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## Assessing Critical Success Factors in Public Project Procurement Economy for Sustainable National Development

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### **A b s t r a c t**

The policy of procuring public infrastructural projects in Nigeria appears to lack effectiveness and efficiency especially when cognizance is given to budgeted cost timely delivery and value for money. Perhaps the administration of the policy never articulated certain factors considered to be critical towards the project realization. These factors, often referred to as critical success factors (CSF) make or doom a project goal. The construction activities by characteristics parade accelerator and multiplier attributes, providing the much needed environment and empowerment for the quantity surveying profession to remain relevance in effecting increased real per capita income for today's happiness and possibly tomorrow. This paper examined the critical success factors (CSF) in public procurement economy for sustainable national development and identified that most public capital projects got conceived, articulated, packaged and implementation commenced without taking into considerations certain factors such as prior budgeting appropriation, effective feasibility report, least evaluated responsive tender, uninterrupted timely release of project fund, peaceful and friendly construction environment inherently critical to its success. As a consequent of these deficiencies, project procurement becomes overpowered with retrogressive forces as it lacks the structures and capacities needed to meaningfully and significantly contribute to national development and/or sustainability. Finally, recommendations such as ensuring neither non evasion nor avoidance of critical success factors during front-end assessment and execution; government consistency in proactive policies; were proffered towards ensuring public infrastructural project procurement economy culminating to sustainability of quantity surveying profession and national economy.

**Keywords:** Critical Success Factors, Public project Procurement Economy, Sustainability, National Development.

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### **Background of the Study**

A government whose vision is to bless her people with good governance seeks to engage in positive activities capable of increasing per capita income through favorable production of goods and services from various sectors such as manufacturing, Agriculture, Banking, infrastructure among others.

Infrastructural projects development can only contribute meaningfully to National development, if the processes of actualization are associated with procurement economy. This is explained as undisputed researches have submitted that infrastructural development parades the attributes of stimulating positively the economy of a nation.

Procurement economy is realizable if the formal sector, government, agencies, parastatals and departments who are constitutionally mandated adhere to approved policies and guidelines including involving qualified professionals in the built environment to achieve value for money. It follows that the optimal utilization of the resources required for the synthesization of construction products by qualified professionals releases the macro-economic ingredients positively and critically needed to not just improve but also to ensure sustainability of a cherished nation's economy.

Fundamentally, infrastructural development is associated with some basic characteristics and factors which are critical to its success. Thus, by identifying and understanding these factors early enough would enable the appropriate professionals to make a case for adequate budget, resources, schedule, and management of budget and management commitment. Resultantly, driving successfully to sustainable National development requires among others the construction project activities, front loaded with critical success factors and near eradication of leakages and distortions over a strategic procurement economy.

### **Objective of the Study**

The economic activities of public construction industry which by characteristics are noted for releasing intrinsic growth momentum and further generations of wealth through its accelerator and multiplier capabilities are in crises of minimal significant contribution to National Development.

Perhaps, this is explained as the role of government in effecting actions on structural changes especially in factors considered critical during planning and execution of construction projects has remained inadequate. As a result the emergence of retrogressive forces whose internal and external macro-economic linkages introduce leakages and distortions to the eventual contributions of the construction activities to cherished National development.

This work makes bold attempts towards identifying factors considered critical and whose progressive attributes are capable of overcoming the retrogressive forces and driving a public construction project to optimal success. In totality, the total involvement of critical success factors in infrastructure procurement yields positive national development leading to sustainability.

### **Public Project**

Project refers to any infrastructural work financed partly or wholly with public funds, including key players being held accountable. In addition Morledge et al (2006) submit that certain conditions must be fulfilled and are:

- i) The way in which projects and services are procured must be seen to be awarded fairly and without discriminations. Thus, the award process must be both transparent and accountable.
- ii) Taxpayers, especially, in a democracy, have the right to be shown how their money is being spent in accordance with the approved published policies, standing orders, financial regulations, etc., and that adequate safeguards are in place to prevent the misappropriation of funds.
- iii) Maximizing value for money to the extent of ensuring optimum combination of price and quality for each procured project or service.

The key players of public project management or supervision are mainly the public sector and project consultants. The public sector comprises anybody established for the specific purpose of meeting needs in the general interest and not having an industrial or commercial character, which has legal personality and is financed for the most part of the state, or is subject to management supervision to the later. Project Consultants are mainly the professionals in the built environment such as Architects, engineers, Quantity Surveyors, Project Managers, et cetera.

Statutorily, the public projects are imposed with obligations to the extent of involving employees and consultants in a significantly higher level of responsibility, transparency and accountability than is conventionally the case in the informal sector. Failure to comply with the later of the law, may render individuals and/ or the client body as a whole liable to actions at civil law, and/or to possible criminal persecution.

### **Procurement Economy**

The word procurement, especially in the construction industry connotes not just when the contract award has been effected but till delivered. Economy, Webster (2006) signifies disposition to save, freedom from waste, frugality, etc.

It follows that Public Procurement Economy exists when the processes of transparency, competitiveness, maximization of value for money through optimal combination of price and quality were adhered to and awarded to the lowest Evaluated Responsive Bid and construction activities administered and certified by project consultants of code enforcement division culminating to timely procurement of public capital project.

Procurement of public projects are guided by: The Public Procurement Act (2007) processes which seeks to ensuring open competition, transparency accountability, value for money and fitness of purpose including effecting award to the lowest Evaluated Responsive Bid. The National Building Code (2006) established a Building code Auditory Committee (BCAC) and code Enforcement Division (CED) professionals in the built Environment. Their functions are collective but are constitutionally detached in the interpretations and enforcement of the relevant policies and other legal framework towards achieving effectiveness and efficiency.

In addition, the CED is empowered to undertake inspection of activities on site approving sequentially, code compliance to works such as setting out foundation, superstructure, roofing and closing up, mechanical, electrical, furnishes etc. These monitoring would have assisted achieving value for money. These tasks, no doubt, will attract visits to site whose frequency far exceed the current conventional monthly site visits.

### **Critical Success Factor (CSF)**

Rockart (2002) identified critical success factors (CFS) as those key areas of activity in which favorable results are absolutely necessary for a particular manager to reach his goal. He further added that these areas are limited and things must go right.

Generally, as an investment, construction project involves commitment of current resources with a view to securing a stream of benefits in future years. However the realization of these objectives is relative. This is so as most capital projects may have been conceived, articulated, packaged and implementation commenced without taking into considerations certain factors which are inherently critical to its success and/or actualization. The shortcomings thus negatively affect (doom the project) the quality and/or the amounts of benefits that eventually emerge as return on investment.

As a contribution, Baker et al (2003) articulated the following as the critical success factors in a construction project: clear goals, good commitment of projects team, on-site project manager, adequate funding to completion, adequate project team capability, accurate initial cost estimates, minimum start-up difficulties, planning and control techniques, tasks- social orientation and absence of bureaucracy. As a correlation, the critical success factors in public procurement economy revolve primarily on: prior budgeting appropriation, reliable and effective feasibility report; unambiguous project documentation, Reasonable and adequate appropriation, Least Evaluated Responsive Rates and Bid; political will; transparency and competitiveness; rule of law (enforceable), Existence of value – for money and fitness of purpose, peaceful and friendly construction environment; uninterrupted timely release of funds, Experienced relevant built Environment professionals; effective monitoring, policy consistency and minimized administrative bottlenecks and bureaucracy.

Resultantly, these items representing the critical success factor for public project procurement economy constitute commanding entreaties which must be incorporated at the front end assessment and subsequently monitored and executed so as to achieve efficiency, effectiveness, delivered within time and cost economy of public capital project are most often not adequately captured and managed.

### **National Development**

World Bank (2006) admits that the adequacy of infrastructure helps determine one countries success but when lacking, results to failure in diversifying production expanding trade coping with population growth and urbanization or improving environmental condition. Thus good infrastructure raise productivity and lower productivity costs. Infrastructure is considered good if it is associated with procurement economy. Procurement exists if there is element of value for money endowed with optimality positivity tilting national development.

However, notable identified critical success factors such as prior budgeting appropriation reliable and effective feasibility report, least evaluated responsive tender, uninterrupted timely release of funds and even peaceful and friendly environment among others appear to be given less and rightful attention in public project procurements. Hence, the emergence of cost overruns untimely delivery, litigation and abandonment of project culminating to leakages and/or distortions to national development.

Perhaps, these explain why AEO (2012) stated that activities of infrastructure projects development of Nigeria contributed 2.08% in 2011 against international standard of between 4% and 14% to Gross Domestic Product (GDP).

### **Sustainability**

In consideration, Brundland (2007) posit sustainable development as seeking to meet the needs of the present generation without compromising the needs of future generation. Hence, sustainable development is development that is everlasting and contributes to the quality of life through improvements in national environments which in turn supply utility to individuals, inputs to the economic process and services that support life.

Undisputedly, the construction industry contributes about 1.3% to the national economy in 2011 and this falls short of 4% minimum and 14% maximum of GDP as recommended by experts. Secondly, the drop in the price of oil would affect the impact of the construction industry on the National Economy. Thus, as majority of materials and personnel are imported the weak naira to dollar will inject untimely release of funds, inflation and demand for fluctuation and/or variation on ongoing project culminating to possible litigation, abandonment, cost and time overruns.

Furthermore, the dearth of funds will encourage the government to favour most procurement through public private partnership which have always favoured foreign contractors with its attendant less impact on the National Economy through exportation of accrued profit.

Arising from above, the contributions of Nigeria's infrastructure activities to National Development is still below minimum, incapable of providing the needs of the present generations lacking developmental capacity that is everlasting needed to give credence to sustainability, ensuring adequacy of inputs to the economic processes and services that support life.

### **Conclusion**

The study concludes that presently the contributions of public infrastructure project procurement to the Gross Domestic Products (GDP) in Nigeria have remained below standard occasioned by inadequate accommodation of critical success factors thereby lacking the capacities and structures needed for positive national development and/or sustainability.

### **Recommendations**

As a complement to other sources of improving the GDP of Nigeria through public infrastructural development, the study recommends:

1. Government should ensure that all the identified factors considered critical to the success of all public construction project are front-loaded and subsequently implemented. These will go a long way towards ensuring that public project contribute optimally to National Development.
2. There is need for reliable feasibility report that captures among other data on technical and economic possibilities accommodating minimum start-up difficulties and other planning and control techniques. These are imperatives as poor planning is part of the problems during execution resulting to poor results.



3. Most parts of Nigeria are associated with Youth restiveness, abduction and unfriendly environment for infrastructure development to thrive. Hence government should ensure peace, poverty eradication, stability, rule of law and adequate security and elimination of other criminogenic factors.
4. Government of various categories should ensure that only professionally qualified and experienced members of the built environment are commissioned to undertake the production of tender documents and/or feasibility study reports towards procuring and delivering infrastructural projects. This is necessary as the production and efficiency of these documents are highly technical and experience oriented and any deviation remains counter-productive.
5. Government should genuinely pursue partnership with advanced economy and/or corporate organizations who are endowed with appropriate related and suitable technology needed for optimum development of the known and unknown resources towards complementing the resources from oil. This action, it is believed will impact positively on the eradication of poverty, creation of employment, improved balance of payments and high Net National Product fundamentally needed for equilibrium of a healthy nation.
6. The entire condition of fee for consultants should be reviewed. The present situation whereby consultants are paid sum based on sliding scale should give way to a fee based on the respective consultants input to any given project at least to reflect the World Bank mode of payments to consultants in the Built-Environment.

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