

MBIOMBIO LIGHT RAIL INFRASTRUCTURE

MBIOMBIO Light Rail is the first Public Private Partnership Project for public transport in Tanzania. The project involved the Government of Tanzania as a contracting authority and MBIOMBIO Construction Company (MCC) as a private partner under two separate contracts: firstly, a contract for the construction of comprehensive light rail infrastructure and secondly, a contract for the construction of supportive road infrastructure. The first contract involved the construction of 410 kilometers of light rail infrastructures from the eastern part of Kinondoni to the central part of Gairo. On the other hand, the second contract involved the construction of road infrastructures to facilitate easy access to rail transport services by different customers located in different remote areas. The first contract period was five years with the possibility of an extension of one more year while the second contract period was three years with the possibility of an extension of one more year.

MCC was responsible for the design, construction, and maintenance of the project while the Government was responsible for the provision of key human and financial resources. The project commenced in January 2000 and was delivered as planned without delay during the first year of its implementation. In 2002 many challenges related to project implementation were reported to affect the project deliverables and contractual relationships as well. Again, increased costs, project delays, and quality problems were frequently reported by different project stakeholders. The other significant problems during project implementation were the existence of many indicators of an ineffective procurement contract management cycle and other challenges related to the interface of two contracts implemented under the Public Private Partnership Project. The problems continued to affect the parties of the contract and finally resulted in contract termination. After contract termination, MCC changed its name to GOGOGO Construction Company (GCC). Due to financial and human resources constraints, the GCC's operations were limited to minor works from clients in Kinondoni only. At that time the company reduced the number of employees and therefore it was forced either to outsource the workers or subcontract the works whenever awarded the contract by clients. Since GCC managed to subcontract most of its work to competent contractors, the company continued to gain popularity due to its outstanding contract performance. The quality of services offered by GCC triggered an increased number of clients who demanded services from the company.

An increased number of clients forced GCC to establish strong procurement departments in order to effectively manage an increased number of construction projects. GCC believed that a strong procurement department would improve the company's procurement and project performance. The established department allowed GCC to involve in major works not only in Kinondoni but also in other regions within Tanzania Mainland. Despite having a well-established procurement department, the project management department at GCC was not well established therefore impeding effective project management. The weaknesses in the project management were noted as the major contributor to the frequent occurrence of project implementation problems and whereby poor contractual relationships, quality queries, and cost problems were frequently reported by different project implementation stakeholders.

In 2011 GCC was awarded a contract by the Wajuuji University of Tanzania (WAUT) for the construction of students' hostels in Uvinza, Mbozi, Wajaleo, Ilemela and Maswa. The value of the awarded contract was 3 Billion Tanzanian Shillings and the contract was expected to commence in April 2011 and be complete in March 2014, therefore, requiring a competent project management team to enhance the best project performance. The contract awarded in 2011 was very complex and associated with many project risks and uncertainties. The complexity of the project resulted in frequent contract relationship problems, therefore, required more experienced staff to join the company's project management team. Thus, GCC employed new staff with experience in project management to support the existing project management team hence reducing possible project risks which could affect the project performance.

The strengthened project management team was able to make the analysis of all risks and manage them accordingly thus, transforming project management stakeholders who finally understood the concept of effective risk management and its importance in relation to project performance. The team managed to improve the performance of project-related activities, enhance the successful procurement contract management cycle, ensure effective contract relationships, and increased the credibility of the company in terms of project management and control.