

Towards the Establishment of a Framework for Contractor Performance Measurement

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Abstract

The Tanzanian construction industry, similarly to others, is faced with challenges that inhibit the performance of contractors. There is need for among other things a “performance revolution” among Contractors to redress the situation.

This paper seeks to advocate for the establishment of a Contractor Performance Assessment Framework, a concept that was initiated during the Contractors Annual Workshops 2000. The model’s long-term objective is to contribute to the promotion of a culture of business performance excellence in the Tanzanian construction industry. Based on a Study of other Models, a Proposal is made for the adoption of a Model which is primarily based on the South African Construction Excellence Model (SACEM), a well tested tool for business performance assessment.

The model’s basic structure, function, benefits and its relationship with CRB’s contractor development strategy is elaborated. The various merits and problems are highlighted and finally recommendations are drawn on the implementation strategy.

Key words: *contractor development strategy, best practice, contractor performance assessment, performance excellence, and competitiveness*

The State of the Contracting Industry

The Tanzanian Construction Industry, which is an important player in the economy has not been performing well when measured against the usual criteria of cost, productivity, quality, safety and environmental responsibility (Ofori, 2002). Contractors continue to face challenges including inadequate work opportunities, lack of access to capital, lack of access to equipment and lack of technical and management skills in their endeavour to deliver infrastructure projects effectively. It is also argued that there is lack of preparedness to work in the fast changing technological, economic and social environment.

The resulting effect is that though the Contractors Register has more than 2000 Contractors, with 97% being local contractors, foreign contractors continue to dominate the Tanzanian contracting industry (Materu, 2000). The majority of the local contractors remain small to medium contractors (92%) with a small segment (8%) being large contractors.

The local contracting industry thus continues to be hampered by poor capacity, low productivity, poor quality workmanship, and low profit margins for contractors.