contract administration practices, such as the lack of a contract administration plan, inadequate monitoring of contract implementation, and insufficient inspection of deliverables, led to project delays, terminations, cost overruns, and quality issues within the Oromia Water, Mineral and Energy Bureau projects. The research highlighted the importance of effective contract

administration in ensuring project success and recommended the bureau to critically oversee contracts, constantly monitor project progress, and recruit experienced staff for contract management functions. By emphasizing the significance of clear contract administration plans and proactive monitoring, the study underscores the essential role of contract administration in optimizing project performance and achieving successful project outcomes in the Oromia Regional State context.

In another study conducted by Meron on project contract administration at the Ethiopian Investment Commission identified key findings, conclusions, and recommendations to enhance contract management practices within the organization. Findings revealed challenges such as lack of cooperation among team members, inadequate follow-up on deliverables, and issues with contractor involvement in problem identification. The study highlighted the importance of effective time management, control of contract variations, and technical skills among team members. Conclusions emphasized the need to address cooperation problems, enhance technical skills, improve dispute resolution capabilities, ensure timely payments based on contracts, and implement effective time management practices. Recommendations included proactive follow-up on deliverables, early problem resolution through communication with contractors, contractor participation in contract management, employee training for enhanced skills, stakeholder collaboration, contract form updates, and timely contract management variations and payments to prevent schedule overruns. In summary, the study underscored the significance of clear project scope, effective communication, and realistic time and budget management in project contract administration at the Ethiopian Investment Commission. While positive aspects like clear guidelines and data management practices were noted, challenges such as lack

of cooperation, technical skill gaps, and payment issues were identified. The recommendations focused on improving employee training, enhancing contractor involvement, resolving disputes promptly, updating contract forms, and fostering stakeholder collaboration to address the identified challenges and enhance the overall effectiveness of contract administration practices within the organization.

The study done by Tsige Tsegaye Araya (2020) "Contract Administration on Ethiopian Road Authority" focuses on assessing the contract administration practices within the Ethiopian Roads Authority (ERA) from the employer's perspective. The study utilized a descriptive research design to identify and obtain information on the characteristics of contract administration practices in road projects. The primary data source involved staff and management members directly involved in construction activities and possessing deep knowledge of contract administration. Despite limitations such as the COVID-19 pandemic affecting data collection from other stakeholders, the study primarily focused on ERA head office staff through the distribution of 117 questionnaires, of which 117 were collected and analyzed. Additionally, interviews were conducted with 22 project engineers and management personnel to triangulate the survey data. The research methodology included the use of questionnaires with Likert scale measurements and open-ended questions, as well as semi-structured interviews to gather in-depth information on contract administration practices. Data analysis was conducted using SPSS software to present summary statistics in both qualitative and quantitative measures. The study revealed key findings indicating that ERA predominantly conducts contract administration through supervision consultants, with challenges identified in following contract administration manuals and guidelines effectively. Recommendations

were made for improving contract administration practices, emphasizing the need for clear roles and relationships among contract parties, top management support, and regular updating of manuals and guidelines to enhance the effectiveness of contract administration in road projects under the Ethiopian Roads Authority.

The Body of literatures discussed above highlights several common gaps and challenges. All these studies indicate that poor contract administration practices, such as the absence of clear contract administration plans, lead to project delays, terminations, cost overruns, and quality issues. This suggests a need for improved planning and strategy development in contract administration processes. Another consistent finding across the studies is the insufficient monitoring of contract implementation and inspection of deliverables. This results in difficulties in identifying and addressing problems early on, leading to project setbacks. There's a clear need for more rigorous oversight throughout project lifecycles.

Also, the studies identify a lack of technical skills and training among employees involved in contract administration as a significant challenge. This indicates a need for investment in training programs to enhance the capabilities of staff members responsible for managing contracts. Communication and cooperation problems among team members and between stakeholders and contractors are also highlighted as obstacles to effective contract administration. Improving communication channels and fostering better collaboration could help address these issues. They also emphasize the importance of regularly updating contract administration manuals and guidelines to reflect changing project requirements and best practices. This ensures that contract administration processes remain relevant and effective over time.

CHAPTER THREE

3. RESEARCH METHODOLOGY AND DESIGN

This chapter presents a detailed overview of the research methodology employed to achieve the objectives. It encompasses the study area, research design, target population, sample size, sampling techniques, data collection, data processing, and data analysis. The primary focus is to assess the contract administration practice of Ethiopian Shipping and Logistics (ESL) on the construction projects of Inland Ports and terminals.

3.1. Description of the Study Area

Ethiopian Shipping and Logistics (ESL), formerly known as the Ethiopian Shipping and Logistics Service Enterprise (ESLSE), were established in 2016 through the amalgamation of four entities: Ethiopian Shipping Lines Share Company, Ethiopian Maritime and Transit Service Enterprise, Dry Port Enterprise, and Comet Transport Share Company. ESL operates under the governance of a board of directors and reports to the Ministry of State Public Enterprise. The organization comprises various sectors, such as shipping, port and terminal, freight forwarding, logistics, corporate services, and support departments, all overseen by a chief executive officer and three deputy chief executive officers. Notably, the organization encompasses 18 departments, 35 services, 8 branch offices, including a significant branch office at Djibouti port.

The Port & Terminal Service Sector, a constituent of ESL, encompasses the Inland Port Operation Coordinator and Port Facility Development sections, responsible for overseeing the operations of Modjo, Gelan, Mekelle, Kombolcha, Semera, Diredawa

Kality, and Woreta inland Ports and Terminals. This sector manages and monitors project activities and the development of other inland ports and terminals. Noteworthy is the integration of contract administration within the framework of project management, eliminating the presence of an autonomous office for contract administration. Additionally, the organization includes a planning department, responsible for organizational planning activities. Consequently, this research is primarily directed towards assessing the contract administration processes within these departments and their impact on the outcomes of inland port and terminal projects.

To visually represent the organizational structure, Figure 3.1 provides a graphical depiction.

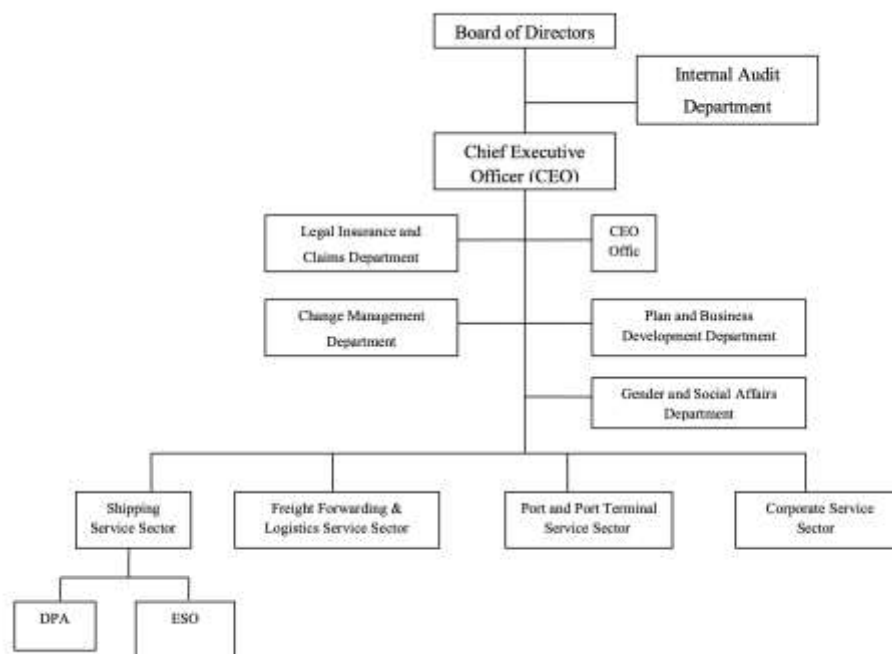


Fig. 3.1 Organizational Structure (Source: ESL profile 2011 E.C)

3.2. Research Design and Approaches

3.2.1. Research design

This research employs a descriptive methodology to assess the contract administration practices throughout different phases of ESL Inland port and terminal construction projects. It aims to identify challenges and constraints. It utilized a survey approach, to investigate the contract administration practices and identify constraints impacting the Contract administration practices of ESL.

3.2.2. Research Approaches

This study used a mixed research approach by which both qualitative and quantitative data were used. Quantitative research is a type of research in which the researcher decides what to study, asks specific narrow questions, collects numeric (numbered) data from participants analyzes these numbers using statistics, and conducts the inquiry in an unbiased, objective manner (Creswell, 2005), whereas qualitative research is a type of research that explores and provides deeper insights into real-world problems. Qualitative research gathers participants' experiences, perceptions, and behavior. It answers the hows and whys instead of how many or how much. Qualitative research at its core, asks open-ended questions whose answers are not easily put into numbers such as 'how 'and 'why ' (Cleland, 2017).

3.3. Population

Regarding with total quantity of cases of the type which are the subject of the study (Louis Cohen (2007). focus on basically the Port and Terminal Service Sector, Procurement and Plan, and business development Department (Corporate Service Sector) of the headquarters of ESL.

The targeted populations selected for this research are from the Port and Facility Development Department, from Procurement Department, and the Plan and Business Development Department staff members who have direct and indirect involvement in the Contract Administration process of the organization. The staff members include Project managers, Engineers with different professions, and planning, Monitoring, and Evaluation experts.

The total number of port and facility development department (project office) staff is twenty-four. Regarding the procurement department, twenty-seven professionals were also taken as population. Similarly, from the plan and business development department seventeen professional individuals who have contact with the project work of the organization are included. A total of sixty-eight respondents' populations were targeted for this study.

3.4. Sample Design and Sample Size

Sample and sampling design are crucial components of research methodology, particularly in Sample and sampling design are crucial components of research methodology. A sample represents a subset of a population that is selected to represent the whole. Sampling design refers to the methodological framework used to select this subset. Non-probability sampling, a technique frequently employed in descriptive research, involves selecting participants based on subjective criteria rather than random selection. (Creswell, J. W., & Creswell, J. D. (2017)

For this research, Purposive sampling is used which allows to selection of participants based on predetermined criteria that are relevant to the research objectives. Hence three departments are identified within the organization that have a direct or indirect

connection to Contract Administration, by using purposive sampling it is possible to ensure the data gathered from the members of these departments is reached with their knowledge and experience pertinent to contract administration in port and terminal construction projects.

3.4.1. Sample size

Sample size refers to the number of individuals, units, or observations included in a research study. It's a crucial aspect of research design as it directly influences the reliability and generalizability of study findings. From the three departments of the organization population of the enterprise in the three departments, only the size of 45 respondents were selected in non-probabilistic sampling. Even though sixty-eight was the total number of population the number of employees in each department is not the same. Hence, the number of respondents in each department was calculated by taking proportionality off the percentage share of the population. This is shown as follows:

Table 3.4.1 Sample Size

Participants Department	Target Population	Sample Size	Sample %
Port and Facility	24	16	35
Procurement	27	18	40
Plan and Business Development	17	11	25
Total	68	45	100

Source: Research Survey 2024

3.5. Methods of Data Collection

3.5.1. Source of Data and Data Collection Instruments

The project work used both primary and secondary data sources. The primary data sources were closed and open-ended questionnaires and interviews. On the other hand, secondary data sources were published materials that are relevant to the topic under study that comprised of research articles, guiding books, other research studies pertinent to the subject matter of the study, and other sources like internal performance reports and recommendations. The primary data is collected from respondents using questionnaires and interview questions whereas the secondary data sources are collected from books, and other sources like internal performance reports and audit suggestions and recommendations.

3.5.2. Methods of Data Analysis

In this project work, descriptive statistics was used to analyze data collected from both primary and secondary sources. Data were coded based on questionnaire responses to facilitate entry and processing in the SPSS software. Basic statistical tools such as frequency and percent were employed to analyze and tables and charts were used to present quantitative data. On the other hand, qualitative data collected using interviews were recorded interviews, taking notes, coded data, provided in-depth descriptions, and conducted thematic analysis were used for data interpretation and enriching results found through a questionnaire.

3.6. Validity and Reliability

Validity is defined as the extent to which data collection methods or methods accurately measure what they intended to measure. To ensure the validity of the study data is collected from reliable sources, i.e. respondents who have experience in Ethiopian shipping and logistics (ESL) inland port and terminal construction projects.

Reliability of the instrument refers to the consistency of the tools for data collection which leads to similar findings over time, place, and sample. Hence, the reliability is checked.

3.7. Ethical Consideration

In conducting this research, for the security of participants and the goodness of the study, ethical issues are given due consideration. Participants are well aware of to be free from their response and, the researcher is not to expose their secret and their names.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS AND DISCUSSION

This chapter aimed to present the findings and discussion on how contract administration impacts the construction projects of inland ports and terminals, focusing on ESL. This involved assessing the current contract administration practices of the organization, identifying challenges faced by ESL in administering contracts in its inland port and terminal projects. The data was gathered through interviews and questionnaires from a total of forty-five respondents, with forty-two responding to the questionnaires and three participating in interviews. The findings are classified into general discoveries and those that are aligned with the study objectives.

4.1. Demographic Information of Respondents

Table 4.1 Demographic Information of Respondents

	Description	Frequency	Percentage
Gender	Female	11	31
	Male	31	69
	Total	42	100
Age	18-25	2	5

	26-35	12	28
	36-45	23	55
	46-60	5	12
Total		42	100

Source: Research Survey 2024

Based on the data presented in Table 4.1, it is evident that out of the 42 respondents who completed the questionnaire, 11 (31%) were female, while 31 (69%) were male. Despite a higher number of male respondents, it is essential to consider the perspectives of both genders in order to capture a diverse range of opinions. Notably, the majority of respondents (55%) fell within the 36-45 age group, with 28% in the 26-35 age bracket and 12% in the 40-60 age category. These findings suggest that the respondents were of an age conducive to providing considered and informed responses to the survey questions.

4.2 Status of Respondents

Table 4.2 Status of Respondents

	Description	Frequency	Percentage
Education	Diploma	2	5
	Degree	35	83

	Masters	5	12
	Total	42	100
Work Experience	0-2	7	17
	2-5	12	28
	5-10	15	36
	Above 10	8	19
	Total	42	100
Work Position	Officer	19	45
	Senior Expert	16	38
	Coordinator	4	10
	Manager/Director	3	7
	Total	42	100

Source: Research Survey 2024

In the above Table 4.2, the educational background of the respondents is displayed. It is noted that 5% of the respondents hold a diploma, while the majority, accounting for 83%, possess a first degree. Additionally, 2% of the respondents have a master's degree. This data suggests that the respondents exhibit a relevant and satisfactory level of educational attainment.

In terms of work experience, the distribution is as follows: 17% of the respondents have served the enterprise for up to 2 years, 28% for 2-5 years, 36% for 5-10 years, and the remaining 19% for more than 10 years. This diversity in tenure demonstrates a broad spectrum of experience among the respondents, indicating a rich pool of perspectives. Furthermore, it implies that the respondents are well-suited to comprehensively understand and interpret the research instruments for the generation of dependable findings.

Turning to the work positions of the respondents, 45% hold officer roles, 38% are senior experts, 10% are coordinators, and the remaining 7% are in managerial positions. This blend of positions enables an assessment of participant perspectives from various professional positions, enriching the depth and breadth of the insights gathered.

4.3. The Findings of the study about specific objectives

Recalling, the primary objective of this research, the researcher wanted to assess the Contract administration practice of ESL by focusing on planning, monitoring, and evaluation as well as inspection and dispute resolution practices of the organization in this regard,

4.3.1. Contract Administration Practice of ESL

From the interviews conducted with experienced professionals of the company, and as per the contract administration manual of ESL, the following results were found:

The Contract Administration Process and Practices include, but are not limited to:

- Creating a Contract Administration Plan

- Organizing and conducting kick-off meetings
- Setting up regular meetings and/or on-site visits to monitor and discuss contract progress and contractor performance
- Maintaining best practices in contract management through training
- Reasonably accepting changes to specifications and terms and conditions within the general scope of the original contract
- Assessing contract risks and monitoring post-award
- Establishing performance metrics
- Implementing reporting tools and processes for user agencies to report deficiencies to the central procurement office
- Employing tracking tools to monitor spending patterns and contract effectiveness
- Resolving disputes through collaboration and negotiation, as much as possible
- Documenting all correspondence with the contractor, meeting notes, performance issues, contract amendments, deliverables, payment records, and contract closeout activity documents

In summary, ESL's contract administration practices include managing disputes, providing contract updates, coordinating with different departments (such as the legal team), making fair and impartial decisions, analyzing risks, setting quality standards, communicating expectations, and scheduling meetings.

4.3.2 Preparation of the Contract Administration Plan

The successful initiation and planning of a project are pivotal in ensuring that the subsequent contract aligns seamlessly with project objectives, thereby laying a solid foundation for effective contract management throughout the project lifecycle. During this crucial stage, project managers and contract administrators collaborate closely to define the project's goals, scope, and deliverables. Additionally, they work together to establish the contractual terms, conditions, and performance metrics that will govern the project's execution. In light of this importance, the researcher undertook a study wherein questionnaires were administered to respondents, aimed at discerning any prevailing trends in formulating contract administration plans properly among ESL staff, and how extensively the project managers and contract administrators collaborate in formulating the plan. The insights gleaned from the respondents' perspectives are presented in the following table:

Table 4.3.2 Proper Preparation of Contract Administration Plan

	Frequency	Percentage
Agree	37	88
Disagree	2	4.8
Neither	3	7.2
Total	42	100

Source: Research Survey 2024

The result shown in Table 4.3.2 indicates that the majority of the respondents 37 (88%) replayed that there is proper preparation of the contract administration plan. The

remaining two respondents (4.8% of respondents) disagree on the existence of proper plan preparation. As per the interview made with the managers of the planning and port and facility department general plan for contract administration does exist at the same time for the projects of inland ports and terminals the plan will be initiated by the port and facility department and integrated with the overall plan of the organization.

4.3.3. Contract Administration Plan Preparation Stage

Contract administration planning should begin during the solicitation phase and it will continue after the award is made and be ongoing throughout the contract life cycle, including after the contract is signed and during the execution of the work. This comprehensive approach ensures effective management and oversight from the earliest stage of project completion.

Regarding the preparation stage of the plan, the respondent's answers were represented in the following table:

Table 4.3.3 Stage for the Contract Administration Plan

	Frequency	Percentage
During Solicitation	3	7.1
After the Contract Signed	18	42.9
After the Award	17	40.5
After the work commenced	4	9.5
Total	42	100

Source: Research Survey

The table above (Table 4.3.3) indicates that there is no steadiness in preparing the plan for contract administration. The plan can be formulated at different stages of contract management. Among the total respondents, 3 (7.1%) of the respondents responded that the plan is prepared at solicitation. And 17 (40.5%) of respondents replied after the award was given and 18 (42.9%) of the respondents replied after the contract was signed. Whereas 4 (9.5%) of respondents responded that it was prepared when the work commenced.

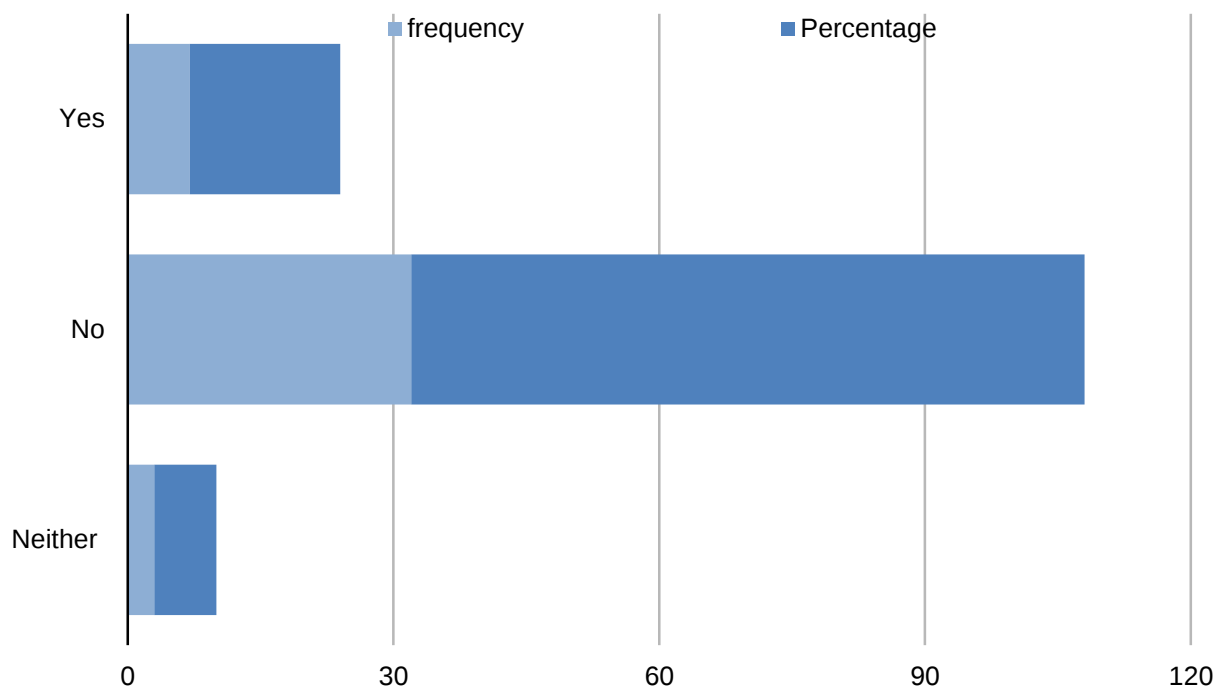
According to the literature, (Kerzner 2017) Contract administration planning involves several key stages, at pre-solicitation Stage, the solicitation phase, the award, during execution phase, and also at the closure. At each stage, the planning is important to define project requirements, determine procurement methods, determine evaluation criteria, ensure procurement regulations, finalize contract terms, negotiate any necessary changes, establish communication protocols, monitor contractor performance, manage changes, ensure compliance with contractual obligations and regulations, as well as conducting closure activities. From the interview done with the planning and port and facility department experts of ESL, even though the planning stage for different inland port construction projects of the organization might differ majority of the project planning is done after the contract is signed and the award is granted. Based on the literature point mentioned above the researcher asserts that continued contract administration planning at the construction project lifecycle is important.

4.3.4. Staffing

Since the contract administration process involves managing legal agreements, financial obligations, and execution of project requirements it is sensitive. Due to its sensitivity, staffing skilled individuals who are responsible for overseeing the execution of contracts,

managing compliance, resolving disputes, and maintaining effective communication with all parties involved is very crucial. A well-staffed team can help ensure that contracts are properly managed, reducing the risk of errors, delays, or misunderstandings that could negatively impact project outcomes and relationships with stakeholders. With the aim of asses the existing contract administration practice of ESL, the researcher wanted to know the perspectives of respondents on the staffing of their department interns for contract administration work. The responses of the respondents are displayed as follows in Figure 4.3.4

Fig. 4.3.4 Staffing of the ESL



Source: Research Survey 2024

As indicated in the figure above, it is evident that only 7 respondents (17%) believe that the staffing levels are sufficient, whereas 32 respondents (76%) express the opinion that staffing is inadequate. Additionally, 3 respondents (7%) indicate uncertainty on this matter. The findings from Fig 4.3.4 revealed that there is a lack of staff adequacy across all three departments of ESL. Inadequate staffing can undermine the effectiveness of the contract administration process, resulting in various adverse effects on project outcomes. The insufficiency of staff in contract administration processes at ESL may contribute to the challenges faced in the construction of inland ports and terminals.

4.3.5. Roles and Responsibilities

Regarding the duties and responsibilities of managers and officers concerning contract administration, participants were requested to share their views on whether the duties and obligations of both were recognized. The outcomes of the respondents' feedback are presented in Table 4.3.5. as follows:

Table 4.3.5 Role and Responsibilities

	Frequency	Percentage
Yes	34	80
No	6	14.2
Neither	2	4.8
Total	42	100

Source: Research Survey 2024

From Table 4.3.5 above, it can be deduced the views of the respondents regarding the recognition of the duties and obligations of managers and officers concerning Contract administration. Out of the total respondents, 34 (80%) indicated that these roles and

responsibilities are already defined, whereas 6 (14.2%) stated that there is a lack of clarity in defining them. The remaining 2 (4.8%) respondents expressed uncertainty on the matter.

In an interview with a higher contract engineer, it was noted that although there is a shortage of leadership and expertise within the workforce, the roles and responsibilities of the staff members are clearly understood.

4.3.6. Designated Entity to follow up the Contract

The researcher requested how the follow-up of contract implementation is undertaken at the ESL. The respondents were asked whether there exist any assignments of the responsible body to follow up the contract. And, the respondents responded to the question as shown in the Table below;

Table 4.3.6 Designated entity to follow up on the performance

	Frequency	Percentage
Yes	31	73.8
No	8	19.1
Neither	3	7.1
Total	42	100

Source: Research Survey 2024

According to Table 4.3.6, respondents shared their insights on the entity responsible for supervising contract execution as follows: 31 respondents (73.8%) confirmed the presence of a dedicated overseeing body, while 8 respondents (19.1%) mentioned the

absence of such an entity. Additionally, 3 respondents (7.1%) expressed uncertainty regarding this matter.

4.3.7. Monitoring Interval of the Contract

Effective monitoring of contract administration throughout the contract duration enables timely interventions to prevent unsatisfactory outcomes or project failure. The researcher asked the respondents about the frequency at which the organization should conduct contract monitoring. Since the monitoring function is not done once the possibility of choosing more than one answer was allowed by the researcher, Hence, the respondents provided various options for the frequency of contract monitoring: monthly, quarterly, upon completion of milestones, when problems arise, and at project completion. Among these options, a notable emphasis was placed on monitoring when project issues arise, as highlighted by interviewees. According to the interview data, project monitoring activities primarily occur in response to encountered problems rather than adhering to a predetermined schedule. There is a lack of consistent monitoring practices based on fixed time standards; instead, experts tend to monitor projects at irregular intervals, considering factors such as project sensitivity, time, and capital. Additionally, project monitoring is heavily reliant on the occurrence of issues at project sites, indicating a lack of consistency in monitoring practices.

4.3.8 Change Control Mechanisms

Throughout the contract term, adjustments may be necessary. These adjustments typically fall into two categories: bilateral amendments, requiring agreement from all involved parties, and unilateral amendments, initiated by one party. However, organizations or clients must establish and agree upon a change control mechanism beforehand and

implement a robust change management process. Failing to manage and control contract changes can lead to inadvertent alterations to the statement of work, schedule extensions, increased contract costs, and the bypassing of management controls, ultimately diminishing contractor accountability.

The respondents were requested to reflect on whether there is a pre-determined change control mechanism or not. Their response is presented in the table 4.3.8 below;

Table 4.3.8 Change Control Mechanism

	Frequency	Percentage
Yes	32	76
No	8	19.3
Neither	2	4.7
Total	42	100

Source: Research Survey 2024

Table 4.3.8 demonstrates that among all respondents, 32 (76%) indicated on the questionnaire that the organization has a predetermined change control mechanism in place. On the other hand, 8 respondents (19.3%) stated that there is no predefined change control mechanism, while 5 respondents (17.9%) were unsure about its existence. According to the majority of respondents, it appears that the organization does have a change control mechanism in place.

4.3.9. Enforcement of Penalty Clauses for Contracts Breach

As rules and laws are enforced to safeguard the rights and obligations of legal persons, enforcing penalties involves imposing penalties for violations. Respondents were

requested their perspectives on enforcing penalty clauses for breaches of the organization's project contracts, with the findings summarized in Table 4.3.9

Table 4.3.9 Enforcement of Penalty Clauses

	Frequency	Percentage
Yes	32	76
No	7	16.9
Neither	3	7.1
Total	42	100

Source: Research Survey, 2024

As shown in Table 4.3.9, it is evident that 32 respondents (76% of the total) confirmed the enforcement of penalty clauses, while 7 respondents (16.9% of the total) reported that such clauses are not enforced in case of contract breaches. On the other hand, 3 respondents (7.1% of the total) expressed uncertainty regarding the enforcement of penalty clauses for breaches of project contracts.

The majority of respondents indicated that penalty clauses are indeed enforced for deviations from contract terms or agreements. Similarly, interviews conducted with three experts revealed the existence of penalty clauses in contract conditions, which serve to protect organizations from contractor or supplier deviations.

4.3.10 Dispute Resolution Mechanisms

Effective dispute-resolution mechanisms are crucial for mitigating conflicts and ensuring project success. These mechanisms encompass a range of approaches, including negotiation, mediation, arbitration, and litigation. The respondents were asked to respond

if there is any pre-determined dispute resolution mechanism at ESL or not. Figure 4.3.10 below presents the results of the respondents' opinions;

Figure 4.3.10 Dispute Resolution Mechanisms

	Frequency	Percentage
Yes	32	76
No	6	14
Neither	4	10
Total	42	100

Source: Research Survey, 2024

In Figure 4.3.10, it is evident that the majority of respondents, comprising 32 individuals (76%), acknowledged the existence of a predefined dispute resolution mechanism within the case organization. Conversely, 6 respondents (14%) expressed the belief that there is no such predetermined mechanism at ESL, while 4 respondents (10%) were uncertain about its availability. These findings indicate the presence of a dispute resolution mechanism at ESL. Moreover, the data suggests that contractual clauses outline specific processes and procedures for dispute resolution. Based on the interview done, all the approaches of dispute resolution mechanisms can be used based on the nature of the Project and according to two of the interviewees mainly arbitration, and litigation. Because, these methods are a structured and legally enforceable means of resolving disputes, which helps to minimize disruptions and ensure project success.

4.4. Contract Administration and Project Outcomes

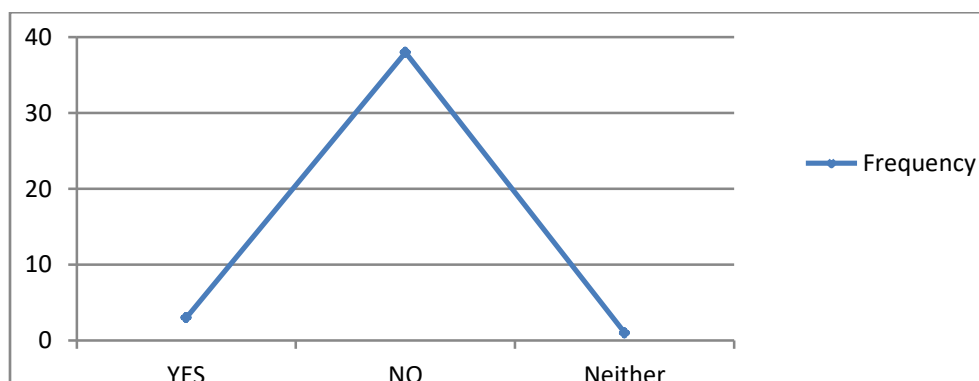
In contract administration, the emphasis lies on acquiring products and services of necessary quality, delivered on schedule, and within the allocated budget. Although

adherence to the legal conditions of the contract guides the actions of officials, exercising skills of judgment and expertise is very essential to safeguard the project objective effectively.

4.4.1. Contract Administration and Project Performance

Intending to explore the practice of contract administration on the performance of inland port and terminal construction projects, the question related to the performance trend (whether projects are completed as per the schedule, cost, and quality agreed upon in the contract) were presented to the respondents and their response is shown follow in the figure 4.4.1

Figure 4.4.1 Project accomplishment as of respondents' view (Whether projects were completed as per the project outcomes)



Source: Research Survey, 2024

When a project adheres to its schedule, budget, and quality requirements, it can prevent issues such as time and cost overruns and quality deficiencies, thereby positively impacting the country's economy. Through the questionnaire survey conducted in this research, it was found that the majority of respondents reported that projects were not completed according to the agreed-upon time, cost, and quality standards. Figure 4.4.1 above illustrates the responses of the respondents when asked about the completion of projects within the planned time, cost, and quality parameters. Out of all the respondents,

38 (90.5%) indicated that projects were not completed according to the planned targets, while only 3 (7.1%) stated that projects were completed as initially planned. Additionally, 1 respondent (2.4%) expressed uncertainty regarding this matter. This indicates that projects were not finalized within the specified timeframe, approved budget, or agreed-upon quality standards, resulting in issues such as time and cost overrun and below quality. Respondents also highlighted common project challenges, including delays, performance issues, deviations from quality standards, and changes in scope. As for the interview assessment, other factors such as the bid evaluation process, procurement, and purchasing procedures at ESL have their own indirect on the performance of ESL projects.

4.4.2. The Effect of contract administration function on project outcomes

Efficient contract administration is critical for achieving favorable project outcomes in terms of scope, cost, schedule, and quality of construction. By implementing a proactive Contract Administration Process one can optimize project performance, mitigate risks, and enhance stakeholder value throughout the project lifecycle. To assess the effect of contract administration the views of respondents on contract administration practice were requested. The responses of the respondents are presented in the table 4.4.2 as follows:

Table 4.4.2 Effect of contract administration function on Project Outcomes

	Frequency	Percentage
Influential	4	9.2
Very Influential	36	85
Not Influential	2	4.8
Total	42	100

Source: Research Survey, 2024

Based on the table provided (4.4.2.), a significant portion of the participants 36 (85%) perceive contract administration as highly impactful on project outcomes. Additionally, four respondents (9.2%) acknowledged its influence, while a minority of respondents (4.8%) considered it not very important. Furthermore, the interview data aligns with the majority opinion, highlighting the significant influence contract administration has on project delivery. Therefore, these results affirm that the contract management process significantly affects project outcomes.

4.4.3 The effect of Contract monitoring on the Project Outcomes

In order to ensure the fulfillment of contractual obligations, it is imperative to conduct timely monitoring of contracts. Following the awarding of contracts to contractors, the organization bears the responsibility of ensuring satisfactory adherence to the agreed-upon terms, particularly concerning timelines, quality standards, and financial commitments. Comprehensive monitoring serves to provide vendors with a clear understanding of the client's expectations and lays the foundation for the relationship between the involved parties. The process of monitoring, a fundamental aspect of contract administration, significantly contributes to the efficiency of project outcomes. The table 4.4.3 presents the respondents' perspective on the contract monitoring practice and project outcomes.

Table 4.4.3 Contract Monitoring and Project Outcome

	Frequency	Percentage
Strongly Disagree	-	-
Disagree	-	-
Agree	28	67
Neutral	2	4.8
Strongly Agree	12	28.2
Total	42	100

Source Research Survey, 2024

According to Table 4.4.3 provided above, it is evident that 28 individuals (constituting 67%) acknowledge the significance of closely monitoring contract implementation for achieving project deliverables. Furthermore, 12 respondents (28.2%) express strong agreement, while 2 individuals (4.8%) remain neutral. Notably, none of the participants indicate strong disagreement or disagreement with the raised question. However, a few respondents mention being unsure about the contribution of closely monitoring procurement contracts to project performance. These findings suggest that monitoring of contract execution significantly enhances the success of project outcomes. Indeed, it serves as a critical aspect of effective contract administration, benefiting the organization. Furthermore, it verifies that the contractor is fulfilling all of its responsibilities and obligations in compliance with the contract terms.

4.4.4 Inspection of Deliverables

Inspection primarily aims to ensure that the deliverables align with the client's identified needs and the alignment of the contract agreement between the client and the contractor. The researcher sought to determine whether deliverables undergo inspection, who conducts this process, and the methods employed for inspection. The replies of the respondents regarding these aspects are presented in the table below.

Table 4.4.4 Inspection of Deliverables

	Frequency	Percentage
Yes	38	90.4
No	4	9.6
Neither	-	-
Total	42	100

Source: Research Survey 2024

In Table 4.4.4, the data presents the views of the respondents regarding the inspection of deliverables at ESL. The majority, comprising 38 individuals (90.4% of respondents), confirmed the presence of an inspection practice within the organization. On the other hand, only 4 respondents (9.6% of the total) expressed that there is no inspection practice at ESL. This suggests that the majority of the respondents acknowledge and support the presence of an inspection process for deliverables at ESL.

4.4.5. Individuals who inspect the deliverables

Furthermore, respondents provided insights regarding the entity responsible for conducting the inspection, suggesting options such as technicians specializing in the subject matter, a proposed procurement officer, an organized committee from various functional departments, and other responsible third parties. Their opinions on the party responsible for inspecting project deliverables are detailed in Table 4.4.5

Table 4.4.5 Individuals who inspect the deliverables

	Frequenc y	Percentage
Technicians of the subject matter	10	23.9
Proposed Procurement expert	3	7.1
Organized committee from different departments	29	69
Other responsible third Party	-	-
Total	42	100

Source: Research Survey 2024

In Table 4.4.5, the perspectives of the respondents on the personnel responsible for inspecting project deliverables are presented. Out of the total respondents, 29 individuals (69% of the total) indicated that an organized committee is responsible for conducting inspections, while 10 respondents (23.9% of the total) mentioned that specialized technicians in the relevant subject matter perform these inspections.

Similarly, discussions with interviewees revealed that project deliverables are inspected by committees consisting of members from various functional departments, each having specialized expertise. These committees are formed on an ad hoc basis to address specific project needs. Consequently, they are established when necessary, particularly in response to issues, and disbanded upon completion of their assigned tasks.

4.4.6 The means used to inspect the deliverables

The researcher sought insights from respondents regarding the ways utilized by ESL for the inspection of project deliverables, with their opinions summarized in Table 4.4.6

Table 4.4.6 Means of conducting the inspection

	Frequency	Percentage	
Seeing the overview	5	11	
By reviewing cumulative reports	35	83.3	
By conducting deep investigation	2	4.7	
Total	42	100	

Source: Research Survey 2024

The data presented in Table 4.4.6 depicts respondents' perspectives on ESL's approaches to conducting inspections of deliverables. The table indicates that 83.3% of respondents, totaling 35 individuals, rely on reviewing cumulative reports provided by the contractor for inspections. In contrast, 11% of respondents, comprising 5 individuals, opt for observing an overview of the project, while 4.7% of respondents, accounting for 2 individuals, prefer conducting in-depth investigations of the deliverables.

Interviews reveal that a notable challenge affecting ESL's inspection practices is the scarcity of manpower, which limits the organization's inspection capabilities due to resource constraints. To supplement these challenges, ESL utilizes periodic meetings with project stakeholders as an alternative inspection method. These meetings facilitate discussions on project progress, issue resolution, and timely inspections. Engaging with stakeholders regularly enables ESL to improve collaboration, communication, and identify areas for enhancing inspection processes. Despite the constraints posed by manpower shortages, ESL effectively leverages periodic meetings with project stakeholders as an inspection method to surmount these challenges and ensure project quality and compliance.

4.4.7 Documentation

At the closure of a contract period, organizations need to assess the contractor's performance and monitoring methods. These evaluations should offer valuable feedback to enhance the organization's contract administration system. Respondents were requested to provide their opinions on documentation practices, and their responses are detailed in Table 4.4.7 below.

Table 4.4.7 Documentation

	Frequency	Percentage
Yes	30	71.5
No	10	23.8
Neither	2	4.7
Total	42	100

Source: Research Survey 2024

The study findings indicate that the majority of respondents, consisting of 30 individuals (71.5%), reported the absence of any documentation practice regarding lessons learned from contract implementation within the case organization. Conversely, a minority of respondents, comprising 10 individuals (23.8%), conveyed that the organization does document lessons learned. Furthermore, 2 respondents (4.7%) expressed uncertainty regarding this aspect. The documentation of lessons learned from contract implementation is vital for organizations as it offers insights into both successful and unsuccessful outcomes, as well as the contributing conditions. However, respondents highlighted the lack of robust documentation practices within the organization, thereby impeding the ability to learn from past experiences. Interviewees echoed this sentiment, underscoring the importance of documenting project history while revealing that such records are often absent.

CHAPTER FIVE

5. Conclusions and Recommendations

This final chapter is organized in three sections: a summary of major findings, conclusions based on the findings, and recommendations for improving the contract administration process in ESL inland port and terminal projects.

5.1 Summary of Major Findings

This project aimed to investigate the contract administration practices of Ethiopian Shipping and Logistics (ESL) inland port and terminal construction projects. The research objectives and questions were related to assessing existing contract administration practices, identifying challenges, and proposing recommendations. The following findings are derived from the analysis and interpretation made in Chapter 4.

The assessment revealed that ESL's contract planning practices are not consistently aligned with project goals, leading to inefficiencies in project management throughout the project lifecycle. There is a lack of robust documentation practices within ESL, resulting in missed opportunities to capture valuable lessons learned from contract implementation and hindering continuous improvement efforts within the organization. Communication protocols and effective monitoring mechanisms are needed to ensure timely oversight of contractor performance, cost management, and schedule adherence, thereby impacting project outcomes. Regular evaluations of contractors' performance and internal monitoring processes are essential to identify areas for improvement and enhance contract administration efficiency. ESL faces challenges in staff shortages, affecting the organization's ability to effectively monitor project deliverables and ensure project

success. To ensure comprehensive oversight of construction quality, ESL could benefit from implementing a mix of inspection methods, including reviewing cumulative reports, conducting deep investigations, and observing project overviews. There is also a need for ESL to invest in staff training and development opportunities in contract administration to enhance skills in planning, monitoring, and evaluation practices, fostering a culture of continuous learning and improvement.

5.2 Conclusion

The following study evaluates the contract administration practices employed by Ethiopian Shipping and Logistics (ESL) in the context of its inland port and terminal construction projects, with a specific focus on planning, inspection, and monitoring. The assessment yielded several significant findings.

Firstly, discrepancies were identified between ESL's contract planning practices and project objectives, resulting in inefficiencies throughout the project lifecycle. The lack of robust documentation practices hindered organizational improvement efforts and limited the extraction of valuable lessons from contract implementation.

Effective communication protocols and monitoring mechanisms were identified as crucial factors influencing project outcomes. Notably, the absence of timely oversight of contractor performance, cost management, and schedule adherence posed significant challenges, highlighting the need for improvements in monitoring processes.

Regular evaluations of contractor performance and internal monitoring processes were deemed essential to identify areas for improvement and enhance contract administration efficiency. Furthermore, ESL's workforce constraints were found to impede effective project deliverable monitoring, ultimately impacting overall project success.

To address these challenges, the implementation of various inspection methods, including comprehensive report reviews and deep investigations, will be necessary to ensure thorough oversight of construction quality and subsequently enhance project outcomes. Additionally, enhancing staff capacity and development in contract administration are recommended to bolster implementation capacity. By strengthening skills in planning, monitoring, and evaluation practices, ESL can cultivate a culture of continuous learning and improvement, thereby augmenting overall project management effectiveness.

In conclusion, the study emphasizes the vital role of robust contract administration in ensuring compliance and optimizing project performance. Thus, the implementation of robust contract administration processes is crucial to mitigate risks and enhance the success rate of inland port and terminal construction projects.

5.3 Recommendations

Based on the assessment of contract administration practices in inland ports and terminal construction projects at ESL, the following recommendations are proposed:

1. ESL should prioritize the enhancement of Contract Planning Practice to achieve effective project outcomes. Emphasizing contract administration planning aligned with project goals is essential for ensuring effective management throughout the project lifecycle.
2. There is a need for improvement in documentation practices to capture lessons learned from contract implementation. Implementing strong documentation practices will enable continuous improvement and knowledge sharing within the organization.
3. ESL must enhance its contract administration oversight by establishing clear communication protocols and monitoring mechanisms. This will ensure timely and effective oversight of contractor performance, cost management, and schedule adherence.
4. Regular evaluations of contractors' performance and internal monitoring processes are essential to identify areas for improvement and enhance contract administration efficiency. ESL should review and strengthen its regular evaluation practice.
5. Addressing staffing shortages is crucial to ensure effective monitoring of project deliverables.

6. ESL needs to implement a mix of inspection methods, including reviewing cumulative reports, conducting deep investigations, and observing project overviews, to ensure comprehensive oversight of construction quality.

7. Investing in the training and development of ESL staff is recommended to enhance their skills in contract administration, planning, monitoring, and evaluation practices. This will foster a culture of continuous learning and improvement within the organization to adapt to changing project requirements and industry best practices.

8. ESL should foster collaboration between the three departments involved in contract administration to ensure alignment of goals and effective coordination throughout the project lifecycle. This will encourage cross-functional teamwork and communication to address challenges and leverage expertise from different departments for successful project delivery.

It is anticipated that the implementation of the above recommendations will significantly improve the efficiency and effectiveness of ESL's contract administration practices.

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Appendices

Appendix -I – Interview Guide

Addis Ababa University

College of Business and Economics

School of Commerce

Department of Project Management

Introduction

Purpose: This interview forms a crucial component of my MA Project Work entitled "Examining the Impact of Contract Administration Processes on Inland Port and Terminal Construction Projects: A Case Study of Ethiopian Shipping and Logistics." Your participation in this interview is sought for your invaluable knowledge, expertise, and experience in project contract administration.

INTERVIEW QUESTIONS

1. What was the overall assessment of contract administration practices within ESL?
2. Could you delineate the key stages of the projects and how contract administration practices were manifested throughout these phases?

3. Were projects consistently delivered within the projected timelines, budgetary constraints, and quality benchmarks? What were the primary contributing factors to deviations from these targets?
4. From your perspective, what significance does contract administration hold in ensuring successful project performance?
5. Can you provide insights into the staffing dynamics within your organization/department? How do you perceive the impact of both the quantity and quality of staff on contract administration?
6. How is contract management executed within your organization? What are the principal responsibilities entailed in contract administration?
7. Could you elaborate on the major challenges encountered during contract administration processes?
8. What were the underlying factors contributing to these challenges?
9. What recommendations would you propose for enhancing contract administration practices in the future?
10. Are there any other pertinent issues concerning contract administration that you would like to discuss?

Appendix -II – Research Questionnaire

Addis Ababa University

College of Business and Economics

School of Commerce

Department of Project Management

Dear respondents:

My name is Debora Seyoum, a postgraduate student at Addis Ababa University's School of Commerce, pursuing my MA degree in Project Management. This questionnaire has been developed to collect insights regarding the impact of Contract Administration Processes on inland port and terminal construction projects within Ethiopian Shipping and Logistics.

Rest assured that the information gathered from this questionnaire will be utilized solely for the purpose of making recommendations, and your responses will be treated with confidentiality in the final report.

Dear respondent, please note that this questionnaire is self-administered. Participation is voluntary, and I kindly request you to provide honest and accurate responses. Your cooperation is greatly appreciated and will significantly contribute to the research findings. Therefore, I extend my heartfelt thanks to you in advance.

Section-A: Demographic Information

1. What is your gender?

☐ Male ☐ Female

2. How old are you?

18 – 25 ☐ 26 – 35 ☐
36 – 45 ☐ 46 - 60 ☐

3. What is your highest level of education?

Diploma ☐ Degree ☐ Masters ☐ Doctorate ☐
If any other _____

4. How many years of work experience do you have in the enterprise?

Up to 2 2 up to 5 5 up to 10 More than 10

5. What is your current position in the enterprise?

Top management ☐ middle management ☐
Project manager ☐ contract administration ☐
Expert/officer ☐ other expert ☐
Officer ☐ Senior Coordinators / Expert ☐
Manager /Director ☐

Section-B: Concerning the of Contract Administration process practice of ESL

1. Do you agree with the importance of contract administration plan?

Yes ☐ No ☐ Neither agree nor disagree ☐

2. Is your organization Made any Preparations for how to handle or oversee Contracts ?

Yes ☐ No ☐

3. If your answer for ques. No. 2 is yes, please specify the content of the contract administration plan-----

4. When was this plan formulated?

At the solicitation time ☐ after the award ☐

After the contract signed ☐ when the work commence ☐

5. How is the Contract Administration practice of your organization influence the project outcome?

Extremely influential ☐ very influential ☐

Influential ☐ slightly influential ☐ not influential ☐

6. Does the role and responsibility of the contract administration managers and officers identified?

Yes ☐ No ☐ I don't know ☐

7. Do you agree that monitoring of contracts during project implementation contributes for the performance of project at ELS?

Strongly Disagree ☐ Disagree ☐

Neither agree nor disagree ☐ Agree ☐ Strongly agree ☐

8. What are the methods of monitoring that your organization used? You can select more than one answer

Site visits ☐ Review of reports submitted by the contractor ☐

Expenditure document review ☐

Other -----

9. On what interval the contract in your organization could be monitored?

Monthly ☐ Quarterly ☐ At every milestone completion ☐

When problems encountered at the total completion of the contract ☐

10. Is there any pre-determined change control mechanisms (the process by which the contract may be modified) if needed by the organization/department?

Yes ☐ No ☐ I don't know ☐

11. Are penalty clauses enforced for breach of project contracts?

Yes ☐ No ☐ I don't know ☐

12. If your answer is "No," state how it is discharged

13. Is there any pre-determined dispute resolution mechanisms (the process by which the disputes may be resolved) by the organization/department?

14. What are the major problems encountered in your organization? You can tick more than one answer.

Wrong product/service ☐ Delays ☐ Poor performance ☐
Risk of failure/termination ☐ Scope change ☐

15. Does the inspection of deliverables take place at ESL?

Yes ☐ No ☐ I don't know ☐

16. Who conduct the inspection work at your organization?

Technicians of the subject matter ☐
Proposed procurement expert ☐

Organized committee from different departments ☐

End user of the deliverable/supplies and technicians ☐

Other responsible third party ☐

17. How does the inspection take place?

By seeing the overview ☐

By reviewing the cumulative report of the contractor/supplier ☐

By conducting deep investigation ☐

Other -----

18. What do you recommend to cope up challenges and improve contract administration process effectiveness?

I thank you for your Cooperation.