

Direct Labour as A Procurement Route for Infrastructure Delivery within Metropolitan, Municipal and District Assemblies (MMDAs) in Ghana

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ABSTRACT

Direct Labour procurement method has been identified as one of several procurement route alternatives used for the delivery of construction projects. This study assessed Direct Labour as a procurement route for the delivery of infrastructure within the Metropolitan, Municipal and District Assemblies (MMDAs) in Ghana. A qualitative research approach was employed using in-depth interviews conducted with ten (10) professionals who were purposively sampled from the Works Departments of the Kumasi, Accra and Tema Metropolitan Assemblies in Ghana. The qualitative data was then analysed using content analysis. Direct Labour has been revealed by this study as an effective procurement method which can be employed by the MMDAs in Ghana for the delivery of public infrastructure. The findings of the study also indicate that, the benefits of the Direct Labour procurement route include the elimination of profits to contractors and its idealness for the execution of emergency works. However, Direct Labour as a form of procurement is not used on new MMDA construction projects because the Public

Procurement Act 2003 (Act 663) of Ghana as Amended in 2016, does not clearly stipulate its usage on new projects. Direct Labour procurement is used within the MMDAs mainly for maintenance works on public projects. The findings of the study would prove useful for policy re-evaluation, especially regarding the reformation of the Public Procurement Act, 2003 (Act 663) as Amended in 2016 to include Direct Labour as one of the procurement routes for the delivery of infrastructure. This would enable the MMDAs to adopt it not only for maintenance works, but also for the execution of new infrastructural projects in order to benefit from its numerous advantages.

Keywords: Direct Labour, procurement route, MMDAs, infrastructure delivery

INTRODUCTION

Direct Labour procurement method is amongst several procurement routes used for the delivery of construction projects (Adegoke, 2011). It is a method employed by clients or developers to plan and organize the project delivery process, prepare designs, plan and procure resources, and construct a project using “in-house” staff (Idoro, 2012). In view of this, the Direct labour procurement method is often regarded as “in-house” because the staff of the client, as different from contractor’s staff, carry out the project delivery processes and activities. Idoro (2007) asserts that, it is mainly used for governmental projects. Ojo (2009) describes Direct Labour procurement method as a system where the client engages tradesmen directly to execute projects by either using in-house personnel to design and construct or directly employing operatives to construct. By this method, the services of a contractor are dispensed with, and this elimination makes the Direct Labour route distinct from other procurement methods. Adenuga (2013) also defined the Direct Labour procurement method as “where the client uses his or her in-house human resources to carry out a construction project”. Over the years, it has been found that procurement systems such as Direct Labour Method, Design and Build, Construction Management, Management Contracting, and Project Management perform better than the traditional method in terms of time and cost overruns due to the integration of design and construction (Aghimien et al., 2017; Adenuga, 2013). Traditional methods lead to long delays in project conception and delivery thus leading to high project cost (Aghimien et al., 2017).

The Metropolitan, Municipal and District Assemblies (MMDAs) in Ghana, over the years, have provided infrastructural projects within their jurisdictions. As government entities, they are bound by laws so as to streamline their activities. In procuring works, goods and services, they are at liberty to choose any of the procurement routes: Competitive Tendering, Two-Stage Tendering, Restricted Tendering, Single Sourcing and Request for Quotations (Public Procurement, 2003 (Act 663) as amended by the Public Procurement Act, 2016 (Act 914)). Direct Labour as a procurement route comes with a lot of benefits. According to Ojo (2009), the Direct Labour method is cost-effective, simpler, prudent, devoid of corruption and generates employment opportunities for the populace. Adenuga (2013) indicated that Direct Labour projects, in comparison with projects procured via the conventional methods, result in cost savings. This is because, Direct Labour enhances the control of services, adjustment to workload fluctuation and security to the work done (Aghimien et al., 2017). Furthermore, project delays causing time overruns which are associated with traditional methods are minimized. Notwithstanding the benefits of the Direct Labour method, Lawal (2007) indicated that work operatives may occasionally exhibit shoddy work attitudes and work at snail speed,

since the completion of the work at hand is necessary but not a compulsory condition for the payment of their wages. Also, there may be inadequate incentives for the workers involved in Direct Labour unlike the workers of established construction firms (Adenuga, 2013). These consequences may adversely affect the quality of the project. The major concern about Direct Labour performance at the MMDAs is “effective” application and presentation of the procurement route. The MMDAs are also limited by legislation in the usage of the Direct Labour procurement method for infrastructure delivery, since Act 663 as Amended by Act 914 does not include it as one of the procurement methods. For this reason, this study set out to assess Direct Labour as a procurement route for the delivery of infrastructure within the MMDAs.

LITERATURE REVIEW

Structure of MMDAs in Ghana

The Metropolitan, Municipal and District Assemblies (MMDAs) form the structure of the local governance system in Ghana (Hackman et al 2021). Ghana’s local governance system dates back to the colonial era when the system of indirect rule operated (Honyenuga and Wutoh, 2019). According to Stiftung (2010), the 1992 Constitution of Ghana’s provisions in Article 240 (1) and (2) further deepened the reforms on local governance and decentralization. It provides that, the system of local government and administration shall be decentralized, and the functions, powers and responsibilities and resources shall be transferred from central government to local government units for coordination. The Constitution also made provision encouraging larger grassroots participation in governance and accountability process from the top hierarchy to the bottom and vice versa. To operationalize the above provisions, the Local Governance Act, (2016) Act 936 and the Local Government Establishment Instrument (1994) L.I 1589, have been promulgated and enacted with the aim of promoting and encouraging popular participation in decision-making, and decentralized governance systems and processes in order to ensure efficient and effective operation of the entire government machinery (Hackman et al. 2021; Honyenuga and Wutoh, 2019). There are other legislative instruments e.g., Local Government (Sub-Metropolitan, District Councils) L.I. 2223 which equally encourage popular participation. Figure 1 shows the structure of local governance in Ghana.

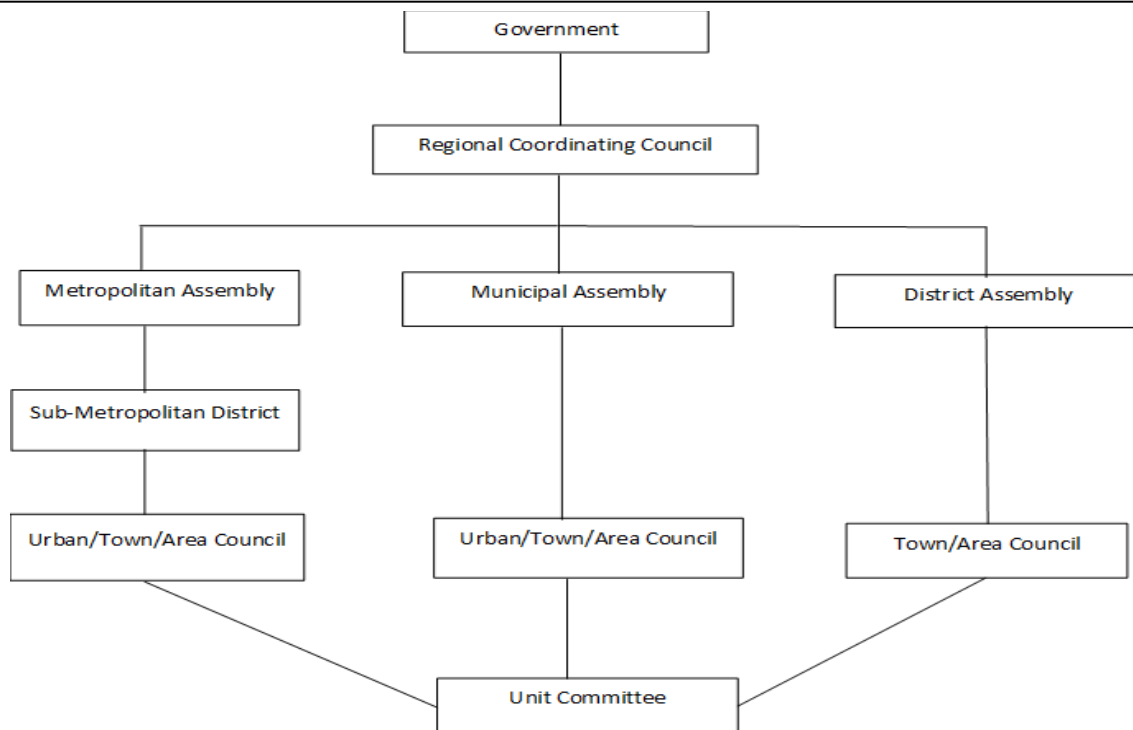


Figure 1: Structure of the local governance in Ghana (Hackman et al. 2021)

The current local governance system in Ghana comprises of a four-tier Metropolitan and a three-tier Municipal/District Assemblies (DAs) structure, with sixteen Regional Coordinating Councils that co-ordinate the activities of the DAs in the country (Hackman et al. 2021; Honyenuga and Wutoh, 2019; Ministry of Local Government and Rural Development, MLGRD, 1996). This system was created by the 1992 Constitution of Ghana and the Local Governance Act, 2016 (Act 936). According to the 1992 Constitution of Ghana, the Regional Co-ordinating Council (RCC) is the overall head of the local government system in the Republic of Ghana, on top of the Metropolitan, Municipal and District Assemblies (MMDAs). The RCC of each of the regions of Ghana comprises of the following members: The Regional Minister as Chairman, Deputy Regional Minister, Presiding Member of each Metropolitan, Municipal or District Assembly, District Chief Executive of each MMDA in the region, two chiefs from the Regional House of Chiefs and the Regional Heads of decentralized ministries who do not have the rights to vote (Asah et al., 2017; 1992 Constitution of Republic of Ghana, 1993; Local Governance Act, 2016 (Act 936)). Metropolitan Assembly is the local government unit with a population of 250,000 and above, and the Municipal Assembly has over 95,000 population, whilst the District Assembly has a population of over 75,000 (Local Government Act, 2016 (Act 936)). There are currently 260 MMDAs in the country made up of six (6) Metropolitan Assemblies, 109 Municipal Assemblies and 145 District Assemblies. District Assemblies, Metropolitan Assemblies and Municipal Assemblies all have the same internal political structures (Local Governance Act, 2016). These Assemblies comprise of the Member of Parliament within the District, The District Chief Executive, elected Assembly members of each electoral area within the District and government appointed assembly members within the District (Local Governance Act, 2016). The Metropolitan/Municipal/District Chief Executive (DCE) are the political and administrative heads as well as the chief representatives of the central government in districts, including Metropolitan and Municipal Assemblies. The MMDAs have

statutory executive committee and sub-committees. The MMDAs, however, have full discretion to establish further sub-committees as they deem fit (Local Governance Act, 2016). They are empowered to establish committees joined together with other assemblies for projects of joint interest. There are Sub-Metropolitan District Councils, Urban Councils, Town or Area Councils, and Unit Committees within the MMDAs as shown in Fig 1. The Towns or Area Councils are composed of five (5) representatives appointed by the government, ten (10) representatives of the Unit Committees in the area, and five (5) District Assembly representatives. Town Councils are established for settlements with population between 5,000 and 15,000 nationwide. They exist for a number of settlements which are grouped together but whose individual settlements have a population of less than 5,000. Similarly, the Unit Committees, the lowest level of the structure, have both elected and appointed members. In the District Assemblies, a Unit is normally a settlement or a group of settlements with a population of between 500 and 1,000 people in the rural areas, and a population of 1,500 for the urban areas (Sana, 2011). The government of Ghana has the Ministry of Local Government of Rural Development which has the executive oversight authority over the MMDAs. The MMDAs operate through statutory departments including the Works Department. The Works Department has the mandate to procure, supervise, monitor and manage infrastructure delivery within the MMDAs (Sub-Metropolitan, District Councils, L.I. 2223 (2018); Local Government Establishment Instrument, L.I 1589 (1994)).

Public Procurement Methods of Ghana

According to the Public Procurement Act, 2003 (Act 663) as amended by Public Procurement Amendment Act, 2016 (Act 914), the MMDAs are public entities mandated to procure works, goods and services in accordance with the Act. The objective of the Public Procurement Act is to harmonize the process of public procurement in the public service to secure a judicious, economic and efficient use of state resources in public procurement. It is also the objective of the Act to ensure that public procurement is carried out in a fair, transparent and non-discriminatory, environmentally and socially sustainable manner. Figure 2 indicates the three pillars of the Act;

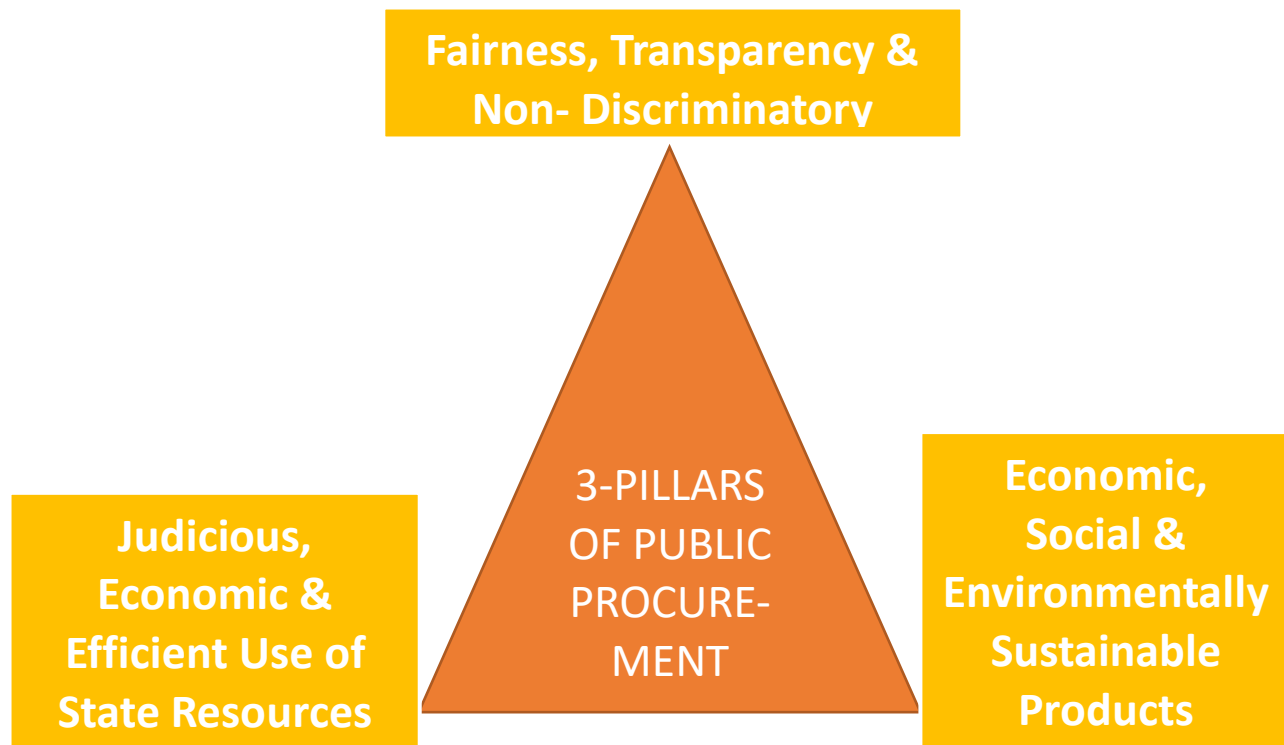


Figure 2: Three Pillars of Public Procurement in Ghana (Construct: Authors)

It is imperative to state that the object of any procurement route at the MMDAs must adhere to the objectives of the Act 663 as amended by Act 914. The methods of public procurement for infrastructure delivery in Ghana according to the Act 663 as amended by Act 914 are; (1) Competitive Tendering that includes, international competitive tendering, national competitive tendering, request for quotation and restricted tendering (2) Single Source Procurement and (3) Framework contracting. The method of selection of Consultants for the provision of services are determined by quality and cost-based selection, quality-based selection, selection based on consultant's qualification, least cost selection, fixed budget selection and single source selection. The use of Direct Labour procurement method is, however, not mentioned.

Labour Procurement Method

Idoro and Iyagba (2008) defined Direct Labour procurement as “a method whereby the client designs and produces its project by himself with the aid of in-house professionals”. Direct Labour procurement is a method of project execution where technical civil servants are allowed to be involved fully in the physical execution of government projects (Akobi, 2012). The method does not require the employment of contractors (Kadiri and Odusami, 2003). Adegoke (2011) asserted that, the Direct Labour procurement method is different from other procurement methods because the services of a contractor are eliminated. Direct Labour is well suited for government construction projects (Idoro et al., 2007), because it does not result in high staff strength and overhead costs (Chinedum et al., 2019). Direct Labour method of procurement can take various forms among which are: Fully in-house direct labour, Partially in-house direct labour, Hire-Labour direct labour and Self-help type of direct labour (Chinedum et al., 2019; Adenuga, 2013; Iyagba and Idoro, 1995). With the fully in-house form of direct labour, the organization has the human resources in place for all the phases of the project. The organization pays the monthly wages or otherwise of the human resources. The Partially in-house direct

labour could involve preparation of design and production information by practicing consultants, while permanent personnel handle the construction. There is also the Hire-labour direct labour where project owners hire off-labour, machinery, purchase material and coordinate the construction work, possibly engaging a qualified professional for the management of the construction process. The Self-help type of direct labour is where the inhabitants of a community are organized and mobilized with the direct labour establishments of a ministry. Other forms of Direct Labour could either be the developer providing the necessary resources, buying the necessary materials, hiring labour and the machinery required, and mobilizing the resources on his own; or communal construction with the use of voluntary labour drawn from family members and friends or self-help construction whereby the inhabitants of a community organize and mobilize themselves to execute a project. The Construction Agency Coordination Committee (2005) stated the conditions or situations where Direct Labour is mostly applied as where: smaller projects are involved and 'in-house' resources have the required capacity to execute them; direct control with extra flexibility is required where the work cannot be accurately defined for a contract; uncertain and complex interface works between contracts are involved where it is inappropriate to use another contract; the required speed of implementation and coordination with other dependent activities prohibits using a single contract or other work packages; there is a potential for the rapid development of technology or other change in a work or trade or special equipment area that must be addressed independently of other concurrent work; and more time is required for design and to confirm details, requiring some work areas to be addressed earlier and separately.

Advantages of Direct Labour Procurement Method

The different procurement methods employed in developmental projects have various advantages over one another. For a project to be successful, it is vital to select an appropriate procurement method that will deliver the proposed project on time and within budget (Aghimien et al., 2017). The client ultimately takes a critical look at the benefits of a particular procurement method and the path it takes using cost and time as major variables which influence the decision to be made (Adegoke, 2011). The advantages of Direct Labour procurement method are identified as cost savings, generation of employment, reduced legal tussles, reduction in project duration, and better quality of work, as shown in Figure 3.

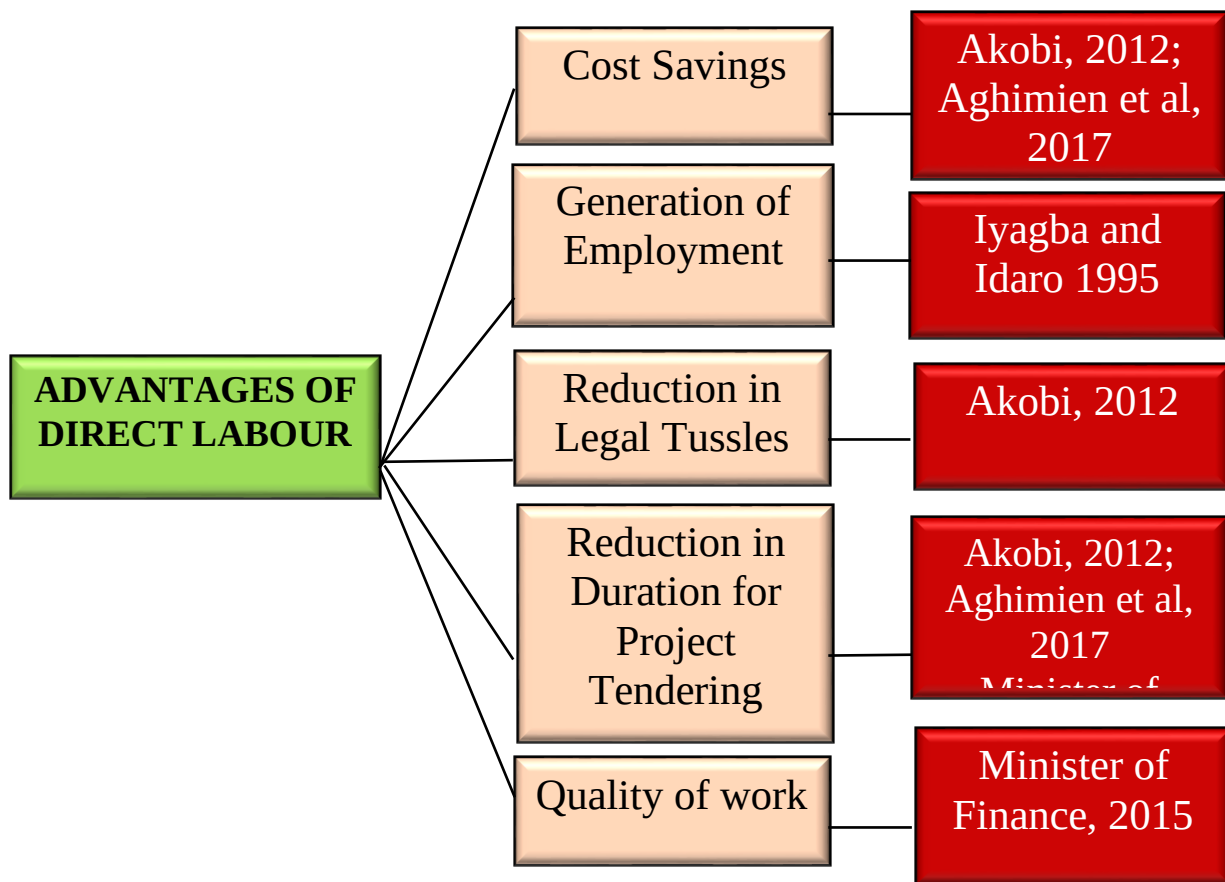


Figure 3: Advantages of Direct Labour
Source: The Authors

Cost savings

In Direct Labour procurement method, civil servants are required to purchase materials directly from manufacturers or distributors and execute the project by themselves. This eliminates the cost of labour to be paid to contractors, inflation of prices and other attendant costs (Akobi, 2012). The use of Direct labour for project delivery leads to a significant reduction in project management costs. Building owners or clients who employ Direct Labour procurement enjoy profit-savings that might have gone to the purse or pocket of a main contractor since direct labour does not involve any contractor in the case of a building project, and as such the required production information and bills of quantities may be simplified. Aghimien et al. (2017) asserted that the Direct Labour method is a cost-effective procurement approach which provides substantial returns on project investments to potential investors. Ojo (2009) asserted that, the Direct Labour method is cost-effective with the elimination of the contractors' profits. Kadiri and Odusami (2003) posited that, the method is devoid of the employment of contractors. The non-involvement of contractors in the execution of projects procured by Direct Labour results in the subsequent elimination of profits and overheads to contractors. Akobi (2012) suggested that, the government's trained and experienced in-house staff should be able to undertake with greater efficiency jobs that uneducated contractors can employ hands to execute and make profit from.

Generation of employment

Direct Labour plays a huge role in terms of maintaining and thereafter improving the satisfaction of staff, hence creating opportunities for self-commitment of the employees to their employers. Direct Labour focuses on its in-house capabilities and faculties and hence getting the available personnel involved in the execution of works. Direct Labour opens the doors to key staff rebuilding since the organisation is able to hold onto the available personnel even after the end of their project commitment, as well as employ new staff members to improve the staff depth of the organisation. Iyagba and Idoro (1995) asserted that in-house professionals, by virtue of Direct Labour procurement, acquire practical experience and exposure which makes them more proficient and confident in their respective fields. Also, the team leader benefits from the loyalty of his or her immediate employees as well as the staff of the organization. This is achieved through recruitment of additional hands to execute projects. Government agencies are service organizations rather than profit making organizations in contrast with private construction firms. Hence, employing more people in Direct Labour projects than contract method which employs few people to save money (Adenuga, 2013). This also helps to improve their livelihoods. Direct Labour could help generate employment in the local community when it is implemented through or combined with labour-intensive work methods.

Reduced legal tussles

Direct Labour procurement allows the local government to execute the projects at its own pace (Akobi, 2012). In situations where funds are not available, there would not be any contractor to sue the government legally for non-payment of any money. This eliminates the occurrence of legal complications resulting in tussles which sometimes take years to resolve, hence delaying the project for a number of years. In addition, there is no contractual disagreement between client and contractor due to fluctuation which is quite common with contracts nowadays (Akobi, 2012). Direct labour also offers clients the ability to address or clarify challenges arising from design errors and apply changes to the design in the course of construction without having to resort to legal tussle, which is usual when dealing with independent contractors and consultants (Akobi, 2012).

Saves time

The Direct Labour method is believed to have some edge over the traditional method, since tendering processes associated with the traditional methods are absent. Delays incurred in inviting tenders or negotiating with contractors is eradicated and the procedures for initiating the execution of works are simplified. Tendering processes take some time from the inception of calling for tenders to the time of award of the contract (Akobi, 2012). Direct labour procurement system eliminates the processes involved in project tendering as there is no need for preparing tenders or negotiating with contractors. It also discourages economic waste on non-capital projects to contractors. According to Akobi (2012), executing projects by Direct Labour saves time and minimizes cases of abandoned projects with their consequent astronomical escalation in contractual claims. Depending on the availability of funds, such projects can be completed with dispatch with value for money. Moreover, Aghimien et al. (2017) stated the importance of timely delivery of public building projects. They further indicated that, the untimely delivery of public building projects has the potential of disrupting the activities of the construction industry, as well as reducing the confidence of clients and other stakeholders in the industry. Procurement delays experienced while using the contracting intervention can be curbed since works were now done in-house (Ministry of

Finance, 2015). This allows for full control of activities of operatives, permitting reasonable flexibility and direct quality control (Ministry of Finance, 2015)

Better quality of work

Direct Labour procurement improves upon the quality of work delivery. It ensures effective communication which translates into better working relations, and the control of quality. Adenuga (2013) asserted that with Direct Labour, 'in-house' professionals gain practical experience and exposure thereby becoming more proficient and confident in their various fields. Adeniji (2011) also indicated that the use of Direct Labour procurement not only realizes savings in time and cost but also ensures a high quality of work.

Challenges Involved in the Use of Direct Labour for Infrastructure Delivery

Over the years, it has been stated that Direct Labour projects are usually ineffectively managed to the extent that it may become more expensive and longer in completion time than when the contract approach is used (Sanni, 2007). Adenuga (2013) postulated that failure to order materials as scheduled, lack of requisite equipment to cope with project demands, poor motivation of workers, inadequate labour force, lackadaisical attitude of workers, among others lead to higher time overruns in Direct Labour projects. Also, projects are sometimes abandoned as a result of inadequate funding since there is usually no contractual obligation (Adenuga 2013). Direct Labour units face an initial problem of recruitment of labour force. Direct Labour is viewed as inefficient as private sector contractors are able to manage personnel and equipment more efficiently, and hence implement works more cheaply (United Nations Capital Development Fund (UNCDF), 2013). Adenuga (2013) also stated that Direct Labour workers may be inadequately incentivized, which consequently affects the quality of projects. According to Lawal (2007), there are some cases of shoddy attitude to work by the unit and the labour force operates at a snail speed since the completion of the work at hand is a necessity but not a compulsory condition for the payment of their monthly salary. The Direct Labour procurement method, according to the UNCDF (2013) is non-transparent and the control of cost is difficult and abused. UNCDF (2013) further indicated that, the misuse of materials, supplies, fuel or major equipment items are very easy to commit and difficult to detect. There are also cases of logistic problems in organizing and controlling the resources necessary to carry out the items of work. Some of the operatives involved normally see it as an opportunity to share in the 'national cake'. Local governments are often unable to effectively manage fleets of expensive equipment which have high lifecycle costs (UNCDF, 2013). Furthermore, local governments in many developing countries have Departments of Works which do not function effectively mainly as a result of absentee staff, inoperable equipment and non-existent operating budgets. Donors who wished to support these departments to deliver works projects were often met with some obligation to reactivate these departments by funding equipment as well as the materials and supplies needed for the job in hand (UNCDF, 2013). There existed no plans for the long-term sustainability of these departments, and hence they were reduced to their former state upon the completion of projects in hand until the next donor arrived. The method could be wasteful due to the high staff strength requirement which leads to high overheads expenses, as well as the promotion of corruption in public infrastructure delivery (UNCDF, 2013). Direct Labour arrangements which are labour intensive are prone to abuse in terms of the misuse of funds. Figure 4 illustrates the eight challenges of Direct Labour.

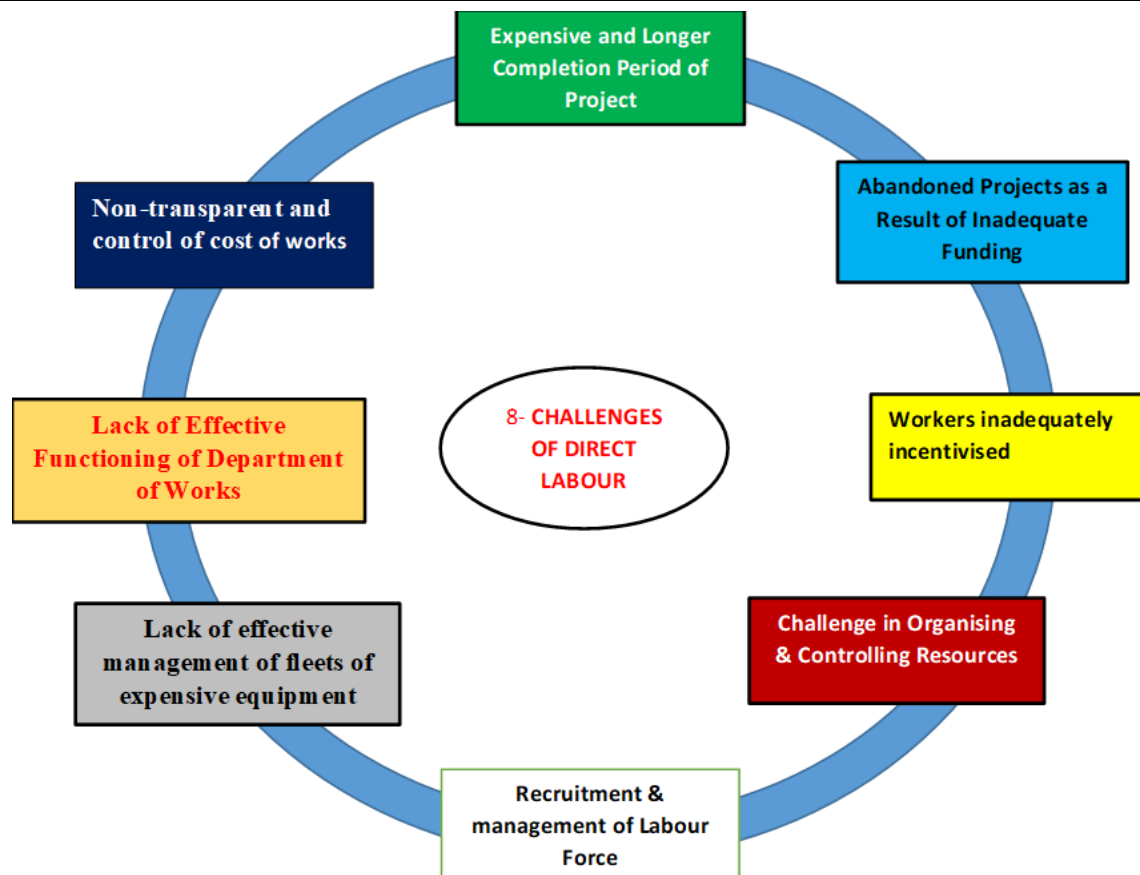


Figure 4: Eight Challenges of Direct Labour System

RESEARCH METHODOLOGY

This research followed a qualitative approach, as it systematically worked to solve the research problem and achieve the research aim. Qualitative research is concerned with subjective assessment of attitudes, opinions and behaviour. Qualitative approach was used because of the need to reveal existing knowledge in a way that could be expressed in the form of answers and so become accessible to interpretation (Flick, 2006). The targeted population was professionals in the Department of Works (DoWs) of the various MMDAs within the Ashanti and Greater Accra Regions. The Greater Accra and Ashanti Regions of Ghana are viewed as the most urbanised, populated, and rapidly growing regions in Ghana, and hence, almost all infrastructure developmental activities are focused in these two regions (Sawe, 2018). The selection of the Greater Accra and Ashanti Regions of Ghana as units of analysis for the study was therefore appropriate, since the DoWs of the MMDAs within these regions are usually engaged with a lot of infrastructure projects and are endowed with construction professionals with enough practical experience in infrastructure delivery. The Departments of Works under the various MMDAs ensure the delivery of infrastructure and other developmental activities within their domain. Interviews were conducted as means to collect the relevant data for the study. The purposive sampling technique was used to select ten (10) professionals to participate in the study. Other studies have shown that between 6 and 12 samples are considered enough for an interview to be properly conducted (Namey, 2017; Francis et al., 2010). The criteria for the selection of these professionals were: possession of high degree of knowledge and understanding of the subject; a minimum of 5 years working experience in a

Department of Works of an MMDA; and willingness to participate in the study. In-depth face to face interviews were organised within a time frame of about 30 minutes for each participant. The interviewees responded to questions in relation to the use of Direct Labour as a procurement route in the delivery of infrastructure within the MMDAs. The participants were taken through a well-focused interview using the semi-structured open-ended questions. This provided participants the opportunity to elaborate more on the subject matter being discussed. Prior to the fixing of interview date, the open-ended questions were sent to all interviewees. To allow for convenience of the interviewees, the interview session took place in the offices of all interviewees. All the interviewees were recorded by means of an audio recorder. The audio recordings were done to ensure the accuracy of notes taken from the field and also to provide more rendition of an interview.

The interview guide was in into two sections. The first section collected some background information of the interviewees, while the second section asked questions regarding Direct Labour as a procurement route. Content analysis was employed to analyze the responses from the interviews conducted. According to Hsieh and Shannon (2005), content analysis is a method for the subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns. Qualitative content analysis goes beyond merely counting words or extracting objective content from texts to examining meaning, themes and patterns that may be manifest or latent in a particular text. It allows researchers to understand interviewees' reality in a subjective but scientific manner. The audio recordings were transcribed by creating a verbatim text of each interview. The interview transcripts were then analyzed by re-reading the transcripts to identify the themes that emerged from the interviewees' answers. The themes were summarized in tables and the number of times it is mentioned by interviewees was tallied. The transcripts were sent to the interviewees for their confirmation. Comments and corrections were then incorporated into the final transcript.

RESULTS AND DISCUSSIONS

This part presents detailed results of the study and discussions of the results. The results include the empirical data obtained from the interviews of the professionals from the Works Department in the Kumasi, Accra and Tema Metropolitan Assemblies in Ghana. The results are structured into two sections. The first section presents some background information on the respondents, and the second section deals with the content analysis of the responses to the questions regarding Direct Labour as a procurement route.

Demography of Respondents

A summary of the demographic information of the respondents is presented in Table 1 including respondents' job position, name of MMDA, educational background and number of years spent in the MMDA. The ten (10) construction professionals interviewed comprised of the following: Four (4) from the Kumasi Metropolitan Assembly, three (3) from the Accra Metropolitan Assembly and three (3) from the Tema Metropolitan Assembly. They all held positions of Works Engineers at the various Metropolitan Assemblies. All interviewees had at least an HND qualification, with the highest being a master's degree qualification. The interviewees had working experience in the Works Department ranging from 5 to 12 years. This is a clear indication that the respondents had enough experience in construction and as such the information obtained from them could be regarded as credible and reliable.

Table 1: Demography of Respondents

No.	Metropolitan	Position	Mode of Interview	Educational Background	MMDA Working Experience
1	Kumasi	Architect	Telephone	Masters	8 years
2	Kumasi	Civil Engineer	Telephone	Masters	12 years
3	Accra	Quantity Surveyor	Telephone	BSc	5 years
4	Accra	Service Engineer	Telephone	BSc	5 years
5	Tema	Metro Engineer	Telephone	BSc	7 years
6	Kumasi	Site Engineer	Telephone	HND	6 years
7	Tema	Architect	Telephone	Masters	8 years
8	Tema	Quantity Surveyor	Telephone	BSc	9 years
9	Kumasi	Project Manager	Telephone	Masters	11 years
10	Accra	Architect	Telephone	Masters	6 years

Method of Procurement Used in the Delivery of Infrastructure at the MMDAs

The interviewees were asked about the methods of procurement that are used at the MMDAs for infrastructure delivery. According to the Public Procurement Act 2003 (Act 663) of Ghana as amended by Public Procurement Amendment Act, 2016 (Act 914), the MMDAs are at liberty to choose any of these procurement methods for the delivery of public infrastructure: Competitive Tendering, Two-Stage Tendering, Restricted Tendering, Single Sourcing, Framework Contracting and Request for Quotation. The interviewees claimed that the method of procurement frequently used by the MMDAs is Competitive Tendering. This is due to the fact that the Public Procurement Act 2003 (Act 663) as Amended in 2016 clearly stipulates its usage for meeting the objectives of public procurement more than the others. Moreover, Section 35 of the Public Procurement Act (2003) as Amended enjoins a procurement entity to procure works, goods, or services by Competitive Tendering except as provided in the Act. Below are some of the responses:

“Competitive tendering where it is advertised in the Daily Graphic and Ghanaian Times for at least two weeks (21 days) is adopted. So, within the said period, interested parties are invited to purchase the tender document after which one of the contractors will be selected according to the procurement rules.” (Interviewee 1)

“Competitive Bidding and Price Quotations bidding are used in the delivery of infrastructure within the MMDAs. Competitive bidding is commonly used and it is guided by the Public Procurement Act 2003 (Act 663), which gives the threshold on the type of procurement approval to be used.” (Interviewee 3)

Method of procurement is that which is employed in acquiring a project (Adenuga, 2013). To achieve value for money, it is important to consider the choice of a procurement option for the delivery of construction projects (Aghimien et al., 2017). The adoption of prudent methods in procuring construction projects within the limited budget of clients is very necessary, especially in developing countries where inadequate projects funding seem to be a major problem (Aghimien et al., 2017).

Use of Direct Labour at the MMDAs

The interviewees were further asked of their perceptions about Direct Labour and the extent of its application as a procurement route within their Metropolitan Assembly, the type of projects that the method can be used on, the benefits of Direct Labour, the challenges in using direct labour and some recommendations on the use of Direct Labour as a procurement route for infrastructure delivery. With regards to the use of Direct Labour, the interviewees indicated it is not used for entirely on new projects inasmuch as there are inherent benefits with its usage. The results indicate that the MMDAs are limited by legislation in its usage, as the Public Procurement Act 2003 (Act 663) as Amended in 2016 does not make provision for the use of Direct Labour. Below are some of the responses:

The use of Direct Labour is not well defined and no direct provision has been given for its application. Direct Labour is when you procure your own materials and you use own labour or outsource the labour to execute the work. This method would have been relevant for the many maintenance works for example when roofs of school buildings rip off.” (Interviewee 3).

“Prior to the enactment of the Public Procurement Act, 2003 (Act 663), Direct Labour was often used for maintenance works. Direct Labour is sometimes used on new projects.” (Interviewee 7)

“The Procurement Act does not state Direct Labour as a procurement route. However, Direct Labour will support the procurement of maintenance works in our Metropolis if the law permits its use. For example, fixing of faulty door locks; problems with electricity; and other service works.” (Interviewee 10)

“For maintenance, we may use craftsmen like the electricians, plumbers so we only procure the materials and the craftsmen do these maintenances at a cheaper and faster manner. All new projects are outsourced by inviting contractors to tender. Our department only prepares the drawing and tender documents for the contractors to tender. We only provide consultancy services. If the procurement laws allow for direct labour to be used for projects where we have competent in-house teams for such projects, then we can actually execute small contracts such as classroom blocks, clinics, water supply, extension of electricity, construction of drains and bridges, labour-based road construction, removal of refused dumps, among others. These are the demands of the people which call for immediate attention. The process of the current procurement methods through tendering for infrastructure delivery is cumbersome, and delays the provision of such services. The works astronomically become expensive and the little resources are spent on few projects.” (Interviewee 5)

The Direct Labour method of procurement is not new in Ghana as it has been used for executing projects within the various MMDAs prior to the enactment of the Public Procurement Act in 2003. This study, however, revealed that Direct Labour is not often used for new projects. The respondents agreed with Akobi (2012) that Direct Labour may be used for executing minor maintenance works such as filling of pot holes on road, repair of broken-down machinery, etc. The use of the Direct Labour method of procurement for routine maintenance and minor rehabilitation works dates back to the pre-independence era. The respondents' views are also in agreement with Adegoke (2011) that Direct Labour is most applicable in projects of a small nature and when 'in-house' staff possess the required capacity.

Benefits derived from Direct Works

The interviewees outlined some of the benefits of Direct Labour as follows:

Elimination of profit to contractors

This is how the interviewees responded:

"With the use of Direct Labour, profits of the contractors are scrapped off since we are no longer using contractors but our in-house construction team." (Interviewee 6)

"Profit and overheads from the contractor are eliminated. You are not making profits from Direct Labour. The bidding process for selecting a contractor is eliminated. Time is saved in the procurement." (Interviewee 5)

This result is consistent with Ojo (2009) who asserted that, the Direct Labour method is cost-effective with the elimination of the contractors' profits. Building owners or clients who employ Direct Labour procurement enjoy profit-savings that might have gone to the purse or pocket of a main contractor since Direct Labour does not involve any contractor in the case of a building project. This draws the interest of potential investors to the use of the Direct Labour procurement method (Aghimien et al., 2017). It can therefore be deduced from this result that the MMDAs would benefit greatly from the cost-effectiveness of the Direct Labour method by employing it for the delivery of their infrastructure, if challenges associated are eliminated. Sanni (2007) however disagreed with this assertion arguing that lack of managerial skills and competency at the MMDAs erode this profit leading to expensive and longer period of completion of projects. MMDAs can therefore enjoy the benefit of elimination of contractor's profit when the managerial competence is improved through training and education.

Ideal for the execution of emergency repairs

This is how the interviewees responded:

"It is ideal for execution of emergency repairs as the labour force is familiar with the location of switches, machines and other similar operational services as well as services that need particular or unusual skills for which employees can be trained." (Interviewee 3)

The interviewees indicated that Direct Labour is beneficial with regards to its idealness for the execution of emergency repairs. This is consistent with Adenuga (2013) who asserted that Direct Labour is suitable for the execution of emergency repairs, as the in-house labour will be familiar with the location of all operational services. Also, Adegoke (2011) noted that Direct Labour is appropriate for emergencies needing prompt attention. He further stated that Direct Labour could be best for executing works which need to be undertaken without disturbing ongoing operations. According to Adenuga (2013), on-going operations under Direct Labour procurement may be stalled when there is inadequate funding. MMDAs must ensure that the funding for emergency response using the Direct Labour procurement route is secured to reap the benefit of being able to respond to emergency situations. Clients are more capable of bearing the risks of unavoidable work interruptions than by contractors. The advantage of Direct Labour in eliminating tendering processes associated with the traditional method also makes it suitable for the execution of emergency works. Emergency works often require immediate action. Tendering process takes some time from the time of calling for tenders to the time of award of the contract (Akobi, 2012). UNCDF (2013) argued that one of the challenges

of direct labour as procurement route is the initial recruitment of labour. For direct labour procurement process to compete in terms of time, the recruitment process for engaging labour must be well planned in advance, awaiting any emergency situation. This therefore makes the use of Direct Labour for the execution of emergency repairs justified.

Challenges in Using Direct Labour at the MMDAs

The interviewees were asked questions on challenges that they encounter in the use of Direct Labour at their respective MMDAs and their responses are presented as follows;

Laborious procurement process

This is how the interviewees responded:

“The procurement processes for procuring the items for the Direct Labour takes time” (Interviewee 2)

Idoro (2012) describe Direct Labour as a method whereby a developer plans and organizes the project delivery process, carries out the design, the planning and procurement of resources and the construction of a project using client employed supervisory staff and labour. One of the interviewees indicated that the procurement process for procuring items is laborious. Direct Labour staff within the MMDAs in the delivery of infrastructure will have to handle or manage and keep track of a lot of complex processes throughout all the phases of the project. This makes the Direct Labour procurement route a very laborious one. Furthermore, it has been stated over the years that Direct Labour projects are usually ineffectively managed to the extent that it may become more expensive and longer in duration than when the contract approach is used (Sanni, 2007).

Material wastage and Lackadaisical attitude of workers

This is how the interviewees responded:

“Cost of material wastage. In using direct labour, you procure your own materials so when there is wastage, it is a disadvantage. However, when the contract is given to a contractor, the risk of material wastage is borne by the contractor. Lackadaisical attitude of craftsmen. Once they feel it is direct labour so they feel they have the luxury of time to do whatever”. (Interviewee 4)

The responses are consistent in applying Direct Labour method with Lawal (2007) who indicated that work operatives may occasionally exhibit shoddy work attitudes and work at snail speed, since the completion of the work at hand is necessary but not a compulsory condition for the payment of their wages. Adenuga (2013) also asserted that, Direct Labour workers sometimes exhibit lackadaisical work attitudes due to the fact that there is usually no standard labour unlike the established construction firms. Usman and Sani (2015) agreed with this challenge by indicating that the lackadaisical attitudes of Direct Labour workers cause project delays which results in higher time overruns. Idoro (2007) asserted that, due to the negative attitude to work of civil service labour among others, many governmental organizations tend to restrict the use of Direct Labour to small jobs and minor maintenance works.

Lack of technical capacity on some construction methods

This is how the interviewees responded:

“There are some jobs that our staff cannot do and, in that sense, you have to bring in external people to help complete that job. For instance, the jobs that require specialists to undertake”. (Interviewee 1)

Idoro and Iyagba (2008) defines Direct Labour as “a method whereby the client design and produces his/her project by himself with the aid of his/her in-house professionals”. The Direct Labour procurement method is often regarded as “in-house” because the staff of the client (in this case the MMDAs), as different from contractor’s staff, carry out the project delivery processes and activities. This finding suggests that Direct Labour staff usually lack technical capacity with regards to some construction methods and therefore, are unable to execute works which require some specialty. This limitation is consistent with Usman and Sani (2015) who indicated that the use of specialist sub-contractors or suppliers cannot be completely ruled out, as they can be engaged to undertake works that the in-house staff cannot complete. Idoro (2007) also identified the huge challenge of lack of expertise for certain construction works in the performance of Direct Labour projects. He maintained that, even well-established and reputable construction companies sometimes lack the required expertise to undertake certain tasks, and therefore would not bid for them. In view of this, the MMDAs are cautioned on the use of Direct Labour for the execution of infrastructural projects. Akobi (2012), in attempt to curtail this challenge, indicated the need for the MMDAs’ in-house professionals to be trained continuously to gain the required practical experience and exposure to improve their technical capacities to deliver projects efficiently.

IMPLICATIONS OF THE FINDINGS

The findings of the study would prove useful for policymaking. Policymakers should relook at the inclusion of the Direct Labour procurement method into the Public Procurement Act 2003 (Act 663) as amended in 2016 as one of the procurement routes, to enable the MMDAs adopt it not only for minor works but for the execution of major infrastructure projects. Based on the findings of this study, the Public Procurement Authority of Ghana should review the Public Procurement Act to accommodate the Direct Labour procurement method. The MMDAs should also be ready to prove a case for the inclusion of the Direct Labour procurement method in the Public Procurement Act by finding solutions to combat the eight (8) challenges identified in the study. The elimination of profits to contractors and the significant reduction in project management costs with the Direct Labour method, should entice private clients to employ the Direct Labour procurement method to execute their private projects. Aghimien et al. (2017) suggested that, the Direct Labour method is a cost-effective procurement approach providing substantial returns on project investments to potential investors. If Direct Labour is properly organized, well controlled and effectively supervised, a lot of benefits can be derived from it. The findings of this study contribute significantly to existing knowledge on Direct Labour as a procurement route and serve as empirical evidence to justify the conclusions and recommendations made. This study also contributes to knowledge by providing original research findings on Direct Labour as a procurement route for infrastructure delivery at the MMDAs.

CONCLUSION AND RECOMMENDATIONS

The purpose of this study was to assess Direct Labour as a procurement route for the delivery of infrastructure within the MMDAs. The study followed the qualitative research approach using in-depth interviews of selected professionals in the Metropolitan Assemblies in Ghana.

Although the study has shown that the use of Direct Labour has many benefits coupled with the fact that, employees at the various Metropolitan Assemblies of the MMDAs are aware of these benefits, the most frequently used procurement method in the MMDAs is Competitive tendering, because the Public Procurement Act 2003 (Act 663) as Amended in 2016 clearly stipulates its usage for public procurement. The Direct Labour procurement system eliminates the processes involved in project tendering and saves time as there is no need for preparing tenders or negotiating with contractors. Profits to contractors are also eliminated as the method does not involve the use of contractors for the delivery of projects, and the method is beneficial for the execution of emergency works. Nevertheless, MMDAs are limited by legislation in the usage of Direct Labour, since the Procurement Act 2003 as Amended in 2016 does not clearly specify its usage on new projects. The study also identified Laborious procurement process, Lackadaisical attitude of workers and Lack of technical capacity on some construction methods as some challenges in the use of Direct labour at the MMDAs.

Based on the findings of the study, it is recommended that the MMDAs, through the Ministry of Local Government and Rural Development, and the Professional Bodies in the construction industry should jointly petition the central government to include Direct Labour as a procurement route in the Public Procurement Act of Ghana. The identified challenge of lack of technical capacity on some construction methods with the use of Direct Labour should be addressed through continuous training for in-house professionals to acquire the required practical experience and exposure to improve their technical capacities to deliver projects efficiently. While the study provided insight into the effectiveness of Direct Labour as a procurement route, it was limited to the Metropolitan Assemblies and might not be applicable to all the Municipal and District Assemblies in Ghana. This underscores the need to expand the studies to all MMDAs and other governmental agencies.

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