

PUBLIC WORKS - IMPROVING EFFICIENCIES IN PROCUREMENT AND CONSTRUCTION PROCESSES

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IMPERATIVES

- All process & systems involved in procurement & execution of public works have to have:
 - Value for money
 - Transparency
 - Accountability
 - Efficiency

TRANSPARENCY

- Why?
 - Because public money is involved
 - Works are done for the general public
 - Should stand public scrutiny
- How?
 - By putting in place an elaborate system of checks & balances
 - By defining in great detail processes, procedures, authority, responsibility
 - Making maximum information available to public. GOI has introduced RTI Act.

TRANSPARENCY

- Is it achieved?
 - Yes – by way of account codes, & works manuals
- What cost?
 - Like everything else transparency comes with a cost
 - This is in terms of time taken
 - Necessity to comply with large number of rules tends to delay or slow down processes
 - Fear of violating the rules makes officers cautious thus further slowing down processes

TRANSPARENCY

- Solution?
 - A via-media needs to be adopted
 - Rules should be modified to give greater freedom to project managers but simultaneously they should be held accountable for delivery
 - The hierarchy of objectives should be well defined

ACCOUNTABILITY

- No questions about it
 - A person has to be accountable for the work he does- whether procures/executes public works or does work for a private organization
- Only one issue
 - Accountability should go hand in hand with authority over processes

EFFICIENCY

- Difficult to define
- Normally efficiency is mistaken for economy
- However a project executed with richer specifications, i.e. with higher initial outlay may be more economical as it reduces whole life cycle costs
- Similarly a project executed faster may be more economical as it allows utility to be used early

EFFICIENCY

- Present situation of public works in India
 - Focus is on saving cost
 - Necessity of doing things faster has not been given due consideration
- Now there has been a paradigm shift in the view point of the Government
 - Focus is shifting to faster and better delivery
 - There is a growing feeling that existing organizations, with their traditional processes, may not be able to meet expectations

NEED FOR IMPROVING EFFICIENCY

- Need for improving efficient delivery of public works cannot be denied
- All processes have to be efficient if money put in has to travel far
- A fresh look has to be given to:
 - HOW WE DEFINE OUR GOALS
 - What processes we use
 - How we design utilities/buildings
 - How we select the agencies

NEED FOR IMPROVING EFFICIENCY

- While need for improved overall efficiency cannot be denied we have to ensure that:
 - Systems followed are well defined
 - Focus is clear
 - So far focus has always been on saving costs and normally lowest financial bids are accepted. Before a project is taken up the focus should be defined
 - Transparency and accountability are not forgotten or relegated

HOW TO INCREASE EFFICIENCY

- Efficiency has to be seen as an overall improved performance & end product should reflect:
 - Better value for money resulting from improved efficiencies in all operations
 - Reduced time of delivery
 - Reduced overall costs
 - Improved quality of product
 - Complete transparency in processes

HOW TO INCREASE EFFICIENCY

- Enhancing transparency
- Adopting best practices
- Concentrating on core competencies
- Better utilization of resources
- Reducing inventories of staff and assets
- Creating a common pool of knowledge which can be accessed by all concerned

HOW TO INCREASE EFFICIENCY

- Adopting national standards for most products
- Adopting a national schedule of rate and national specifications
- Maintaining a national register of agencies
- Not adopting an adversarial attitude towards the contractors
- Creating healthy competition

HOW TO INCREASE EFFICIENCY

- Being able to predict time and cost with greater accuracy
- Putting in early an integrated project team
- Adopting different procedures for projects which have different goals
- Introducing proper incentives and penalties for project managers, on line as done for contractors

HOW TO INCREASE EFFICIENCY

- Using IT to speed up decision making processes
- Evolving innovative solutions for design and delivery of projects
- Looking at whole life costs rather than immediate deliver costs
- Reducing environmental impact
- Adopting safe practices at work sites

HOW TO INCREASE EFFICIENCY

- Building capacities of project teams, actual executors, artisans, clients etc.
- Educating clients.
 - A knowledgeable client helps in defining reasonable goals and standards and does not create situations which affect delivery
 - Knowledgeable client ensures timely availability of funds which in turn improves delivery

HOW TO INCREASE EFFICIENCY

Increase in efficiencies of processes alone will not yield desired results if efficiencies in actual construction practices are also not increased

INCREASE EFFICIENCY IN CONSTRUCTION

- Keep focus on customer satisfaction
- Focus on end product
- Develop leadership in organizations
- Put in place an integrated team
- Ensure reliable supply chains are developed
- Have a quality driven agenda

INCREASE EFFICIENCY IN CONSTRUCTION

- Explore design-and- build models
- Learn to partner and share risks
- Improve project management skills
- Learn to improvise as project proceeds.
Do not stifle innovation en-route simply
because procedures do not allow
- Ensure timely payments to agencies

INCREASE EFFICIENCY IN CONSTRUCTION

- Think of
 - Innovative designs
 - Designs which will give greater efficiency
 - Reduce maintenance and running costs
 - Reduce overall costs
 - Change selection criterion for agencies
 - Lowest financial bids are not necessarily the best
 - A combination of design/cost and time parameters will provide better evaluation

INCREASE EFFICIENCY IN CONSTRUCTION

- Use only
 - Skilled and certified artisans
 - Building right first time saves cost
 - Standard building products
 - Products which are available off the shelf
 - Products which are likely to continue to be available
 - Standard construction equipments & practices
 - If people are conversant it will result in lesser accidents

WHY TAKE THESE STEPS

- Cost of delivery and time required to deliver a service/project must come down
- It is proven that adoption of best practices reduces costs and gives real value for all involved in the project
- Well designed, managed and executed projects will enable clients also to improve service delivery and enhance their efficiency

WHY TAKE THESE STEPS

- To reduce post construction conflicts
- Efficient spending of money creates more in same amount of funding
- Benefits all sections of the society
- Own survival
 - If departments and organizations engaged in public works do not change they will lose relevance and become history

THANK YOU