

## Most Critical Effects of Non-Implementation of Public Procurement Policy on Construction Projects Delivery in Nigeria

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### Keyword:

Construction professionals, Construction projects delivery, Mean item score, Most critical effects of non-implementation, Public procurement policy, Reforming public procurement processes.

### Abstract

Public procurement policy aid to accelerate infrastructural development in the country. Despite this, the persistence of scandals in the public procurement and award of contract in Nigeria points to poor implementation of public procurement policy, the magnitude of which has led to an inequitable mode of project delivery. It is in this light that this study proposed to identify the most critical effects of non-implementation of public procurement policy on construction projects delivery, which constitutes the essential elements for reforming public procurement processes in Nigeria. Accordingly, a purposive sample of 160 experienced construction professionals involved in selected projects within F.C.T, Abuja was selected, comprising 40 each of Quantity Surveyors, Structural Engineers, Architects and Project Managers. Data analysis include Mean Item Score (MIS) for ranking the variables. The results of MIS revealed that the seven most critical effects of non-implementation of public procurement policy on construction projects delivery are cost overrun, time overrun, poor financial control, increased project cost, factious claims, legal disputes and litigation, and improper contract determination. The overall findings upholds the perception that non-implementation of public procurement policy could distort the whole construction process. It was thus recommended that the government should collaborate with allied construction professionals in improving implementation of public procurement policy in Nigeria, and appropriate strategies should

*be adopted for evaluating and getting feedback for the purpose of achieving effective project delivery.*

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## **Introduction**

In order to achieve effective project delivery depends significantly on its public procurement process (Jibrin et al., 2014). Public procurement according to Tukamuhabwa, (2012), is the process of assigning an external entity to obtain works, goods and services to be funded from the public treasury. Public procurement involves the procurement of goods and services by third party on behalf of the government, which could be various municipalities, ministries, provinces, agencies or any other governmental organization (Othman et al., 2010). As a result, Bureau of public procurement and the enactment of public procurement Act 2007 were set-up to make public procurement processes more professional, efficient and effective. The establishment of the organizations of public procurement ensures compliance to enthrone transparency, accountability, and value for money in the procurement of goods, works and services, both for project planning and implementation (Shwarka & Anigbogu 2012). For instance, the procurement Act stipulates the punitive measures which are aimed at discouraging the arbitrary award of contract and the wanton abandonment of government projects and corrupt activities of some government official. Thus, the establishment of the organizations of public procurement aid to accelerate infrastructural development in the country by elimination of inflation of contract cost and abandonment of project, thus launch the country into the comity of progressive nations.

However, public procurement and award of contract in Nigeria has been identified as the government activity most vulnerable to corruption (Jibrin et al., 2014; Wambui, 2013). These include unnecessary project fragmentation, initial bids inflation and over invoicing, gross change orders during project execution, adoption of inappropriate procurement methods, proliferation of incompetent contractors, poor project documentation, and a general lack of transparency in the tendering process (Shwarka & Anigbogu 2012). The persistence of these scandals despite the presence of the public procurement policy points to poor implementation of these policy (Adewole, 2014; Eyaa & Oluka, 2011). According to Adewole, (2014); Akenroye et al. (2013); and Fayomi, (2013) that the effects of non-implementation of public procurement policy has led to an inequitable mode of project delivery. These include cost overrun, time overrun, poor financial control, project delay, poor work quality, improper contract determination, abandonment of public buildings, legal disputes and litigation, and factious claims. Shwarka & Anigbogu (2012) emphasized that it is when the effects of non-implementation public procurement policy is applied to the vast construction works, the enormity of the problem becomes more explicit. Consequently, studies have showed that public procurement reforms will bring transparency and accountability related issues due to the rampant public procurement fraudulent practices, and conflict of interest (Enofe et al., 2015; Khadija & Kibet, 2015; Kiama, 2014; Koike & Koikeosamu, 2014). Jibrin et al. (2014) emphasized that this has remained the sole reason for reforming public procurement processes in most of the countries that passed through the public procurement transformation process. In view of the above, it is evident that identification of the most critical effects of non-

implementation of public procurement policy constitutes the essential components for reforming public procurement processes.

Accordingly, this study first presents the findings from relevant literatures in relation to most critical effects of non-implementation of public procurement policy on construction projects delivery. Next, the research methodology followed by discussions through the findings from construction professionals' viewpoint. The final section summarizes the conclusion derived from the research findings and present recommendation.

### **Effects of Non-Implementation of Public Procurement Policy on Construction Projects Delivery**

The persistence of scandals despite the presence of the public procurement policy points to poor implementation of the policy. Most of the researchers agreed that non-implementation of public procurement policy could go a long way to bring about an inequitable mode of project delivery. For instance, Shwarka & Anigbogu, (2012) acknowledged that non-implementation of public procurement policy could result to some ripple effects on project cost, project completion time, poor financial control, project quality, legal disputes and litigation, improper contract determination, incessant collapse of public buildings and factious claims. Akenroye et al. (2013) investigated implementation of public procurement policy in the construction organization and found out that non-implementation of public procurement policy during project delivery, can have effect on project cost, project completion time, project quality, and legal disputes. Therefore, this implies that implementation of public procurement policy is geared towards effective project delivery. This is agreement with Fayomi, (2013) who reported that non-implementation of public procurement policy can skew all stages of construction project delivery, from design stage through production, organization and management. Adewole, (2014) further opined that non-implementation of public procurement policy could distorts projects of desired quality, cost and on schedule time. Other effects of non-implementation of public procurement policy reported by Jibrin et al. (2014), include increased project costs, abandonment of public buildings, continuous insecure practices that risks lives and properties, factious claims, make construction projects vulnerable to frequent maintenance work and loss of public trust in the award of contracts.

Therefore, the effects of non-implementation of public procurement policy cannot be underrated as they have the potential of causing cost overrun, time overrun, poor financial control, project delay, poor work quality, improper contract determination, abandonment of public buildings, legal disputes and litigation, factious claims, increased project cost, incessant collapse of public buildings, insecure practices that could risk lives and properties, make construction projects vulnerable to frequent maintenance work, and loss of public trust in the award of contracts. From the foregoing studies, effects of non-implementation of public procurement policy were identified. Hence, the motivation for this study is the gap in evaluating the most critical effects of non-implementation of public procurement policy on construction projects delivery based on professional perceptions.

## Research Methodology

### Research Strategy

In order to collect the data, this study adopted qualitative approach before conducting quantitative analysis. The qualitative data of the study were based on a literature review and consisted of 14 effects of non-implementation of public procurement policy on construction projects delivery as examined by previous researchers. These was used to construct a structured questionnaire for the study. The questionnaire consist of two sections. Section A consist of respondents personal particulars such as; membership of professional bodies, years of experience, academic qualification and numbers of projects executed. In sections B, respondents was asked to rank the most critical effects of non-implementation of public procurement policy on construction projects delivery on a five-point Likert scale ranging from 1 to 5, where 1 represents “Less critical” and 5 represent “Most critical”.

### Sample structures

The population of this study were on construction professionals as recognized by Bureau of Public Procurement, BPP, Act, 2007 as amended, 2018 in carrying out construction activities in Nigeria. Purposive sampling techniques was employed in reaching out to the respondents, since this study involved the opinion of experienced construction professionals. This is supported by Adeyemo and Smallwood, (2017) who affirmed that more reliable data can be gathered from experienced respondents. Accordingly, a sample of 160 experienced construction professionals involved in selected projects within F.C.T, Abuja was targeted in the survey, comprising 40 each of Quantity Surveyors, Structural Engineers, Architects and Project Managers. Though, there are several methods of administering a questionnaire survey, direct delivery of the questionnaire by hand was preferred. Table 1 shows a summary of the sample responses of the questionnaire survey. From table 1, the response rates were 30(75%), 28(70%), 22(55%) and 20(50%) for Quantity Surveyors, Structural Engineers, Architects and Project Managers respectively. This was considered adequate for analysis based on the assertion by Spillane et al. (2012) that the result of a survey could be considered as biased and of little importance if the return rate was lower than 20-30%.

Table 1. Sample responses of the questionnaire survey

Professionals	Number of questionnaire		Percentage returned
	Number administered	Valid for analysis	
1. Quantity Surveyors	40	30	75%
2. Engineers	40	28	70%
3. Architects	40	22	55%
4. Project Managers	40	20	50%
<b>Total</b>	<b>160</b>	<b>100</b>	<b>62.5%</b>

Source: Fieldwork, 2022

### Cronbach's Alpha Reliability Test

Cronbach's Alpha coefficient test is used for evaluating the reliability of the instrument. The measure is considered to be reliable if the value of Cronbach's Alpha coefficient equals or exceeds 0.70 (Tabachnick and Fidell, 2013). In this study, the values of Cronbach's Alpha Coefficient for the construct ranged from 0.783 to 0.867. Since these values were more than 0.7, the entire construct as well as the variables was believed to have demonstrated a good reliability to be measured on the same latent trait and scale.

### Data Analysis and Discussion

The data was analyzed using the Mean Item Score (MIS). The performance of each parameter was evaluated based on the importance weighting and the proposed efficiency of each variable. The results of the MIS from Table 2 shows that cost overrun having a mean score of 4.02 was ranked first, while, time overrun with a mean score of 3.83 was ranked second, poor financial control having a mean score of 3.77 was ranked third, increased project cost with a mean score of 3.76 was ranked fourth, factious claims with a mean score of 3.67 was ranked fifth, legal disputes with a mean score of 3.64 was ranked sixth and improper contract determination having a mean score of 3.58 was ranked seventh. While, insecure practices that could risk lives and properties with a mean score of 3.35, incessant collapse of public buildings with a mean score of 3.34 and loss of public trust in the award of contracts with a mean score of 3.18 were ranked the three lowest among the effects of non-implementation of public procurement policy on construction projects delivery.

Table 2. MIS and ranks of construction professionals' responses on the effects of non-implementation of public procurement policy on construction projects delivery

Unethical Behaviors	Frequency of Respondent					Total	$\frac{\Sigma(nj)}{S}$	Mean	Ranking
	5	4	3	2	1				
Cost overrun	40	34	14	12	0	100	402	4.02	1
Time overrun	40	29	13	10	8	100	383	3.83	2
Poor financial control	27	40	22	5	6	100	377	3.77	3
Increased project cost	36	29	18	9	8	100	376	3.76	4
Factious claims	30	34	15	15	6	100	367	3.67	5
Legal disputes and litigation	31	30	17	16	6	100	364	3.64	6
Improper contract determination	30	30	17	14	9	100	358	3.58	7
Project delay	28	31	20	9	12	100	354	3.54	8
Poor work quality	25	28	27	13	7	100	351	3.51	9
Make construction project vulnerable to	21	28	28	15	8	100	339	3.39	10

frequent maintenance work										
Abandonment of public buildings	26	21	24	22	7	100	337	3.37	11	
Insecure practices that could risk lives and properties	24	23	26	18	9	100	335	3.35	12	
Incessant collapse of public buildings	28	20	22	18	12	100	334	3.34	13	
Loss of public trust in the award of contracts	19	28	19	20	14	100	318	3.18	14	
<b>Grand Mean</b>								<b>3.57</b>		

Consequently, in order to have a general agreement of construction professionals in the ranking of all the effects of non-implementation of public procurement policy, grand mean was calculated and was used to quantitatively measure the agreement in the importance ranking among the construction professionals. This is in line with the suggestion by Chan and Kumaraswamy, (2002). In relation to the grand mean, Kululanga, (2012) marks the cut-off levels for interpretation as follows; “Less critical” (below the grand mean) and “Most critical” (above the grand mean). This interpretation implies that the result which fall under “Less critical” should be dismissed, as it does not represent a part of the perceptions of the respondents. While, the results in “Most critical level” indicates how much more a variable is important to the respondents.

Based on the outcome, seven most critical effects of non-implementation of public procurement policy on construction projects delivery are cost overrun, time overrun, poor financial control, increased project cost, factious claims, legal disputes, and improper contract determination. The results shows cost overrun as the most critical effects of non-implementation of public procurement policy on construction projects delivery. This supports Fayomi’s (2013) claim that the consequences of cost overrun are that contractors selection is dependent on tender price and initial lowest bid rather than value and merits of bid. Time overrun was also revealed as a critical effects of non-implementation of public procurement policy. This may be due to the fact that contract award criteria could be changed leading to time overrun. Eyaa & Oluka (2011) acknowledged that time overrun brings about increased contract costs and poor work quality. The result also show poor financial control as a critical effects of non-implementation of public procurement policy on construction projects delivery. This is upheld by Takamuhabwa, (2012) who depicts that contract award criteria were only safeguarded by the goodwill of the procurement officials, resulting in weak financial control by the contractor. Increased project cost, was also revealed as one of the most critical effects of non-implementation of public procurement policy. This agrees with the contention of Adewole (2014) that procurement officials possessed a wide measure of discretion in conducting and managing the procurement process, which could easily be exploited. Factious claims was also ranked as one of the most critical effects of non-implementation of public

procurement policy. This finding agrees with the contention of Jibrin et al. (2014) who affirmed that factious claims brings about illicit influence to contract, loss of contract money, and other consequences. This could be due to contracts being awarded on a non-commercial basis or in a non-competitive manner. The result also show legal disputes and litigation as a critical effects of non-implementation of public procurement policy. This is corroborated by Williams-Elegbe, (2012) who recognized that the absence of clear regulations on procurement meant that contractors can only seek judicial redress against a government agency where there were irregularities in the procurement process. Improper contract administration was also revealed as one of the most critical effects of non-implementation of public procurement policy. This is upheld by Koike & Koikeosamu, (2014) who depicts that the construction business has an extreme concerned for proper contract administration, without which numerous significant projects fail to meet due dates and cost targets.

### Conclusion

The results shows seven most critical effects of non-implementation of public procurement policy on construction projects delivery based on construction professionals perception. Furthermore, the ranking of cost overrun, time overrun, poor financial control, increased project cost, factious claims, legal disputes, and improper contract determination as the most critical effects of non-implementation of public procurement policy bolster the effects on project delivery. This upholds the perception that non-implementation of public procurement policy could distort the whole construction process. Based on the above findings, the following recommendations were made that;

1. The government should collaborate with allied construction professionals in improving implementation of public procurement policy in Nigeria.
2. Appropriate strategies should be adopted for evaluating and getting feedback for the purpose of achieving effective project delivery.
3. Implementation of public procurement policy is a collaborative effort of both the government, allied construction professionals and the contractors. Hence, there is need for attitudinal change in the implementation of public procurement policy.

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