

## CHAPTER 5

### CONCLUSION AND SUGGESTIONS

1. Out of 420 feedbacks, 85% respondents mentioning need for change in 'lowest price award approach of tenders in India'; 83% agreeing specific framework to suit Indian scenario; 93% agreeing inclusion of comprehensive parameters and 80% agreeing Project Performance measure need for oil and gas projects of India.
2. Contract Award Framework has explored eight factors covering 32 various parameters of oil and gas projects to arrive at single point index score, Contract Award Index, CAI. Factor 'Competency and Contribution to sustainable development' of a bidder contributes highest in the Index CAI. This approach is reflecting a shift in organization's outlook from mere profitability of stakeholders to providing benefits to the entire supply chain of a project in developing global benefit and sustainability. The study has found out parameters along with its weight in Contract Award framework through sustainable solution. These parameters can be included during contract evaluation and award for bidder's (or prospective supplier or contractor's) competency in terms of: 'Environmental Policy', 'Training and Development to Manpower', 'Top Management Support and Involvement', 'Working Capital', 'Knowledge on Regulatory & Statutory System', 'Accreditation with various International and National bodies', 'Capability to address Political Risk', 'Empowerment of Manpower and Social, Safety and Health Policy'. These parameters making factor 'Sustainability Competency' a prominent factor in Contract Award Index CAI during project procurement.
3. Other significant factors which are contributing to CAI are 'Efficiency in Risk Management', 'Bidder's Competency for Project need', 'Bidder's Managerial competency', 'Bidder's Financial efficiency', 'Bidder's Past performances and previous records', 'Bidder's quality of manpower' and 'Bidder's emphasis on Research and Innovations'.

4. Project performance measure using Project Performance Index PPI has explored 10 components covering 49 parameters to measure success of a project in Indian Oil and Gas Industry.
5. Contract award factors when regressed with PPI shown statistical significance of PPI with Contract Award Factors 'Project specific Competency of bidder,' 'Contingency planning of bidder', 'Risk and Cost control ability of bidder' and 'Past experience of bidder and stakeholder'
6. When Contract Award Index is regressed on project performance Index, it is showing relationship of Contract Award Index with Project Performance Index. Regression analysis gives positive coefficient of CAI on PPI with percentage variation of project performance due to contract award as 22.8%.