

Most contracts go to limited few

While almost 75 percent of contractors are unemployed across the country, there are a few who receive contracts for most of the local construction projects. The problem is -- they undertake more than they can do and fail to complete most of the projects on time.

Many of the unemployed construction entrepreneurs claim that a handful of contractors are receiving most of the contracts because of their access to people in power, and that they leave most of the projects in limbo.

“Around 75 percent construction entrepreneurs across the country do not have any work to do,” said Tej Bahadur Chand, former central president of Federation of Contractors’ Association of Nepal. “There is a group of entrepreneurs who get tenders for most of the construction works, which they share among themselves and keep off other construction companies from the competition.”

“Each district has such group comprising of 10 to 12 contractors,” Chand said, adding, “And the project contract goes to the company they are close to.”

Most of the contractors who do not have access to people in power are left high and dry. Although an advisor of the federation, Chand himself is jobless for 10 years. “You can imagine how other contractors are working in such scenario.” He said that he has been unable to break this ‘syndicate’ so far.

According to Chand, there are around 14,000 construction entrepreneurs in the country while only 3,000 contractors get most of the projects. “In Province 7 there are only 10 to 12 contractors among all districts to get the projects,” he said.

He said that ‘one person one project’ policy should be implemented to break this ‘syndicate’.

According to knowledgeable sources, most construction projects are likely to get completed on time if work could be distributed equally among all contractor companies.

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Prakash Bahadur Sethi, president Contractors' Association of Nepal Kailali, said that funds are often frozen as the work is not completed on time.

There are 450 construction entrepreneurs in Kailali, of which only 25 percent get projects. As the rest cannot compete with big contractors, they are often jobless, he added.

Gajendra Chand, president of Contractors' Association of Nepal Kanchanpur, said that there are 313 construction entrepreneurs in Kanchanpur and there also, only 25 percent have projects at the moment. He said that the government should revise the policies regarding the profession of construction.

Madan Kunwar, president of Contractor's Association of Nepal for Province 7, said that the government has a policy that gives full authority of tender to office chief, and there is no limit on any contractor to receiving the number of contracts.

"The government should bring a policy so that a contractor can get a second project only if they finish 80 percent works of the existing project."

"Threshold system should be implemented to distribute work equally," he added.

"There is a flaw in the Public Procurement Act, which gives full authority of tender to the office chief," he said, adding: "If the contractors have good contact with the office chief, they can get the contract they want," he told Republica. The act favors big entrepreneurs, which affects small entrepreneurs, according to Kunwar.

Source: MyRepublica, 6th June 2018