

**Rural Access Power Points:
10-minute briefing**

Road Maintenance Realities



Operational Arrangements

Previously, most road maintenance operations were carried out by force account (road authority own personnel) methods.

In more recent times there has been a major move to private sector implementation.

Both approaches have advantages and disadvantages, which are discussed in the following pages.



Force Account Roadworks Implementation **ADVANTAGES**

- **Direct response to needs (operational/emergency)**
- **Rapid mobilisation when funds are available**
- **Retain skills & experience, familiarity with the network, standards etc.**
- **Direct control of personnel**
- **Pride of 'ownership'**
- **Security/continuity of employment, career progression**
- **Dealings/disputes with outside parties minimised**
- **Can provides benchmark for contractor performance/costs**
- **Flexibility to target socio-economic groups**



Force Account Roadworks Implementation DISADVANTAGES

- **Remuneration usually inadequate to motivate sufficiently**
- **Poor incentives, poor discipline**
- **Slow equipment procurement & lowest cost policy prevents standardisation & efficiency**
- **Slow, bureaucratic procedures, performance discouraged**
- **Erratic supply of funds**
- **Poor quality assurance, financial and performance audit Low efficiency and poor management/use of available resources, poor cost-awareness**
- **Political interference & easy to divert funds/resources**
- **Little pressure to try new methods/technologies**



Force Account Roadworks – Pre-requisites for Success

- **Adequate funding & cash flow for at least basic level of works**
- **Adequate remuneration/motivation of personnel**
- **Policy formulation & political support**
- **Trained and skilled management**
- **Ability to respond to staff performance (+/-)**
- **Good planning, budgeting, disbursement and cost monitoring**
- **Target Work systems**
- **Effective financial and performance audit**
- **Minimise political interference**



Private Sector Roadworks Implementation ADVANTAGES

- **Government released from direct organisational responsibilities**
- **Plant funding, procurement & management transferred to contractors**
- **Manpower sourcing & management delegated to private sector**
- **Flexibility to hire/fire & motivate personnel**
- **Able to respond to changing sector circumstances**
- **Market forces can bring competition, efficiency, high utilisation of assets, and lower costs**
- **Possible to gain political support for well defined activity**
- **Better accountability possible**
- **Easier to resist political interference once contracts let**
- **Greater chance of innovation to reduce costs**



Private Sector Roadworks Implementation DISADVANTAGES

- **Duplication of supervision**
- **Duplication of equipment between contractors unless active hire market exists**
- **Long lead times in registration/classification, tendering, evaluation, award of contracts**
- **Risks difficult to quantify and value (unpaved roads)**
- **Civil service redundancies in move from force account to private sector, client authority restructuring**
- **Government employees require retraining and restructuring for new roles**
- **Higher cost of borrowing (for contractor)**
- **Changes in legislation, and procedures may be required**
- **Overall costs usually higher**



Private Sector Roadworks – Pre-requisites for Success

- **Adequate funding & cash flow to support effective, competitive market**
- **Reasonably stable sector workload**
- **Policy formulation & political support**
- **Competent and resourced contractors available**
- **Reasonable balance between contractor capacity and market size**
- **Client's personnel capable of managing and supervising contracts**
- **Adequate registration/pre-qualification, selection and award procedures**
- **Appropriate straightforward contract documentation**
- **Contractor access to affordable credit**
- **Efficient payment procedures**
- **Transparent and equitable systems.**

