



Case Report

Economic Empowerment of Local Skilled Labour Through Force Account in Building Renovation

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Abstract: This study paper reports on economic empowerment of local skilled labor through force account in building renovation. The case study was based on the selected secondary schools and teachers training colleges located in different parts of Tanzania. The study indicates the participants of renovation work as client, consultant, and local skilled labor (as an executing team). The study reveals the local skilled labors to have gained a lot of knowledge basically on financial management, procurement procedures, healthy and safety, contract management as well as human resource management as they used to manage their work gang. Generally, the study discovered that, force account method has led to the economic empowerment of local skilled labors and hence causing great changes to their life as a result of capital increase and knowledge gain.

Keywords: Economic Empowerment, Renovation, Force Account, Local Skilled Labor

1. Introduction

In 2017, the government of the United Republic of Tanzania decided to release the fund as part of the ministerial budget for renovation some of the old secondary schools as well as teachers Training College so as to create the good and conducive learning environment. Upon the fund release, it was exceedingly emphasized on the use force account. Under this method, the client was to buy all materials from supplier with least cost on a particular item who was obtained through quotation. Also the same method of quotation was used to obtain the local skilled labor with required minimum qualification. Conversely the project was generally supervised by the consultant.

Economic Empowerment embodies giving a group of people the means to be in control of their own economic destinies. This involves helping people improve their economic status, while at the same time, gaining more control over that status. [1]

The economic empowerment entails the process of giving the power to those that are powerless and have no or very little control of their economic destinies, which are largely controlled by others.

Therefore, the economic empowerment always gives the

poor people the means to improve themselves economically so as to fulfill their immediate needs.

Renovation-Is the process of improving a structure. I also include different methods like modernization, remodeling, retrofitting, restoration and rehabilitation [7].

As noted in [5], renovation can be noted as the process reuse of an existing structure and its components on site, integrating the structure but also upgrading or extending it.

Force account is one among the procurement methods based on the recognized hourly rates and the labor, materials as well as equipment always applied for the sake of work accomplishment [4].

The method always facilitates easy and early kickoff of the construction in the serious situations. As noted by [2], force account method entails the application of the labor, equipment and machinery for the state or public or semi-public to accomplish the tasks intended. This is highlighted in the Tanzania Public Procurement Act 73 (2) (1).

Force account is construction by the use of public or semi-public agencies or departments concerned, where the public or semi-public agency has its own personnel and equipment. As per Act, the method is applied where the works are small and scattered or in remote locations for

which qualified construction companies are unlikely to tender at seasonal act [3].

As per [9]. The uses of force account may entails and or allow hiring of equipment to be used to accomplish the task intended. This concept always put emphasis to apply properly the laws governing the use of force account.

The application of force account method has been noted to be used in different countries. To note as an example, Uganda has undergone many and different road construction project while using the force account. As in [10], Force account was used during upgrading and expansion of Entebbe International Airport to accommodate current and future traffic and also to promote services excellence.

Conversely, the President of Tanzania, Dr. J. P Magufuli has greatly emphasized on the application of the force account in its construction projects with the intension of accomplishing the construction work timely, under a reasonable cost while maintaining the quality.

However, other procurement methods have to a large extend been claimed to create corruption environment and hence failing in attaining the value for money for the completed projects.

In 2017, the government of Tanzania through the Ministry of Education, Science and Technology (MOEST) as well as Tanzania Education Authority (TEA), decided to renovate some of old secondary schools including Bwiru, Tanga, Musoma, Moshi Tech, Kantalamba, Ifunda, Mtwara, Kibiti and Ifakara and five Teachers Training Colleges (TTC) including Songea, Kleruu, Tukuyu, Mpwapwa and Morogoro. This was done for the purpose of creating good and reliable study environment for the students as more infrastructures of these training centers were in a bad situation. The government through the Ministry decided to use the force account as procurement methods for the construction of those projects.

In the application of force account method, the procuring entity were required to use the local skilled labor for the construction activities but also sourcing the materials intended for construction from the qualified supplier who were obtained through quotation method of procurement. The consultancy as the main advisor to the procuring entity was liable for supervision activities. The use of local skilled labor was adopted for easy supervision and control.

The skilled labor was considered as the individuals having a specialized level of training to perform specified work on specific field. One of the main requirements as the minimum qualification for the skilled labor was considered to have at first the vocational educational training institute (VETA) with National Training Award (NTA) level III education. Also, the experience on relevant field (similar work) was taken in consideration. Upon selected through quotation, the

skilled labor had to sign the contract with the procuring entity under supervision of the consultant.

Depending on the extent of the work, the local skilled labor contract sum ranged from 700,000 to 100 million. After contract signing, the local skilled labor formed the work gang to assist the completion of the wok as per contract signed. This situation helped the local skilled labor to get success financially as they used to plan, schedule, control, directly and manage their subordinates so as to finish the work timely, at reasonable cost and highly quality while getting the profit of the work as compared to when they would have been employed or work under the contractor.

2. Methodology

The methodologies used in this study were basically divided into two categories, which are:

1. Preliminary investigation of the report submitted to consultant's on the selected secondary schools [5] and training colleges [6].

2. Questionnaire. Under this category, a total of 25 local skilled labors from the selected secondary schools and Teachers Training colleges were randomly selected to get their views in relation to their economic empowerment though force account method as compared to their previous employment where they worked under contractor. The skilled labor was obtained from the field of a Plumbing, Painting, Electricity, Carpentry, Masonry and Information Communication Technology (ICT).

The questionnaire was designed according to the need of the study. Respondents were required to indicate their economic effect or empowerment as a result of their own given contract as compared to when they worked under contractors. Parameters like profit, working capital increase, cash flow control, site management, basic needs fulfillment and economic empowerment generally were used to test and verify the study.

3. Data Analysis

Data analysis was based on the nature and type of questions developed in questionnaire. The following was the equation used to determine the respondents.

$$P = \frac{f}{\sum_i^n f} \times 100\%$$

Where f = Number of respondents to the particular case
 P = Percentage of respondents to the particular case

$$\sum_i^n f = \text{Total number of respondents participated in the research.}$$

4. Findings

This part explains briefly the views from the respondents who were given the contract to participate in renovation as local skilled labor who acted as supervisors to their working group of people/Work gang.

4.1. Age, Sex and Educational Level of Respondents

The age of respondents ranged from 22-47 years. All local skilled labors were men; something that implied lack of gender balance in construction industry. However, the majority (18) of the respondents out of 25 had the secondary level of education together with vocational training certificated to grade III. It was noted that most of the skilled labors had enough experience on their field of study (masonry, carpentry, painting, plumbing, electricity and ICT).

4.2. Investigation on Economic Empowerment from the Selected Schools and Training Colleges

Investigation was the first method undertaken as a source of data collection. This method was limited to observation and document review. The documents submitted to consultant included quotation documents used in sourcing the supplier and local skilled labor. The documents indicated that the local skilled labor quoted the figure less than the

expected as would be quoted by the contractor. This was compared from the experience gained from last projects done by the consultant.

The investigation also indicated the local skilled labor to have an access to the fund directly as compared to their last project they participated in while employed by the contractor.

When responding to the question that intended to probe whether they had ever participated in construction under force account method type of project, none of the respondents agreed to have ever participated. Instead, they were always working under contractor and paid little compared to the work done. In addition to the question, almost all the respondents confirmed to have a great changes (being empowered) economically as they received and controlled the fund themselves.

On top of that, all respondents (local skilled labors) 100% noted to have a significant changes in terms of cash ever paid since they started working. Most of them claimed to have paid less than 500,000 Tanzanian shillings as their wages when they were working under contractors.

4.3. Respondents' Payment Under Contractors

The study found that the local skilled labors were paid different payments during their work days under contractors as illustrated below:

| S/N | Payment for Previous Project | Number of Respondents |
|-----|------------------------------|-----------------------|
| a | 100,000 - 250,000 | 3 |
| b | 260,000 - 500,000 | 6 |
| c | 510,000 - 750,000 | 5 |
| d | 760,000 - 1,000,000 | 8 |
| e | 1,000,000 - 1,500,000 | 2 |
| f | 1,500,000 - 2,000,000 | 1 |
| g | 2,000,000 - 5,000,000 | 0 |
| h | Above 5,000,000 | 0 |

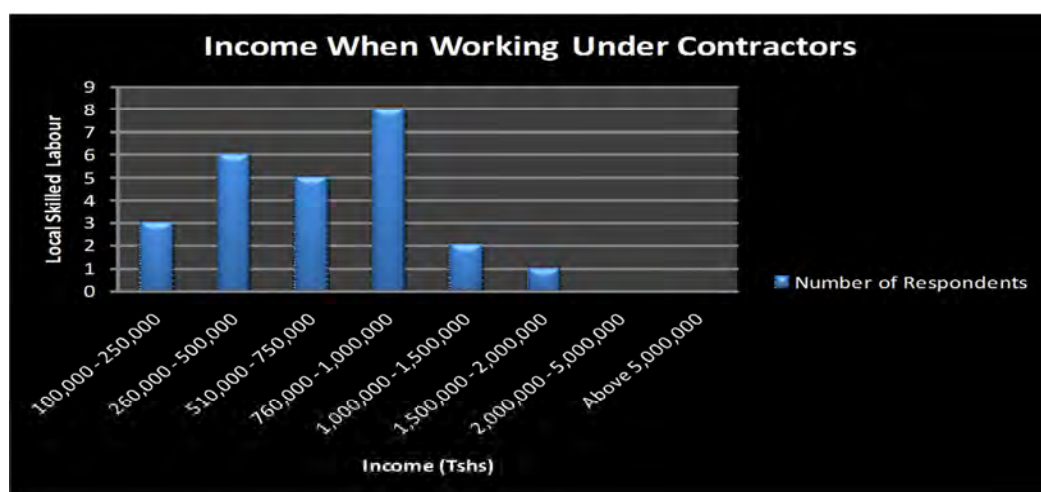


Figure 1. Showing Income of skilled labor when working under Contractors.

4.4. Respondents' Payments Under Force Account

The study found that the local skilled labors were paid more amounts during force account than under contractors, as reflected in the below:

| S/N | Contract Sum Paid | Number of Respondents |
|-----|--------------------------|-----------------------|
| a | 1,000,000 - 5,000,000 | 0 |
| b | 6,000,000 - 10,000,000 | 3 |
| c | 11,000,000 - 20,000,000 | 4 |
| d | 21,000,000 - 30,000,000 | 8 |
| e | 31,000,000 - 50,000,000 | 3 |
| f | 50,000,000 - 75,000,000 | 5 |
| g | 75,000,000 - 100,000,000 | 2 |
| h | Above 100,000,000 | 0 |

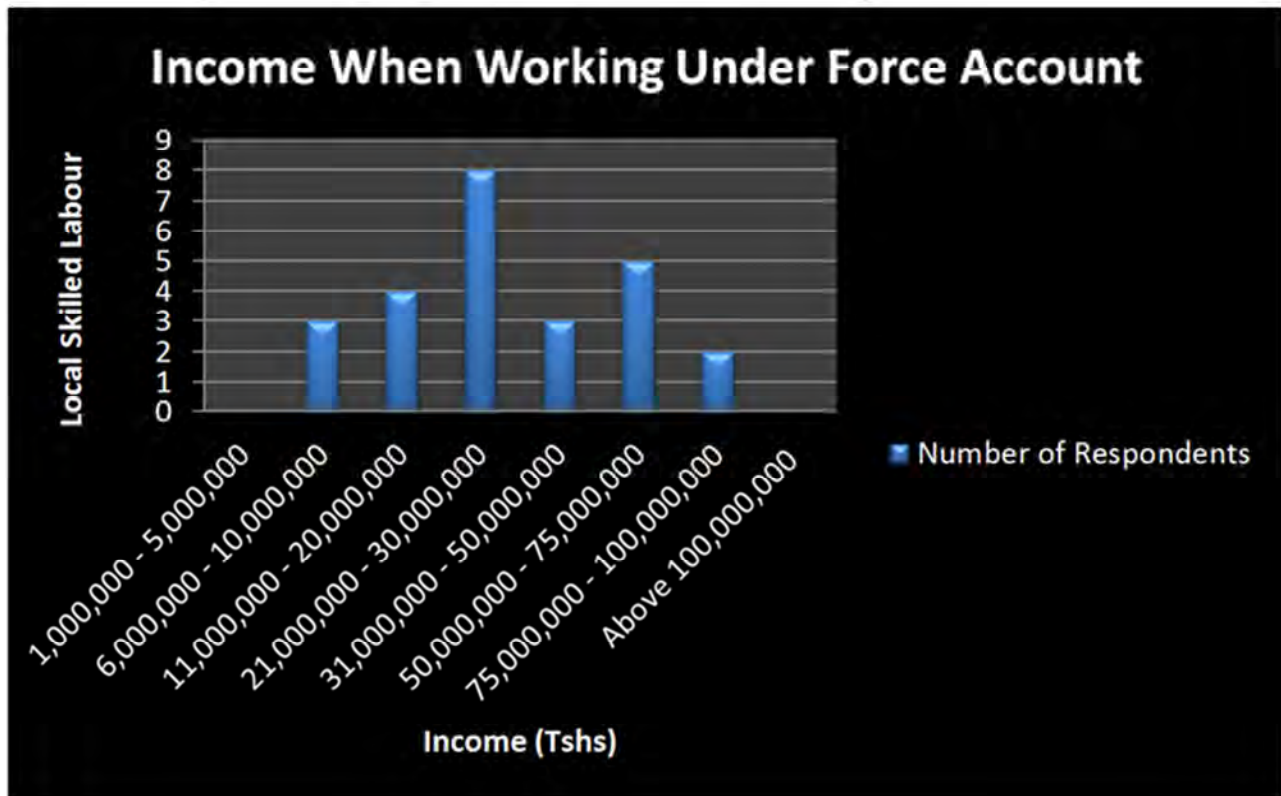


Figure 2. Showing Income of skilled labor when working under Force account.

The figure 2 above shows that almost all local skilled labor had an access of the huge amount ever received in cash. The local skilled labors agreed to have acquired the capital from the work done.

Despite the access they had to fund, local skilled labors acquired some training from the consultant that helped them to learn management skills of the given capital.

In addition, the local skilled labors agreed to get direct cash promptly after they completed their part off or all works

according to the agreed condition of contract. They were paid all money and benefits immediately upon completion of their work, something that was not experienced during the work under contractors.

Moreover, local skilled labors were happy for the training they received before starting their work. All of them had never attained any training along their entire life of working during work under contractors.

4.5. Impressed Module During Training

| S/N | Training Module | Percentage of Respondents |
|-----|--|---------------------------|
| a | Procurement Management (Force Account) | 100% |
| b | Human Resource Management | 75% |
| c | Safety and Healthy | 50% |
| d | Problems facing at Working place | 60% |
| e | Cost Control | 68% |
| f | Quality Assurance and Control | 88% |

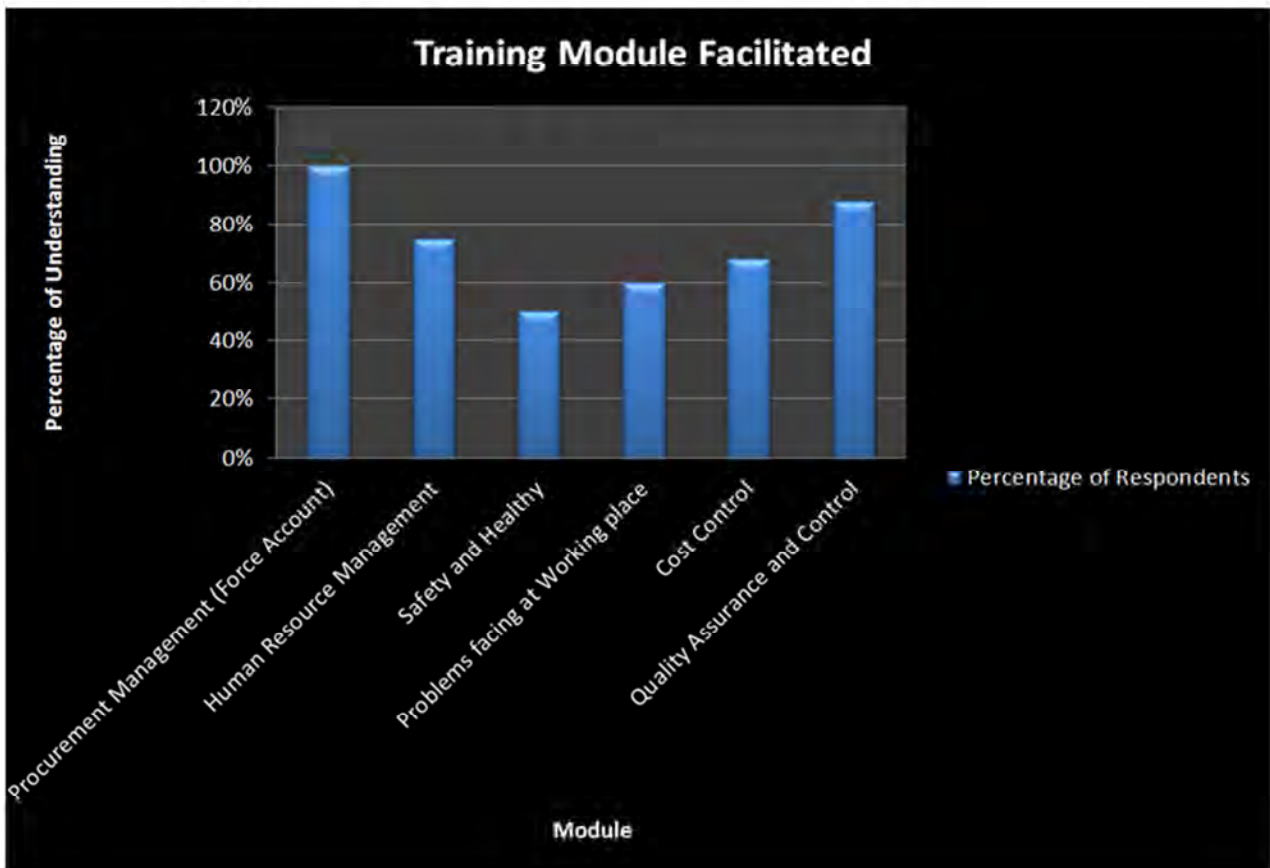


Figure 3. Showing Module facilitated to Local skilled labor.

Generally, the study revealed that despite the challenges facing the local skilled labors, the use of their force account method of procurement has to a large extent helped them to raise their capital. Upon the training, they expanded their knowledge in different area.

Lastly, the study revealed that local skilled labors were empowered economically as the result of the more pay they received during force account, which among others, enabled them have more savings. This was unlike during work under contractors.

5. Conclusion

The use of force account method of procurement has largely taken place during the current government in Tanzania. The method has been identified not only to minimize cost of the construction projects but also finishing

the work timely with intended quality as compared to other procurement methods.

As from the study, the method has to a great extent attributed to the economic empowerment of local skilled labors. Many of them have noted to have the significant changes financially leading them to great changes on their real life. In sum, the method has revealed to have a positive impact to project participants.

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