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IMPACT OF PROJECT MARKUP ON COMMUNITY LOCAL CONTENT UTILIZATION IN NIGERIA

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Abstract;
Most time companies experience project overrun due upfront spending of markups. This paper examined the impact of project markups on local content (employment of community youths as causals) during project executions in Nigeria. The study was conducted in three local governments of Rivers State, khana, Etche and Oyigbo local government areas of Rivers State. The challenge was numerous cases of project failures and abandonment, youth restiveness in communities during project implementation and substandard/ poor project finishing. The paper anchored on "Construction Management Theory". Well-structured questionnaires, published journal articles were used in the collection of data. Analysis of data was done using central tendency descriptive statistics. Findings revealed that upfront utilization of project markup results is not as a result of inaccurate estimation, unreliability and lack of credibility of construction companies rather due to kickbacks collected by project supervisors, government officials, community representatives and community youth leaders or community liaising officers (CLO) the paper recommended that community representatives and their CLOs should work with companies to ensure successful completion of infrastructural projects in their communities. During project estimation, cost of employing community youths as local contents should be separated from retention and markup costs.

Keywords: Economic Analysis, Development, Project, implementation, Local content, Utilization, Nigeria.

Introduction

Project implementation is the hallmark of every government programme to emancipate the people from lower living standard and uplift their educational and health status. Implementation of any project must have approaches and strategies if it must be successfully delivered to the people. It is pertinent to realize the categories of development projects as to know its implication on the people. Categorizing development projects (Ojo, Adeyemi&Ikpo, 2000) pointed out that very rural development project must fall in either categories; "sectoral, area development, integrated growth canter and community-driven approaches. Whichever, all point towards uplifting the living standard of inhabitants of the locality. Any project that fails to touch on the lives of the people does not worth the cost. It must target agriculture, economy, environment or the population (Abdulaziz, 2015).

However, the financial implication of any project must be commensurate with cost. According to (Alinaitwe, Apolot & Tindiwensi, 2013), key issues in the development of any project mostly rural based projects, must fall within certain key issues not limited to human resource development, productive base, desert, drought, infrastructure, poverty alleviation and land reform. Where a project fails to touch on any of the mentioned then it has no deliverable impact on the people. There is no possibility of a project not toughing positively or negatively on the people.

In any project budgeting, cost implication is a vital aspect. There must be a projected budget to cover the execution of specified job. This is never devoid of profit of the contractor in which a certain amount or percentage is added to cover or offset expenditure that may be countered during project execution. There is retention and markup. It is usually between 20 and 25 per cent of the project cost. It is the additional figure to project cost which determines the total cost of the project also known as the profit margin of the project (Ibbs, Kwak, & Odabasi, 2003). Differently, retention in project costing explains the certain amount greed to be withheld by the vendor to be paid upon completion of the project. The implication is that the project must be executed according to specifications. In the event of the contractor not meeting the specification stated in the project template, the retention amount could be used to carry out minor completion or finishing of the project. Pertinent fact about retention amount is that it does not fall into the real cost of the project. Therefore, the project is assessed according to the milestone covered (in percentages) to determine how much spent at each stage. The additions of both retention and markup amounts are beneficial the contractors.

Statement of Problem

Development has been taken to another level with presence of government infrastructural projects cut across provision of water boreholes, electricity, road networks, town halls, health centres, model schools skill acquisition centres and others. Government has gone further by providing bursary scheme to indigent students and small scale credit schemes and farming schemes to boost agricultural productivity. To this end, development projects are considered as essential focus of taking development to another level.

In the face of increasing and adding value to life, construction firms are booming and smiling with development projects with high value. Communities are developed on regular basis with flyover projects. These construction firms utilize our youths as casuals to assist companies. However, there has been drastic reduction of such opportunities to community youths by construction companies arising from the attitude of project government officials, supervisors and community representatives due to collection of settlement amounts from the construction companies. It was observed that in costing projects, companies add certain amounts to their

profit margin as retention and mark-ups. These additions help then to engage the services of community youths (local content) during constructions. The problem of collecting kickbacks from construction companies in the cause of executing the projects by government supervising official and community representatives stiffen the ability of construction companies to implement their corporate social responsibilities to communities while executing their projects.

Most time companies experience project overrun due upfront spending of markups and eventually, youth restiveness during project implementations, abandonment of projects, renegotiation of project cost or substandard projects and eventually, projects are completed far above their budgeted cost. The question raised is whether collection of kickbacks by government officials, project supervisors and community representatives have led to youth restiveness during projects, renegotiation of project value or project abandonments. To provide answers to this question his paper investigates impact of project markup cost on community local content utilization in Nigeria.

Purpose of the paper is to investigate the impact of project markup cost on community local content utilization in Nigeria. Specific purse of the paper are to;

(i) Examine the types of government development projects in rural communities in Rivers State.
(ii) Ascertain the impacts of upfront utilization of markup costs and community project completion in Rivers State.
(iii) Identify the reasons for the delay in project completions in Rivers State.

Study Hypotheses

The following hypotheses were tested to get answers that border on upfront markup utilizations.

(iv) There is no significant relationship between project mark up and project types in Rivers State.

(v) Significant relationship does not exist between upfront utilization of markup costs and community project completion in Rivers State

(vi) There is no significant relationship between reasons and project completion in Rivers State.

This paper focused on projects constructed in Rivers State, Nigeria. It is pertinent to comprehend the reasons, types and impacts of markup cost, why most projects were abandoned and effort towards resolving reoccurrence.

The paper is divided into sections. The first section introduced the work explained the statement of problem, objective and hypothesis. The second paper reviewed existing literatures in the area of markups and project executions. Third section gave detailed analytical procedures. In the fourth section, sourced data were analyzed and the results were discussed. Finally, section four summarized the results, concluded and suggested tentative solutions to observed challenges.

Conceptual Framework

Project; a project is the implementation of change to an environment through an activity with the aim of producing tangible or intangible results. It could be progressively activated to solve certain challenges around immediate environment.

Mark-up; Project budgeting is a vital aspect of costing when determining projects values to have a pre-knowledge to identifying profit margin of a project. It is important and legal to add 20 percent of material cost to cover emergency expenditures that may arise in the cause of executing the project. This is important are community youths would often expect. Other demand may arise such as matching ground, right of way levy, matching ground. Bush entry, development levy and other community levies. Markup is an important aspect of project costing if a project must be delivered on time (Chan, Scott & Lam, 2002). Such action is taken to settle any uncertainty that may arise in the process of executing a project using the forecasted market value of a job.

Project Overrun; when deficit occurs in the cause of executing a project, it calls for increase in budget or project overrun. It is usually experienced expenditure outlay is violated, unexpected demands are responded to thereby over stretching budget and as an attempt to extend project completion period. The solution is to call for supplementary budget. If not properly managed would result to project abandonment or failure, ligation between clients, inefficiency in project resources allocation, youth restiveness and others (Aibinu&Jagboro, 2002),

Community Local Content; content is the value or revenue/gains accruing to a region from extraction of her resources. In the oil and gas sector, local content refers to technological skills acquires and developed to operate and manage in the manufacturing and production in the oil sector. Generally, it is the sourcing and utilization of community manpower in the operations of the oil and gas services (Ayodele & Alabi, 2011). However, in this paper, community local content is the sourcing of skilled and unskilled manpower within the informal sector to assist companies in the construction of development projects in communities. Activities of companies in communities require the services of skilled and unskilled youths as labour or helpers to work as casuals during implementation of rural development projects.

Types and Characteristics of Project

Project; a project is a task with definite start and end and a task that has to be completed. According to Nzekwe, Oladejo & Emoh, (2015).Project could be constructive, system, infrastructure, processing data, media, construction, management, service, production, event and research project. In terms of characteristics, project possesses certain attributes and qualities that define its characteristics not limited to;

(i) *Temporary;* not project is expected to last forever. Projects terminate at the end of work and company demobilizes back to side/base.
(ii) *Unique;* projects may not have a duplicate. It is usually unique in nature and quality. Projects stand out as a well accomplished assignment or activity.
(iii) *Customer as owner*; in every project, there must be vendor and client. While the government is the client, the company if the vendor looking for.
(iv) *Once-off;* it possess the characteristics of one-off activity that is not repetitive.
(v) *Cross-functional;* this is because a project utilizes knowledge of experts in different fields to accomplish a set objective. For instance, a construction project

requires the knowledge of experts in civil, electrical, mechanical and others to get accomplished.

Local Content and Implementation of Rural Community Projects

There have been reports of abandonment, late completions and youth restiveness in communities arising from kickbacks from companies by government officials, project supervisors and community representatives. Markup of 20% in every project cost is usually the profit margin to take care of emergencies or miscellaneous expenditures (Jaskowski, Biruk & Czarnigowska, 2018). It is from this added markup that skilled and unskilled youths in the community are sourced as local content to work as casual in an on-going project; water, market, school, road, electricity and others. Adenipekun, (2013) pointed out that infrastructural projects are implemented for the purpose of Eradicating poverty, ensuring environmental sustainability and partnership for development globally.

Causes of Project Failures

Project failure has become a global issue recently. Woka & Miebaka, (2014) opined that several factors are responsible for the failure and abandonment of projects in Nigeria. They pointed out issues relating to late payments to project resources, lack of communication, lack of planning, change of project scope, inaccurate costing and corruption, contractors, paucity of funds, contractor's demise, instability and lack of proper planning, legal and communal disputes, youths' or community protests, inflation, increased material cost, bureaucracy contractor's incompetency and alteration of objective of project.

Theoretical Framework

Construction Management (CM)
This paper leans on the construction management theory (CM), cited in propounded by Radosavljevic & Bennett, (2012). They were of the view that there are five "Inherent Difficult Indicators in project construction. These facts they pointed out that there must be relationship or established interaction and relationship between the contractor and project owner, fluctuating relationship of project time, quality of relationship, configuration or patterns of relationship/interaction on the progress of the projects variability of project performance and assessment of possible interferences likely to over-power the project manager.

In the real context, project managers face many disturbances arising from pressures on kickbacks by project supervisors, government officials, community representatives or community liaising officer (CLO). All the pressures are targeted at funds built in as markups in the project. Where this ear market amount in the project profit margin is collected, it is possible that expectation of the youths or local content to be casually engaged in the project is dashed.

Empirical Review

Studies have been conducted by authors to inquire into the effects of upfront utilization budgeted project markups; Akande, *et al*, (2018); Ojo, *et al*, (2006); Okore, *et al*, (2017).opening discussion on this topic is the work of Akande, *et al*, (2018) on "evaluation of failures in public project management practices in Minna, Nigeria" Opened more discussion on the topic. The study found that challenges of delay of payment to contractors resulting from government's bureaucracy. Other delay factors include increase in the scope of work

without corresponding increase in budget estimate and selection and award of contract based on lowest bidder and not on experience and competency impacts project success and eventually become abandoned. The paper suggested that there should be improved private partnership investment involvement to harness and maintain the building sector in Nigeria.

Ojo, Adeyemi, & Fagbenle, (2006) investigated the performance of traditional contract procurement on housing projects in Nigeria. The work revealed that the category of one to five million naira (US$1.00 =99 Nigerian Naira in 1999) showed the least time overrun of 18.98% while the highest time overrun of 99.64 % was shown in the five to ten million naira. Over ten million naira category had the least cost overrun of 9.13% while the highest cost overrun of 34.55 % was shown in the less than one million naira. The study concluded that one to five million naira cost category is quite suitable for traditional contract procurement on housing projects in Nigeria.

Investigation of the effects of cost overrun factors on project delivery methods in Nigeria was carried out by Okore, Akpan, &Amade, (2017). Analysis of variance (ANOVA) and earned value management (EVM) methodology were adopted in the data analysis. It was discovered that a substantial relationship exists between project cost overrun and the delivery methods used in project execution in the study area. The results revealed that inaccurate cost estimates by cost estimators, changes in work scope by client and low price bidding by contractors top the list of major causes of cost overruns in Nigeria. It was further revealed that the rate of project cost overruns was 45.56%, while the rate of project cost overruns lies between 30% and 58% of the total project cost. The results further revealed that the client is more prone to risk (65%) in Design Bid-Build (DBB) delivery method, while contractors are more prone to risk (54%) in Construction Manager at Risk (CMR) delivery methods; both clients and contractors bear 20% and 33% risks respectively in Design and Build (DB) delivery methods. The work recommended that government should discourage the use of Design-Bid-Build as the main official procurement method, and the need to adopt other viable alternative procurement methods that will protect the client from cost overrun tendencies

Hanák, Drozdová, & Marovi´(2021) investigated the bidding strategy in construction public procurement in a contractor's perspective. The paper focused on Czech public construction procurement. The multi-criteria bidding strategy on cost-oriented pricing was adopted in the analysis. The study revealed that Czech construction market is generally perceived as oriented toward low costs, and with a relatively common occurrence of abnormally low bids. Improvement of building strategies was recommended for public procurement.

In a study conducted by Startz, (2016) on the value of face-to-face: search and contracting problems in Nigerian trade, the author decomposed the total barrier into parts attributable to search and to contracting, and show why the effects will be larger in markets with low consumer spending, high firm entry/exit rates, and frequently changing products in the analysis. Results show that greater attention to market integration policies beyond transportation and tariffs could have large welfare effects, particularly in developing countries. Under counterfactual scenarios, the author shows that deregulation of air travel between Nigeria and China would yield gains to Nigeria through consumer goods trade alone, and there were existing financial services that mitigate frictions because they do not offer a better contract enforcement technology than travel.

Ibrahim, Ibrahim & Dandong, (2013) in their construction work items' unit rate estimation model for building contractors' projects pricing in Nigeria. Profit overhead and numerical contribution was utilized in the analysis. The model is comprehensible, its applicability is compatible with any circumstance, and it facilitates error free rates and can improve

productivity. It was found that the model can be used for effective management of construction project mostly for teaching and understanding the basic principle in rate computation and; in attaining uniformity in unit rate computation in the construction industry.

Awosina, Ndihokubwayo, and Fapohunda, (2020) investigated the effects of inaccurate cost estimate on construction project stakeholder, using central tendency descriptive statistics. The result showed that inaccurate cost estimates resulting can bring about loss of reputation and credibility of project stakeholders, risk exposure, and financial loss as the effects of inaccurate cost on construction projects. The confidentiality of project cost in private construction sector was stressed. Attention of construction project stakeholders to the negative effects and consequences of inaccurate cost estimation was also stressed.

Akande, *et al*, (2018) evaluated the failure of project management practices in Mina, Nigeria Minna, Nigeria. It was discovered that there have been project failures resulting from governments bureaucracy; increase in the scope of work without corresponding increase in budget estimate and selection and award of contract based on lowest bidder and not on experience and competency impacts negatively on project success and eventually become abandoned. To mitigate this growing trend of project failure and abandonment, private partnership investment and involvement to harness and maintain the building sector and contracts. The paper recommended for strict adherence to awarded of contracts based on based on merits.

Methodology

Research approach of this paper is quantitative. Data were collected through survey Monkey approach. It adopted and modified the work of Awosa, Ndihokubwayo, & Fapohunda, (2020). The questionnaire instrument were developed and disseminated to two local government areas of Rivers State, Nigeria where infrastructural projects were carried out while some were on-going. Sections of the questionnaire focused on loss of reputation and credibility of project stakeholders, exposure to risk, and financial loss as the effects of inaccurate cost estimation.

The population were selected though purposeful (non-probability) sampling, giving the author the observe sample representations. Questionnaires were distributed though e-mails to selected company websites links. A total of 150 questionnaires were administered. Companies targeted were construction companies operating in the state with their branch in the state. Choice of companies based on the list found with Board of Internal Revenue being companies that are tax compliant. A total of ninety (92) responses were returned representing 61.3 per cent.

Table 1. Test Computation of Reliability and Consistency

Variables	**N**	**Values of Cronbach Alpha coefficient**	**Reliability Decision**
Credibility &Reputation Loss	9	0.84	Excellent
Risk Exposure	6	0.77	Good
Financial Loss	10	0.84	Excellent
Combination of all of the above	31	0.82	Excellent

Author's Computation, 2021

Reliability of research instrument

In table 1, it was found that the test for reliability and consistency was conducted using Chronbach Alpha coefficient was conducted. The result showed that the pre-tested questions are 0.84 which is a good result. Mallery, (2003): Mohideen, (2012) stated that the criteria for reliability and consistency is acceptable if the result is >0.9 to be excellent and good if > 0.8. It is adjudged acceptable if > 0.7, questionable if > 0.6 and poor if > 0.5. But if < 0.5 it is unacceptable. Based on coefficient value of the Cronbach Alpha result, which shows a coefficient value of 0.84 which indicates "good" as sign that the research instrument is reliable and satisfactory.

Table2. Educational Qualification of Respondents

Staff Qualifications	Frequency (N)	Percentages (%)
Informal certificate	22	23.9
O'level certificate	20	21.7
National Diploma	18	19.5
B.Sc certificate	16	17.3
Post Graduate certificate	12	13.0
M.Sc certificate and above	4	4.3
Total =	**92**	**100**

Source: Author's Computed Field Data, 2021.

Demographic variable on educational certificate level of respondents was analyzed on table 2. Result revealed that more of the respondents were those that do not have formal education with 22. This showed 23.9 per cent. This is followed by those with ordinary school certificate with 20 and 21.7 per cents. There is a gradual progression in responses by all categories of responses. Those with National Diploma were 18 and represented 19.5 per cents. The rest respondents with their scores showed that respondents with B. Sc. certificate were 16, post graduate certificate were12 while those with M.Sc. and above were 4 reflecting 17.3, 13.0 and 4.3 respectively.

Table 3. Respondents According to Sectors

Sector of Respondents	Frequency (N)	Percentage (%)
Private Sector	49	53.2
Public Sector	34	36.9
Both Sectors	9	9.7
Total =	**92**	**100**

Source: Author's computed Field Data, 2021

Respondents were found to work in either of the sectors in the economy; private, public or both sectors as shown in table 3. More of the respondents 49 were found to work in the private sector representing 53.2 per cents. Public sector had 34 respondents representing 36.9 per cents. Both private and public sectors had a number of 9 reflecting 9.7 per cents. It is a suggestion that most people work either as casual or part-time job in private and full-time job in public or vise-versa.

Table 4. Effect of Stakeholders credibility on Project Cost

Credibility & Reputation of Stakeholders	N	Mean Value	Sd	Rank
Contractor	92	3.31	0.63	1
Government Supervisor	92	3.30	0.62	2
Community Representative	92	3.28	0.55	3
Project Client	92	3.22	0.27	4
Company Engineer	92	3.55	0.31	5
Company Quantity Surveyor	92	3.32	0.38	6
Company Architect	92	3.26	0.57	7
Company Civil Engineer	92	3.45	0.71	8
Company Project Manager	92	3.24	0.29	9
Average Mean Value		**17.13**		

Source: Author's Computation, 2021.

In the questionnaire, effect of project cost on credibility and reputation of stakeholders was asked in a multiple fashion to determine their significance to the study. As shown in table 4, the order of ranking criteria explains that 1 = insignificant, 2 = little significant, 3 = fairly significant, 4 = significant, 5 = very significant and U = unsure. For the credibility and reputation loss by the contractor to secure another project after the on-going has to meet the "average Mean Value (AMV) of 17.13. The analysis further show that loss of credibility and reputation for the government supervisor to obtain an allowance to supervise another project had the highest ranking with (MV) = 3.30. Loss of credibility and reputation by the community representative to represent his community in another project had the highest ranking (MV) = 3.28. Loss of reputation and credibility by the project owner, Engineer, and quantity surveyor to secure and manage another project had (MV) = 3.22, 3.55 and (MV) = 3.32 respectively. For the Civil Engineer and Project manager, their credibility and reputations stood at (MV) = 3.45 and 3.24 respectively. The analysis revealed that the project engineer had the highest credibility and reputation to manage another project.

The average mean value (AMV) of 17.13 is between average to high of all the measured variables in terms of reputation and credibility of project stakeholders in terms of estimate inaccuracy on executed projects. Mukuka *et al*, (2014) cited in Awosina *et al*, (2020), project underestimation pointed out that credibility and reputation loss in a project could lead to; abandonment of project, tarnished reputation, project failure, youth restiveness. Also, Zainadeen et al, (2010) cited in Awosina *et al*, (2020) emphasized that loss of reputation and credibility could result to inability to get and sponsor projects.

Table 5. Inaccurate Cost Estimation Risk

Risk Exposure	N	Mean Value	Sd	Rank
Delay in project completion	92	3.67	1.`15	1
Substandard job due to lack of funds	92	3.71	1.16	2
Failure/abandonment due to lack of funds	92	3.62	1.88	3
Bankruptcy risk due to paucity of funds	92	3.52	0.67	4
Damage risk due to poor handling	92	3.68	1.00	5
Wrong specification due to wrong estimate	92	3.51	1.84	6
Huge claims due to high estimate	92	3.26	1.87	7
Average Mean Value		**16.69**		

Source; Author's Computation, 2021.

Significance of risk exposure was measured in table 5. Analysis result showed that in the ranking, possible risk in inaccurate estimation of project cost has the ranking as 1 = insignificant, 2 = little significant, 3 = fairly significant, 4 = significant, 5 = very significant, (Awosina et al., 2020).The average mean value was AMV = 16.69. Delay in completion of project due to paucity of funds ranked highest with MV of 3.67. Substandard job due to risk of fund (MV) = 3.71. Failure/project abandonment due to lack of fund (MV) = 3.62. Risk of bankruptcy due to inadequate funding (MV) = 3.52. Damage risk due to paucity of funds (MV) = 3.68. Wrong specification risk due to lack of funding (MV) = 3.52. Huge/higher expenditure due to inaccurate estimate (MV) = 3.26.

The between averages due to inaccurate estimation showed in AMV =16.69. The risk of substandard job due to inaccurate estimation ranked high with MV 3.71. It all explained that the risk of inaccurate estimation is due to logistic, financial, political, legal environmental and operational factors. Non-proper management of risk influences successful execution of projects and leads to financial loss to the contractor. (Akintoye & MacLeod, (1997 cited in Awosina, 2020).

Table 6. Financial loss due to underestimation of project value.

Monetary Loss	**N**	**Mean Value**	**Sd**	**Rank**
Contractor's loss of profit	92	3.77	0.84	1
Work loss in project by company	92	3.70	0.73	2
Income loss to Civil Engineer	92	3.44	1.23	3
Loss of income to Project Engineer	92	3.25	1.27	4
Loss of income to Architect	92	3.11	1.04	5
Resources loss to owner of project	92	3.08	1.12	6
Loss of income due to banks' attitude	92	3.06	1.14	7
Project utilization loss by users	92	3.06	1.10	8
Funds misallocation	92	3.87	1.21	9
Loss of income to community representative	92	3.10	1.06	10
Loss of income to project supervisor	92	3.22	1.12	11
Loss of income to government supervisor	92	3.23	1.31	12
Average Mean Value		**26.53**		

Source: Computed from Field Data, 2021

Every project implementation is a function of funding. Rating of the financial loss was assessed through significance level. In table 6, from the ranking, 1 = insignificant, 2 = little significance, 3 = fairly significant, 4 = significant, 5 = very significant, and U = unsure. Contractor's loss of profit was ranked ((MV) = 3.77. Work loss in project by company (MV) = 3.70. Loss of income to project Civil Engineer (MV) = 3.44. Project manager's loss of income (MV) = 3.25. Architects loss of income to project (MV) = 3.11. Client/project owners loss of income, banks loss of income due to attitude and utilization of funds had (MV) = 3.06, 3.06 and3.87 respectively. Community representative loss of income and project supervisor loss of income revealed (MV) = 3.10 and 3.23 respectively.

However, the average mean value of company's financial loss due to underestimation of project value revealed 26.53. emphasis as stated by Akintoye (2000) cited in Awosina et al, (2020) is that that the loss incurred by contractors due to underestimated project cost in the construction industry is significantly low compared to other industries and inaccuracy in

project cost estimate will have a negative effect on a contractor's profitability as well as that of other stakeholders

Table 7. Effects of Estimation Inaccuracy

Inaccuracy of Estimate Impact	Average Mean Value	Rank
Risk as a result of Estimate Inaccuracy	17.13	1
Profit/Financial Loss	16.69	2
Reliability and Credibility loss	26.53	3

Source; Author's Computation, 2021

Analysis in table 7 shows average mean values of inaccurate cost estimate effects of subsets of effects in inaccurate project costing on stakeholders. It explains that exposure to risk is higher due to inaccurate cost estimation. Cumulatively, it has been established that there are attendant risks to; inaccurate estimate, financial loss and Reliability and credibility; 17.13, 16.69 and 26.53 respectively.

Conclusion

The paper examined the effects of inaccurate estimation costs; it the challenges of early spending of project markup exposes the project implementation to risks of failure, abandonment, youth restiveness, denial of utilization of local manpower (local content) as causals results to inability to handle emergency expenditures in the cause of project implementation etc. substandard and poor finishing of projects. It was found to be as a result of kickbacks to ministry officials, project supervisors, community representatives and youth leaders. These set of people demand financial gratifications from companies handling community development projects and other infrastructural projects. The amount for these illegal expenditure demands may have not been capture in the project estimation and when spent, cripples the financial strength of the company to attend to social corporate responsibilities to the communities. Empirical findings reveal that upfront utilization of project markup results is not as a result of inaccurate estimation, unreliability and lack of credibility of construction companies rather due to kickbacks collected by project supervisors, government officials, community representatives and community youth leaders or community liaising officers (CLO).

Recommendations

Following the results, this paper makes the following recommendation not limited to;

(i) Government must frown at the demand for gratifications from project stakeholders; supervisors, government officials from supervising ministry, community representatives, youth leaders and community liaising officers (CLOs) during project implementations.

(ii) Community representatives and their CLOs should work with companies to ensure successful completion of infrastructural projects in their communities.

(iii) During project estimation, cost of employing community youths as local contents should be separated from retention and markup costs.

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