

NGUVUKAZI CONSTRUCTION COMPANY

Nguvukazi Construction Company is a 5-year-old company in the construction industry. The company operates in Magugu Region. The company had a history of segregated departments with much focused functional line managers. The company had two major technical departments: mechanical engineering and civil engineering. Both departments reported to a vice President for engineering, whose academic and professional background was mechanical engineering. For this reason, the company focused all projects from a mechanical engineering perspective. Luck enough the company entered into agreement with Matibabu Referral Hospital for construction of modern toilets.

One month after the commencement of the project many problems were experienced to the extent of hampering quality and timely completion of the project. Employer blamed engineering for all of the problems occurred in the contract. A lot of faults were noted and fingers were pointed to engineering as the main source of the problem. On the other hand engineering blamed project implementers claiming that they did not manage the contract effectively

Engineering department would plan for the contract then throw it to implementers without even going down to the field to help implementers. Errors or suggestions reported from implementers to engineering were being ignored. Engineers often perceived the implementers as incapable of improving the performance. Hence the construction project was managed without directives and in most cases implementers would change the design as they saw fit without involving engineering. This caused delay in completion of activities` dates hence creating more and more frustration for the employer.

The president of the Company decided that immediate actions should be taken in order to achieve some degree of excellence in the project executed. The president appointed the task force for assessing the project implementation and thereafter developing effective contract management plan which could improve project performance.

Before acting upon the developed plan for the ongoing project, the company signed another contract for designing and constructing sewage system in the District. In this case the president

responded seriously and immediately appointed Wasiwasi who is professionally a civil engineer to be the Project Manager. Surprisingly the program schedules started to slip from early stage of project implementation and expenditures were excessive. Wasiwasi found that the functional managers were charging direct labor time to his project but working on their own “pet” projects. When Wasiwasi complained of this, he was told not to meddle in the functional manager’s allocation of resources and budgeted expenditures. After approximately six months, Wasiwasi was requested to make a progress report directly to corporate and division staffs. Wasiwasi took that opportunity to bare his soul. The report substantiated that the project was forecasted to be complete one year behind schedule. The estimated cost of completion at this interval showed a cost overrun of at least 20 percent. This was Wasiwasi’s first opportunity to tell his story to people who were in a position to correct the situation by proposing a program to solve the problem

Nonbelievers finally saw the light, and the functional managers realized that they had a role to play in effective implementation of the project. Corporate staff ordered immediate remedial action and staff support to provide Wasiwasi a chance to put into practice his proposed program. Mr Wasiwasi now reported directly to the operations manager. Corporate staff’s interest in the project became very intense, requiring a 7:00 A.M. meeting every Monday morning for complete review of the project status and plans for recovery. Wasiwasi found himself spending more time preparing paperwork, reports (recovery plan) and projections for his Monday morning meetings than he did administering the contract which could get the project back on schedule.

In order to closely track the progress of the project, the corporate assigned an assistant program manager who determined that a sure cure for the ongoing construction project problems would be to computerize various problems and track the progress through a very complex computer program. The corporate also provided Wasiwasi with 20 additional staff members to work on the computer program. In the meantime, nothing changed. The functional managers still did not provide adequate staff for recovery, assuming that the additional manpower Wasiwasi had received from corporate would accomplish that task. Approximately 200 Million was spent on the computer program to track the problems.

After sometimes Wasiwasi realized that program objectives could not be handled by the existing computer system and at this point, the decision was made to abandon the computer program established earlier. Wasiwasi was now two years into the program with no substantial part of project completed. The program was still nine months behind schedule with the overrun projected at 40 percent of budget. The customer had been receiving his reports on a timely basis and was well aware of the fact that the construction project was behind schedule. Wasiwasi had spent a great deal of time with the customer explaining the problems and the plan for recovery.

After three months the employer became impatient, realized that the project was in serious trouble. At this juncture, the program was still eight months late, and the employer demanded progress reports on a weekly basis. Despite of all the efforts made by employer, the project became very hectic and uncontrollable.

One morning, the division general manager told Mr Wasiwasi to turn over the reins of the project to Mr Mambosasa who was appointed as the new project Manager. With those changes, the employer was also forced to adhere to all the principles of effective contract Management for the success. With the new team and strategies, the project was finally completed one year behind schedule and at a 40 percent cost overrun.