



THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS AND TRANSPORT
NATIONAL CONSTRUCTION COUNCIL



CONSTRUCTION INDUSTRY STAKEHOLDERS FORUM

Day Two – 16th December 2021

Development of NCC Regulations

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1.0 INTRODUCTION

1.1 Background

The National Construction Council is a Government institution established under Parliamentary Act No. 20 of 1979 revised in 2008 (“National Construction Council Act, CAP 162, RE. 2008”) and became operational in 1981. Its establishment was prompted by the need to have an institution for promoting the development of the construction industry in Tanzania.

For better carrying out of the objectives and functions of the Council, NCC has engaged a consultant to prepare Regulations under the National Construction Council Act, CAP 162 RE 2008.

1.2 ASSIGNMENT IMPLEMENTATION STAGES

The assignment of developing the regulations was carried out as follows:

- ❑ Initial desk study of the NCC Act, CAP 162 and other relevant documents like the Construction Industry Policy 2003 with a view of establishing aspects of the industry that require regulatory guidance under the ambit of NCC
- ❑ Initial consultation with key stakeholders – NCC Staff and the Ministry of Works and Transport staff to brain storm on areas that require regulatory guidance under the ambit of NCC
- ❑ Detailed Study of relevant documents pertaining to the role of NCC in the Tanzanian Construction Industry as well as other documents giving a full snapshot of the Industry in Tanzania and within the East African Region
- ❑ Interviews with various Industry Stakeholders to seek their opinion and views on areas that requires regulatory intervention through NCC.
- ❑ **The Interviews culminated into this Stakeholders’ Workshop in which NCC is presenting initial findings with respect of areas which requires regulatory Intervention.**
- ❑ **After this Workshop**
 - Prepare a Report for submission to the Ministry of Works and Transport to obtain their permission to Initiate the process of preparation of Regulations.
 - Prepare Draft Regulations based on the findings and comments obtained from all the Stakeholders and the Ministry.
 - Present Draft regulations to the industry stakeholders to seek their opinion and views.

- Based on comments obtained from stakeholders, revise draft regulations and prepare final regulations for submission to the Ministry for further action.

1.3 CONSULTED DOCUMENTS

The following Documents were consulted in the process of identifying areas of the Act that needed regulatory interventions:

- (a) National Construction Council Act, CAP 162 of the Laws Principal Legislation Revised Edition of 2008.
- (b) Construction Industry Policy, 2003
- (c) Implementation Action Programme for the Construction Industry Policy, 2006
- (d) the Chama cha Mapinduzi (CCM) Election Manifesto and
- (e) President’s Speech of 13th November 2020 when inaugurating the 12th National Assembly of Tanzania, and
- (f) The Ministry of Works and Transport (Works); Draft Strategic Plan 2021/22 – 2025/26.

2. STAKEHOLDER’S CONSULTATION

2.1 Meeting Staff of the Ministry of Works and Transport

The Consultant between 11th to 15th February 2021 met nine (9) Staff of the Ministry of Works and Transport to solicit their view on the need of formulation of Regulations for the National Construction Council Act, CAP 162 of the Laws Principal Legislation Revised Edition of 2008. The Outcome of the desk study and first round of stakeholders consultation are contained in the Inception Report, which was submitted to the Client and which forms part and parcel of reports prepared for the implementation of this assignment.

2.2 Meeting with the Client

Following the submission of the Inception Report, on 16th March, 2021, a progress meeting was convened by the Client NCC. During the meeting the initial findings were discussed in detail and it was advised that a second round of stakeholder consultation be implemented aiming at a select group of stakeholders with adequate knowledge of NCC and the industry. On 8th April, 2021, NCC provided a list of 20 stakeholders including:

- a) Previous NCC Board Chairpersons;
- b) Previous NCC CEOs;
- c) Heads of Regulatory Boards;

- d) Prominent Individuals; and
- e) Institutional Chairpersons.

2.3 Second Round of Stakeholders Consultation

After receiving the names of the targeted stakeholders, the Consultant prepared a brief questionnaire to help capture the required information. Four questions were posed vis: The need to revise the current act; Priority functions needing Regulations for their operationalization; Other relevant issues needing NCC action but not covered in the Act; and Current NCC activities which would be better carried out by other institutions (**see Appendix 1**). Learning from the first round of stakeholder interviews, we also attached a copy of the NCC Act with each questionnaire to help the interviewees refresh their minds.

2.4 Response from Stakeholders

During the exercise we managed to get response from the following Institutions/Individuals:

- a) Engineers Registration Board
- b) Contractors Registration Board
- c) Architects and Quantity Surveyors Registration Board
- d) Tanzania National Roads Agency
- e) Tanzania Civil Engineering Contractors Association
- f) Tanzania Institute of Quantity Surveyors
- g) Architects Association of Tanzania
- h) Association of Consulting Engineers Tanzania
- i) Association of Citizen Contractors Tanzania
- j) Eng. Dr. Leonard Chamuriho – as a former Chief Executive Officer of NCC
- k) Eng. Joseph Malongo- as a former Registrar of the Contractors Registration Board
- l) Eng. Samwel Msita- as a former Chief Executive Officer of NCC
- m) Eng. Boniface Muhegi – as a former staff of NCC and Registrar of the Contractors Registration Board.
- n) Eng. Prof. Awadhi Mawenya- as a former Board Chairman of NCC
- o) Eng. Dr. Kumbwaeli Salewi – as a construction industry expert.

The response was about 75%, and for the purpose of this exercise it was quite good. Summary of some of the Responses from the Stakeholders is attached as **Appendix 2**.

2.5 General Comments

The Consultants had an opportunity to talk face to face with most of the individuals and some of them put in writing their general ideas on the future institutional setup of the regulatory framework. The common position was that there was a need to harmonise the setup and have a single institution dealing with matters of the industry.

2.6 Need to Review the Current Act

Five respondents answered yes to this question without giving details of their expectations. However, some respondents including were optimistic that with the current Act, if focused Regulations can be provided to operationalise Sec. 4 (a) and 5 (2) of the NCC Act, it is possible to implement most of the requirements of the CIP.

2.7 Functions which need Regulations for Effective Operation

Most of the respondents singled out function 4(a) – ***[Promote and provide strategic leadership for the growth, development and expansion of the construction industry in Tanzania with emphasis on the development of the local capacity for socio-economic development and competitiveness in the changing global environment]*** as the key function which needed proper regulations. Other functions include

- a) 4(b)- Advise the government on all matters relating to the development of the construction industry and to formulate proposals and recommendations for their implementation;
- b) 4(g)- Promote and Monitor the development and implementation of standards, regulations and codes of practices on all matters related to the construction industry;
- c) 4(i) – promote and establish forums for enhancing industry wide cor-ordination, collaboration and discussion on matters related to the construction industry;
- d) 4(j)- benchmark, monitor and evaluate the performance of the construction industry;
- e) 4(k) – solicit and manage the fund for training personnel in the construction industry;
- f) 4(l) – promote quality management including provision of technical auditing services in the construction industry; and
- g) 4(o) - facilitate efficient resolution of disputes in the construction industry.

2.8 Other Industry Related Activities which NCC Should Do.

Stakeholders who responded to this question had two issues:

- a) Ensuring local participation in strategic projects (local content)
- b) Providing mandatory audit of mega projects.

2.9 Things NCC should not do.

Most stakeholders were of the opinion that NCC should avoid doing what is already being done by other institutions including:

- a) Project registration
- b) Training (NCC should monitor the quality of training being offered by relevant institutions)
- c) Registration of Contractors and Professionals
- d) Research (this is being done by COSTECH)
- e) Environmental and health issues (these are under NEMC and OSHA)

3.0 PROPOSED AREAS FOR FORMULATION OF REGULATIONS

Based on the comments received from the stakeholders, the Consultant is proposing that NCC's Regulations should fall under FIVE thematic areas A, B, C, D and E shown below. For each thematic area, the necessary information to be included as shown below were proposed:

A. COORDINATION OF THE CONSTRUCTION INDUSTRY

- a. The need for Coordination – stemming from the Provisions of NCC Act.

Section 5(2) of NCC Act requires NCC to be a focal point for sector Coordination of all the institutions engaged in the construction industry for the purpose of ensuring consolidation, harmonization and competitive performance of the Industry

Section 4(d) of NCC Act requires NCC to promote and establish forums for enhancing industry wide coordination, collaboration and discussion on matters related to the construction industry

-See attached **Figures 1 and 2** on current state of the industry and how it is supposed to be coordinated with NCC as an Coordination Organisation.

The CIP further states that 'the current institutional arrangement in the construction industry is fragmented and characterised by overlapping functions. There is no effective collaboration among the promotional and regulatory bodies and some of their functions do overlap. As a result, the CIP policy directions seek to 'ensure an appropriate organizational framework, upon which the roles and responsibilities of all institutions supporting the development and performance of the construction industry are clearly defined and their activities are effectively coordinated and implemented'.

The CIP also provided for the NCC to 'coordinate and promote the implementation of the CIP aimed at ensuring that the actions by various actors are consistent with the requirements of the policy.

b. How Can Coordination of the Industry be brought About;

The recommended way forward for effective implementation of the CIP in the IAP-CIP is as follows:

- *All stakeholders responsible in the implementation of CIP shall play their respective roles as indicated in the IAP*
- *Activities required to be carried out for each action/strategy should be identified by the main actors respectively and incorporated in their action plan*
- *A Steering Committee to be formed for monitoring the implementation of the policy as per the IAP.*

The Steering Committee composition is as follows:

- *Chairman – Permanent Secretary (PS) of the Ministry of Infrastructure Development (MOID)*
- *Secretariat – National Construction Council (NCC)*
- *Steering Committee Members (14, comprising of government ministries, agencies, registration boards, trade associations, and training institutions)*

The responsibility of the Steering Committee is to:

- *Meet on quarterly basis to review the progress made on the implementation of CIP*
 - *Organize and conduct half-yearly and annual workshops for all stakeholders to review and evaluate progress reports*
 - *Report annually to the Construction Industry Forums (CIF) on the performance of the implementation of the CIP.*
- ii. *Establishment of thematic working groups (Business Development; Manpower Development; Technology Development)*
 - iii. *Establishment of a Joint Construction Stakeholders' Forum*

- c. What should NCC do to bring about Coordination;
 - i. Establish a data bank of all actors/stakeholders of the industry and Set up communication system(s) with all/each stakeholders;
 - ii. Call on information/reports from the key actors of the industry
 - iii. Conduct studies on challenges affecting effective collaboration amongst stakeholders and propose way forward
 - iv. Establish industry wide forums to bring together the stakeholders to deliberate on matters affecting the CI;
 - 1. Construction Week – *Presentation of Annual Construction Performance Evaluation Report, Recognition of best performers.*;
 - 2. Roundtable Discussions
 - 3. Electronic forums/platforms
 - 4. International and Regional Forums
 - v. Be secretariat to the Inter-Ministerial Steering committee for the Construction Industry.
 - vi. Establish and manage the operation of thematic working groups to be formed on need basis for specific assignments and formulate proposals/advise for submission to the Government.
 - vii. Coordinate the preparation of the Annual Construction Industry Performance Report.
- d. What should Stakeholders do to bring about coordination
 - i. Supply information/reports as requested by the NCC;
 - ii. Participate in studies carried out by NCC for the purpose of ensuring effective coordination of the industry
 - iii. Participate in industry wide forums/meetings organized by the NCC.
 - iv. The industry stakeholders with explicit roles with respect to implementation of the Construction Industry Policy (CIP) should ensure that their objectives and plans are in line with the CIP.
 - v. Support NCC through participation in the thematic working groups

- vi. Prepare Annual Performance reports for submission to NCC for consolidation into an Annual Construction Industry Performance Report.
- e. What are the sanctions for failure to comply with requirements to ensure coordination?

B. CONSTRUCTION INDUSTRY INFORMATION CENTRE

- a. The need for construction industry information centre – stemming from the Provisions of NCC Act.

Section 4(f) compile and maintain a list of projects and promote the documentation and dissemination of information related to the construction industry.

- b. What are the pre-requisites of a construction industry information centre;
 - i. Legal mandate for collecting data and information
 - ii. Establishment of a data bank

Need to have various information needed by construction industry stakeholders

- iii. The uses of the building materials prices are:
 - 1. To record the movement of building materials cost
 - 2. To serve as a guide for estimating
 - 3. To be used in establishing building material cost indices
- iv. The uses of labour wage rates are:
 - 1. To record the movement of building labours cost
 - 2. To be used in establishing building labour cost indices
 - 3. To provide as a guide for the basis of price negotiation on the labour wage rates between the project owners and the main contractors, and between the main contractors and their subcontractors
- v. The uses of Machinery Hire Rates and Equipment Purchase Price are:
 - 1. To record the movement of building machinery hire rate & equipment cost
 - 2. To serve as a guide for estimating

3. To be used in establishing building machinery and equipment cost indices
- vi. Building Materials Cost Index is to measure changes in the cost of an item or group of items from one point in time to another. There are number of uses to which these indices are applicable in the construction industry, among others are as follows:
 1. Updating elemental cost analysis
 2. Calculation for price fluctuations
 3. Identification of changes in Cost relationships
 4. Extrapolation of existing trends
 5. Assessment of economics market conditions
 6. Updating for research
 - vii. Building Labour Cost Index is an index number that measures the average wage rate changes of categorized building trade labor in comparison to a reference month. Amongst primary applications of BLCI are:
 1. To adjust wage rate variation in building trade labor according to the progress of works by building category involved for compensation or reimbursement in building construction contract.
 2. As reference or yardstick to the fluctuation trend of building labour wage rate for building contractors to calculate their risks in tender pricing.
 3. A reference to adjust previous cost estimate on building labor to current cost in regards to abandoned or deferred building projects
 4. As a tool of reference to make judgment based on increased property prices
 5. To gauge a reasonable property price increase/escalation in relation to variation in major building labor cost
 - viii. Building Machinery & Equipment Cost Index is an index number that measures the average rate of machinery rental rate and equipment price changes of categorized building machinery and equipment in comparison with that of the reference month. Amongst primary applications of BMECI are:
 1. For adjusting machinery and equipment cost variation in building machinery and equipment according to the progress

- of works by building category involved for compensation or reimbursement in building construction contract
 - 2. As reference or yardstick to the building contractors as to the up and down trend of building machinery and equipment cost in positioning their risks in tender pricing.
 - 3. As a judgment tool as to the reasons of increased property prices
- ix. Building cost index is an index number that measures the average rate of input construction cost changes of categorized building in comparison with that of the reference month. Amongst primary applications of BCI are:
- 1. In calculating the adjustment of variation of price in building cost during construction for compensation of price movement
 - 2. As reference or yardstick to the building contractors as to the up and down trend of building cost in positioning their risks in tender pricing.
 - 3. As a judgment tool as to the reasons of increased property prices
 - 4. In estimating current cost for abandoned or deferred building project by using indices in adjusting previous cost estimate
 - 5. To gauge the reasonable property price increase/escalation in relation to variation in major building material prices/labour prices
- x. Tender Price Index measures the trend of contractors' pricing levels in accepted tenders at commit to construct, i.e. cost to client in the previous quarter (mid-quarter to mid-quarter).
- 1. The aim of tender price indexing is to establish a comparison between the level of pricing in a tender and a standard price base. Project Indices are normalized for location, size and procurement.
 - 2. The index is based on the rates in contract Bills of Quantities for building projects for which competitive tenders have been received, but excluding civil engineering projects, mechanical and electrical work, works or projects where the value of External Works is greater than 50% of the tender.

- c. What is NCC's role in establishing the Construction Industry Information Centre and providing relevant information to the industry stakeholders;
- i. NCC to establish an electronic construction industry information centre (CIIC) , whose main objective shall be to provide construction cost information with respect to the following:
 1. Tender Prices Indices based on the rates in contract Bills of Quantities for construction projects for which competitive tenders have been received;
 2. Construction materials price, labour wage rate, machinery hire rate & equipment purchase;
 3. Cost indices pertaining to Construction materials, labour, machineries & equipment;
 4. Construction costs indices for major construction works categories; and
 5. Construction labour productivity on selected trades in construction works including labour unit rates (cost data collection is under development).
 - ii. The CIIC shall also provide keep data and information with respect to
 1. Size and Distribution of Engineering Consulting Firms, Architects and Quantity Surveying Firms and Contractors operating within the Country;
 2. Suppliers of materials, equipment and components
 3. Planned Construction Projects in the private and public sector;
 4. Depository of CI Research Papers/Results.
 5. Implemented Projects in the Private and Public Sector; and
 6. Nature and distribution of Informal Construction Actors.
 - iii. Setting up a mechanism (Guidelines) for data/information collection from PEs, Material manufacturers/suppliers, equipment suppliers/hire firms, and Sector Regulatory bodies.
 1. Obtain from ERB data on the size and distribution of Engineering Consulting Firms operating within the industry and Data on implemented projects in the private sector based on kept Register of Projects;

2. Obtain from AQRB data on the size and distribution of Architectural and Quantity Surveying Firms operating within the industry and Data on implemented projects in the private sector based on kept Register of Projects;
 3. Obtain from CRB data on the size and distribution of Contractors operating within the industry and Data on implemented projects in the private sector based on kept Register of Projects.
 4. Obtain from LGAs information on approved building permits – showing the nature of the building and the client (private or public).
- iv. NCC to request from PEs information on tender prices for all construction projects (extracted from submitted tenders) for compilation of tender prices indices;
 - v. NCC to request from Manufacturers/suppliers of selected construction materials prices of the selected construction materials in the agreed manner (format and intervals).
 - vi. NCC to request from PEs a copy of procurement plan for all tenders for construction works, and related consultancy services
 - vii. NCC to request from PEs a copy of contract award disclosure form [PPRA's Form No. 2/2014] for all awarded construction contracts, and related consultancy services.
 - viii. NCC to request from PEs a copy of contract completion information disclosure form [PPRA's Form No. 4/2014] for all completed construction contracts, and related consultancy services. Maintain and update key information required by the industry.
 - ix. NCC shall obtain information on Informal sector actors with respect to their nature and distribution.
- d. What is the role of stakeholders in providing information/ data required for the Construction Industry Information Centre;
- i. Keep information in the agreed format for submission to the CI Information Centre;
 - ii. PEs to offer information on tender prices for all construction projects (extracted from submitted tenders) to NCC for compilation of tender prices indices;

- iii. Manufacturers/suppliers of selected construction materials to submit to NCC prices of the selected construction materials in the agreed manner (format and intervals).
 - iv. PEs to submit a copy of procurement plan for all tenders for construction works, and related consultancy services
 - v. PEs to submit a copy of contract award disclosure form [PPRA's Form No. 2/2014] for all awarded construction contracts, and related consultancy services.
 - vi. PEs to submit a copy of contract completion information disclosure form [PPRA's Form No. 4/2014] for all completed construction contracts, and related consultancy services.
 - vii. ERB to provide data on the size and distribution of Engineering Consulting Firms operating within the industry + Data on implemented projects in the private sector based on kept Register of Projects;
 - viii. AQRB to provide data on the size and distribution of Architectural and Quantity Surveying Firms operating within the industry + Data on implemented projects in the private sector based on kept Register of Projects;
 - ix. CRB to provide data on the size and distribution of Contractors operating within the industry + Data on implemented projects in the private sector based on kept Register of Projects
 - x. LGAs to provide information on approved building permits – showing the nature of the building and the client (private or public).
 - xi. PEs to use information shared on CIIC for planning and costing of construction projects, and benchmarking of construction costs.
- e. What are the sanctions for failure to comply with requirements to provide information/data?

C. DEVELOPMENT OF THE CONSTRUCTION INDUSTRY

a. The need for development of the Industry– stemming from the Provisions of NCC Act.

NCC is required to provide and promote strategic leadership for the growth, development and expansion of the construction industry in Tanzania with emphasis on the development of local capacity for socio-economic development and competitiveness in the changing global environment – Section 4(a).

b. How Can the development of the Industry be brought About;

- i. Self Sufficiency of Contractors, Consultants, Equipment and materials suppliers, and skilled workforce to undertake all major construction projects in the country.
- ii. Minimized importation of Construction Inputs/ Services, and promoting exportation for the same.
- iii. Affirmative Action to local players as contained in various laws, and in particular the Public Procurement Act and Its Regulations.
- iv. Setting aside/using ongoing projects for tailor made capacity building/mentoring initiatives.
- v. Transfer of knowledge to local players.
- vi. Establishing sustainable funding mechanisms for local actors

c. What should NCC do to develop the Industry;

- i). NCC in association with PEs ensure that preference scheme in favour of construction industry practitioners is adhered to and properly implemented;
- ii). NCC in collaboration with PEs ensure that projects are set aside for the purpose of capacity building;
- iii). NCC in collaboration with PPRA should set guidelines to be used by PEs for determining minimum qualification criteria for contractors and consultants when tendering the works;
- iv). NCC in collaboration with Regulatory Bodies in the CI set the development agenda for industry.
- v). NCC in collaboration with other stakeholders to find a permanent solution to the Industry Bridging Finance needs.

- vi). NCC to promote skills development in the Construction industry:
 - a. Involvement in preparation of Training Institution's curriculum for construction industry related programs (be mandatory for training institutions to seek input of NCC)
 - b. Carry out construction's skills gap analysis and advise the Government on how to cover the gaps;
 - c. Work with industry stakeholders to prepare a coordinated CI professional development plan;
 - d. Funding for Skills development
- vii). Promotion of export of Goods and CI Services:
 - a. Keep a data bank of construction materials suppliers and service providers and publicise it to regional and international markets;
 - b. Working with Tanzanian Embassies abroad and other stakeholders identify and disseminate information about opportunities in foreign markets;
 - c. Use Construction Week to promote exports of CI goods and services
- viii). Establish performance indicators for monitoring industry development
- ix). NCC in collaboration with Industry Stakeholders set a research agenda for the industry, and ensure its implementation.
 - a. Identify sources of funds to fund research;
 - b. Establish forum for dissemination construction industry research results
- x). Oversee the Development of Appropriate Standards & Codes of Practice for the CI
 - a. Identification of Standards, Regulations and Codes of Practice required by the CI but not yet developed;
 - b. Follow-up on the implementation of Standards, Regulations and Codes of Practice, and advice on appropriate measures to be taken.
- xi). To promote the adaptation and adoption of innovative technologies in the industry.

- d. What should Stakeholders do to develop the Industry
 - i. PEs should be motivated to implement all affirmative industry policies.
 - ii. PEs to adopt developed guidelines for fixing minimum qualification criteria for participation of local firms in tendering for works
 - iii. Relevant Ministry to give incentives for private sector to invest in the production of key construction materials in the country.
 - iv. Stakeholders to find a permanent solution to the Industry Bridging Finance needs.
 - v. Support NCC by contributing to training initiatives
 - vi. PEs should ensure that preference scheme in favour of construction industry practitioners is adhered to and properly implemented;
 - vii. PEs in consultation with NCC should ensure that projects are set aside for the purpose of capacity building;
 - viii. PEs should use criteria prepared by NCC in collaboration with PPRA for determining minimum qualification for contractors and consultants when tendering the works;
 - ix. Researchers on matters related with the CI to be guided by the research agenda for the industry prepared by NCC in consultation with other stakeholder.
- e. What are the sanctions for failure to comply with requirements to ensure development of the Industry

D. BENCHMARKING AND MONITORING THE OF PERFORMANCE OF THE CONSTRUCTION INDUSTRY

- a. The need for benchmarking and monitoring of the Industry– stemming from Sec. 4 (j) of NCC Act.

Section 4(j) – Benchmark, monitor and evaluate performance of the Construction Industry.
- b. How can the benchmarking and monitoring of the industry be brought About;

NCC in collaboration with CI Stakeholders to agree on indicators for measuring performance of the industry

- c. What should NCC do to benchmark and monitor the Industry;
 - i. NCC in collaboration with CI Stakeholders to formulate indicators for measuring performance of the industry
 - ii. NCC through the facilitation of respective stakeholders to prepare, publish and disseminate Annual Construction Industry Performance Report;
 - iii. NCC in collaboration with other stakeholders to establish a system of recognition and rewarding best performers in various categories. – One of the major aspects of the Construction Week should be to recognize best performers.
 - iv. NCC to be facilitated to conduct quality audits at any stage of project implementation.
 - v. Establish working group to monitor quality and productivity
 - vi. Establish working group to monitor costs
- d. What is the expected role of stakeholders in benchmarking and monitoring?
 - i. Cooperate in providing data and information
- e. What are the sanctions for failure to comply with requirements of benchmarking and monitoring of the industry?

E: DISPUTE RESOLUTION FOR THE INDUSTRY

- a. The need for setting a dispute resolution mechanism for the construction industry – stemming from Sec. 4 (o) of NCC Act.

Section 4(o) – Facilitate efficient resolution of disputes in the construction industry.
- b) How efficient resolution of disputes in the construction industry be brought about

NCC in collaboration with CI Stakeholders develop an efficient system of handling disputes
- b. What should NCC do to Facilitate efficient resolution of disputes in the construction industry;
 - i. NCC to prepare and issue guidelines on alternative dispute resolution mechanism;
 - ii. NCC to co-ordinate adjudication and arbitration process in the construction industry;

- iii. NCC to prepare rules and guidelines on dispute resolution mechanisms in the industry;
 - iv. NCC to offer training on alternative dispute resolution methods to the industry stakeholders.
 - v. NCC to keep records of all disputes handled in the construction industry.
 - vi. NCC to maintain a list of approved adjudicators and arbitrators with their up to date biodata.
- c. What is the expected role of stakeholders in Facilitating efficient resolution of disputes in the construction industry
- i. Providing data and information on disputes handled;
 - ii. Use approved adjudicators and arbitrators in the NCC's list
 - iii. Comply with rules and guidelines prepared by NCC in handling disputes

4.0 CONCLUSION AND WAY FORWARD

Section 3 above presents identified areas that requires regulatory intervention based on initial stakeholders consultation. This meeting seeks to validate the information presented and solicit further views and opinions on areas that requires regulatory intervention under the NCC Act Cap 162, RE 2008

YOUR VIEWS AND COMMENTS WILL BE HIGHLY APPRECIATED..

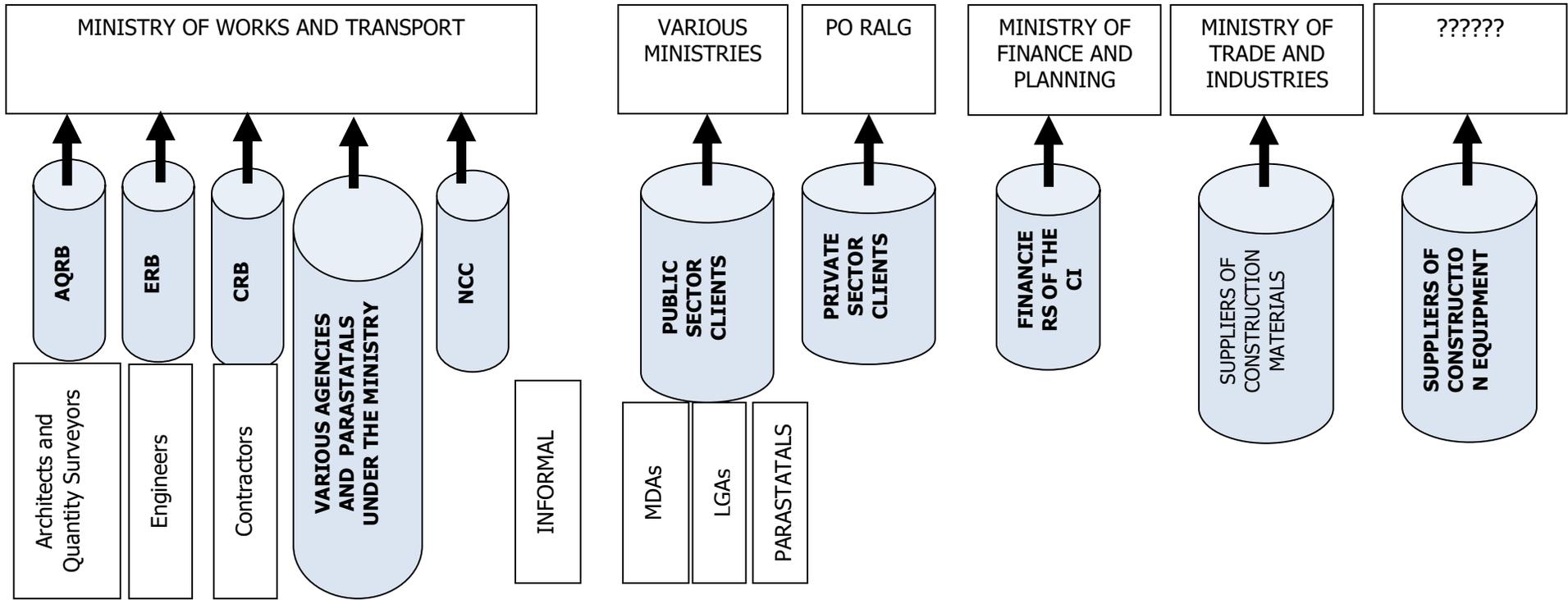


Figure 1 Current Structure of the Construction Industry - Uncoordinated

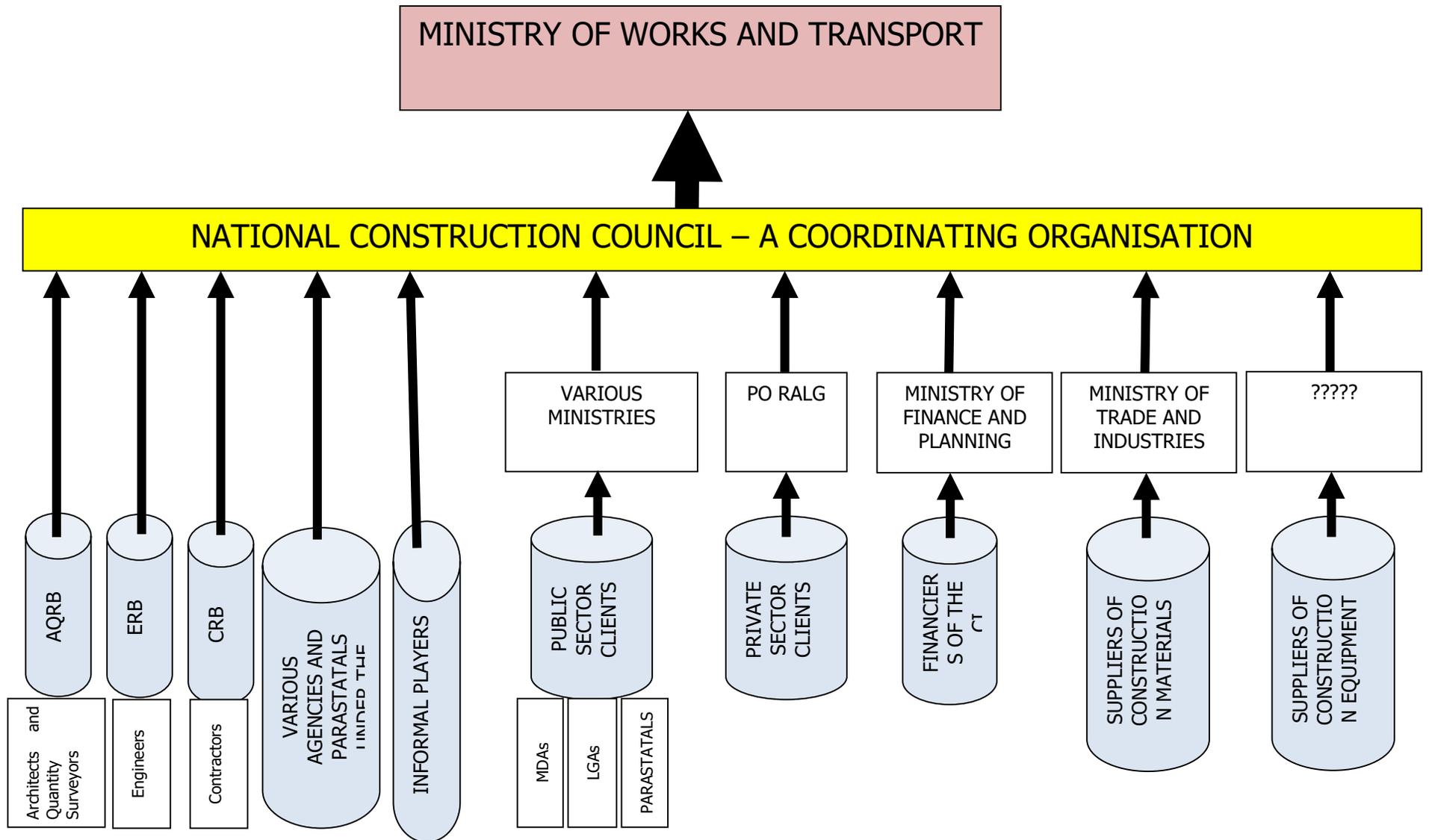


Figure 2: Desired Structure of the Industry as per Construction Industry Policy

**APPENDIX I – QUESTIONNAIRE TO CONSTRUCTION INDUSTRY
STAKEHOLDERS**

**PREPARATION OF REGULATIONS FOR THE NATIONAL CONSTRUCTION
COUNCIL ACT - REVISED EDITION 2008**

STAKEHOLDER’S VIEWS

The National Construction Council (NCC) is preparing Regulations to enable it to carry out its objectives and functions as provided under the National Construction Council Act CAP 162, RE 2008. You being one of the Construction Industry stakeholders with knowledge on the Construction Industry Policy (CIP) and the role of NCC, are kindly requested to answer a few questions in support of the process. To help refresh your mind we have attached a copy of the statutory functions of NCC.

1. The goal of the construction industry policy is to improve the quality and productivity of Tanzanian construction industry with greater participation by Tanzanian service providers. The CIP Implementation Strategy singles out NCC as the coordination institution and secretariat of the inter-Ministerial Steering Committee. Do you think that we need to review the NCC Act to accommodate this role?
.....

2. Which of the functions of NCC would you like see Regulations being put in place to better facilitate their implementation?
.....
.....
.....

3. Is there an any other activity not covered in the functions you would like to see NCC implementing?
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4. Which of the functions do you think are already being implemented by other institutions and therefore no need for NCC to continue implementing them?
.....
.....

APPENDIX 2 – RESPONSE OF CONSTRUCTION INDUSTRY STAKEHOLDERS ON THE SURVEY CARRIED OUT

Issue	Association of Citizens Tanzania (ACCT)	Tanzania Civil Engineering Contractors Association (TACECA)	Tanzania Institute of Quantity Surveyors (TIQS)
1	YES	YES, NCC should be vested with power and authority to verify, approve and, where necessary certify outputs of the industry, including but not limited to training, standards, technical processes, etc. NCC should in particular have authority to audit the functions and activities of the boards (CRB, ERB, AQRB, etc.) and be the certifying authority for training offered by the boards. This will provide the boards with checks and balances for their activities and regular monitoring of their functions.	NO
2	Development of local capacity. The Boards are not doing enough.	<ul style="list-style-type: none"> a) Provide and promote strategic leadership. b) Promote and coordinate quality training c) Promote and monitor the development and implementation of standards, 	<ul style="list-style-type: none"> a) Advise the government on all matters relating to the development of the construction industry and to formulate proposals and recommendations for their implementation; b) Promote quality management including provision of technical auditing services in the construction industry; c) Promote environmentally sustainable construction practices including health and safety aspects;

Issue	Association of Citizens Tanzania (ACCT)	Tanzania Civil Engineering Contractors Association (TACECA)	Tanzania Institute of Quantity Surveyors (TIQS)
3	Ensuring local participation in strategic projects	<p>a) Quality audit, certification and monitoring of projects and structures to ensure they are constructed as intended, provide the intended services for the intended lifespan. (E.g. roads intended to provide 15 years lifespan may not live up to this expectation.) This should be a mandatory function, not ad hoc and not on request.</p> <p>b) Design and monitoring implementation of local content in the construction industry</p>	Development of Building Code for Tanzania
4.	Project registration should be left with the Boards.	<p>a) Some training activities, especially training specific to the boards such as apprenticeships, PDUs, contractor training, etc. provided NCC shall provide certification and undertake quality monitoring.</p> <p>b) Registration of Contractors, Engineers, Architects, Quantity Surveyors, etc.</p>	NO

APPENDIX 2 – RESPONSE OF CONSTRUCTION INDUSTRY STAKEHOLDERS ON THE SURVEY CARRIED OUT

Issue	Engineers Registration Board (ERB)	Architects and Quantity Surveyors Registration Board (AQRB)	Contractors Registration Board (CRB)
1.	The Goal is not clear and cannot be achieved.	To optimize benefit of the ongoing and future large scale construction projects.	I do not think so because coordination is not measurable and does not show any responsibility. The same can be done by NCC through sector Ministry.
2.	a) Arbitration b) Price index of construction materials c) Guidance on labour contracts d) Research of construction technology e) Publication of technical guidelines f) Advice on large construction projects g) Training of experts – Engineers, Technicians on construction issues.	a) Local content JV with Foreigners b) Labour based technology c) Women participation in construction projects	(a) Promote and provide strategic leadership for the growth, development and expansion of the construction industry in Tanzania with emphasis on the development of the local capacity for socio-economic development and competitiveness in the changing global environment; (b) Promote and monitor the development and implementation of standards, regulations and codes of practices on all matters related to the construction industry; (c) Solicit and manage the fund for training of personnel in the construction industry; d) Promote quality management including provision of technical auditing services in the construction industry;
3.	a) Audit of mega projects in association with CAG and Audit Agency b) Projects registration	To improve mandate, technical, financial & technological capacity	Deal with dispute resolution in the Construction Industry.
4.	a) Registration of Contractors and Consultants b) Development of Contractors and Consultants	No comment	NCC should amend attached general powers Sec. 5 (2) to coordinate the institutions because it is not practical. The role of decentralization is to efficiently and effectively serve stakeholders in the construction industry. Why coordinate institutions? What is expected to be achieved by doing so. Give clear and unique functions to the institution (NCC) that is not done by any other institution.

APPENDIX 2 – RESPONSE OF CONSTRUCTION INDUSTRY STAKEHOLDERS ON THE SURVEY CARRIED OUT

Issue	Eng. MUHEGI	Eng. MSITA	TANROADS	ACET
1	YES	YES	YES	This role should be accommodated in the NCC Act. In addition CIP should ensure knowledge and technology transfer is done to local professionals and contractors through a deliberate mechanism of including clauses of local content in large construction projects with complex activities such as Salendar Bridge project.
2	(a) Benchmark, monitor and evaluate the performance of the construction industry; (b) Promote quality management including provision of technical auditing services in the construction industry; c) Facilitate efficient resolution of disputes in the construction industry.	Coordination	(a) Training of persons and firms (b) Develop new approach of training eg. Compelling international contractors to train as part of their scope of works (needs change in PPA) (c) Evaluate performance of the trainees so that the qualified ones are given assurance of subsequent contracts. (d) Coordinate mobilization of funds for training.	...(a) Coordinate collection of research funds and issue of research grants for specific construction related research for improving productivity, technology, materials ect.
3	NIL	Yes, NCC and Registration Boards in the construction industry should be one institution such as Construction Industry	Advise the Government to set aside funds dedicated for qualified local firms to ensure their business continuity hence growth.	NCC should conduct more quality audits of construction projects and provide information on what went wrong if quality was not achieved. In

Issue	Eng. MUHEGI	Eng. MSITA	TANROADS	ACET
		Development Board.		addition to providing best
4	Function 4(e) is partly done by COSTECH; Function 4(f) Regulatory Boards are performing this function; Function 4(m) is done by NEMC and OSHA	NONE	To promote and monitor the development and implementation of standards, regulations and codes of practices on all matters related to the construction industry.	(a) Standards and Codes are already covered by TBS – NCC can only enforce their use although it has no regal capacity to do so without having labs etc. (b) COSTECH is involved in innovation for scientific areas, NCC should indicate what innovation in construction industry it will support and deal with.