[**Engineering delays**](https://www.dawn.com/news/1606316/engineering-delays)

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IMAGINE what would have happened if the contract for the construction of the Taj Mahal in Agra had been awarded in accordance with Public Procurement Regulatory Authority (PPRA) rules and to the lowest evaluated bidder? I am certain about two outcomes. One, the iconic landmark would still be in the process of construction. Secondly, the government official supervising the contract would have a lavish apartment in Dubai and all his kids would have emigrated to Australia or Canada.

Recently, the Capital Development Authority refused to take over the Islamabad Metro project from the National Highway Authority because it is not fully complete. Similarly, the Peshawar BRT also became the poster boy for delayed projects and there are many other examples as well. Virtually the only reason that the media and the authorities find for the poor execution of such projects is the poor performance of the engineering firm hired to execute the project. It might be one of the reasons but the real reason lies in the conditions of the contracts procured under PPRA guidelines. Let us evaluate the process.

After a very competitive bidding process, the financially lowest bidder is awarded the contract. Being financially lowest is so central to the process that other factors such as plans to execute the work or past performance are hardly considered. That is where bribes perform well. There have been cases where a blacklisted contractor who failed to execute a project was awarded another project right under the nose of all the watchdogs. After all, every dog is searching for his day.

There is a need to revisit the contracts for government projects.

For most public-sector projects in Pakistan, 10 per cent to 20pc of the contract cost is set aside as performance guarantee, another 5pc is designated as the final bill to be paid after the guarantee period has lapsed and another 5pc withheld as retention money which is also released with the final bill. These are all various forms of guarantees in case the contractors fail to deliver on their commitment, but at the same time they become the very reasons of the failure. It becomes a self-fulfilling prophecy.

All these guarantees summed up retain at least 25pc of the cost of the project; this means not enough working capital to expedite the project. The bribes and kickbacks rife in the departments that take up these projects further shrinks the working capital. So, if around 30pc of the project cost is held up for an indefinite period of time, the contractor would have no incentive to work beyond 70pc to 80pc of the project. That should explain why projects are delayed or left incomplete.

So what is the solution?

There is a need to revisit the contracts for public-sector projects so that they are not held in limbo endlessly and can be easily completed in all respects. The PPRA rules need to be updated to make them more execution-friendly; the guarantees are fine but they must not be a hurdle in the completion of project work.

First and foremost, remove the practice of holding huge sums from the working capital of the construction firm as security. Just have a performance guarantee and if the performance is not up to the mark encash the guarantee. The cash-rich firm would have the incentive to work at a fast pace as payments for all the work done would be made as soon as the work is complete.

Secondly, monitoring and inspection should be carried out to supplement the EPC (engineering, procurement and construction) firms rather than penalise them. The process should look to improve and speed up the work and detect mistakes at the earliest stage rather than retain the current practice of using it to blackmail the EPC firms.

They say a wise woodcutter spends eight hours sharpening the axe and two hours cutting the tree. It is imperative to have the scope of the project well laid out. Scope creep should be dealt with well in time through quick decision-making. When an approval takes months, a project is delayed by years. Decentralisation is the key here. In almost all government departments in Pakistan, the buck stops with the highest tier ie the chairperson, the secretary or minister concerned for approvals even in minor matters. If every bullet to be fired in a war has to get the formal approval of the army chief then the war will surely be lost. Everyone in the loop tries to be over-efficient and return the file with some superfluous objections just for the sake of looking busy while they do nothing.

Lastly, all the measures suggested here do not need a rocket scientist to implement. Policymakers must show ingenuity but that might be asking for too much from our babus. George Bernard Shaw once said “Few people think more than two or three times a year; I have made an international reputation for myself by thinking once or twice a week.”

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