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PPDA Holds Public Dialogue on Public Procurement



PPDA Executive Director Ms. Cornelia Sabiiti (centre) and members of PPDA Top Management address participants at the public dialogue.

Under a Public Dialogue arrangement between the Public Procurement and Disposal of Public Assets Authority (PPDA) and the Anti-Corruption Coalition Uganda (ACCU) a public debate dubbed "Ask PPDA" was held at Hotel Africana in Kampala on 25th February 2016.

It was the first of its kind and the public shared views on public procurement issues where the PPDA team led by the Executive Director Ms. Cornelia Sabiiti gave responses.

The dialogue was a deliberate attempt by the Authority to build a strong relationship with

the Civil Society Organizations (CSOs) to monitor and report on malpractices in Public Procurement as well as to enhance transparency and accountability in the public procurement processes.

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Promoting
value for
money

Vision:-

A centre of excellence for regulation of public procurement and disposal

Mission:-

To promote the achievement of value for money in public procurement so as to contribute to national development.

Core Values:-

- Reliability:
- Integrity:
- Professionalism:
- Transparency and Accountability:
- Commitment & Teamwork:
- Partnership:

Don't Miss

Ask PPDA Public Dialogue and the Inaugural Annual Procurement Summit details

From the Editor

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Editorial Team

- Cornelia K. Sabiiti - Editor-In-Chief
- Kirabo Sylvia Kyalo (PRO) - Editor
- Bradford Ochieng - Member
- Edwin Muhumuza - Member
- Ronald Tumuhairre - Member
- Kande Sabiti - Member
- Lydia Kwesiga - Member
- Faith Mbabazi - Member

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

Plot 37 Nakasero Road, 5th Floor. UEDCL TOWER
P. O. Box 3925 Kampala - UGANDA
Tel: +256-414-311100/ +256-414-311128
www.ppda.go.ug | facebook.com/ppdauganda

The year 2016 started with a bang at PPDA with key notable activities being held. In this issue of the Procurement Digest, we bring forth the pivotal highlights that have dominated the endless public procurement processes during the period of January-March.

In this edition, we dig deep into the numerous efforts PPDA is executing to ensure professionalism, transparency and accountability in the procurement processes.



We had exciting and rewarding activities such as training for new contracts committee members from selected government entities; enlightening them on how best to handle the complexities that usually arise during the procurement process.

We also bring you our much treasured open door policy at the PPDA which continued to be manifested through the "Ask PPDA" public dialogue organized under the Public Private Partnership between PPDA and the Anti Corruption Coalition (ACCU).

This dialogue was one of the deliberate attempts by the Authority to strengthen its relationship with the civil society and the general public to monitor and report malpractices in public procurement.

As reinforced in this edition, PPDA's expansion drive is clearly laid out starting with the colorful first anniversary of the first PPDA regional office in Gulu. Faced with the need to get nearer to entities, and the general public, the Procurement Digest brings you details about our new regional offices and their benefits to the general public.

As a policy to enhance efficiency and encourage hard work at the PPDA, we bring you the colorful faces of the PPDA Best Employees FY 2014/15, and profiles of the new PPDA staff.

The editorial team therefore wishes you an engaging reading as we look forward to improving the performance of Public procurement in Uganda.

You can email us on: info@ppda.go.ug

Kirabo Sylvia Kyalo
Senior Public Relations Officer; PPDA

Executive Director's Message

Dear reader,

Even if you are a casual friend of Uganda, you must have caught on the election hysteria of recent months. We at PPDA were not spared. And so, among other things, our activities in the first three months of 2016 included monitoring compliance of the government entities that were pivotal in overseeing the successful implementation of the election process to the requirement of public procurement principles.

Away from elections, the quarter has been a momentous one for the Authority with our main focus on monitoring public procurement work to ensure performance beyond compliance to the PPDA regulations but on positive procurement results from the procurement process.

On this note therefore, the Authority has registered a number of achievements in its efforts to improve public procurement in Uganda, some of which I will briefly summarize here;

1. Undertaking a review of the Local Government (PPDA) Regulations, Standard Bidding Documents (SBDs) and Guidelines with the purpose of harmonising them with the PPDA Regulations.
2. The Authority constituted a task team to closely monitor procurements in 15 High spend Entities (HSEs) drawn from the Key sectors with an aim of improving the budget absorption rate and ultimately result into better procurement outcomes. The entities include; Uganda National Roads Authority, Ministry of Energy and Mineral development, Ministry of Health, Ministry of Education, Science, Technology, and Sports, Ministry of water and Environment, National Social Security Fund, Kampala City Council Authority, National Medical Stores, Office of Prime Minister, National Agricultural Research Organisation, Ministry of Agriculture and Animal industries and fisheries, Electoral Commission, Ministry of Local Government, Rural Electrification Agency, Ministry of Works and Transport and Ministry of Lands and Urban Development.
3. The Authority also finalized arrangements for implementing the new organizational structure and recruited additional twelve staff with funding from Financial Management And Accountability Program (FINMAP) to strengthen its human resource capacity to monitor entities.
4. Under the GIZ Partnership Project on Transparency and Accountability, the Authority secured an Integrated Expert for 24 months to strengthen its mandate of capacity building.
5. The Authority handled seven (7) applications for administrative review worth UGX 47 Billion. Most of the administrative reviews handled were due to bidders' dissatisfaction with the evaluation



process, and customization of bidding documents without authorization from the Authority. We also considered two applications for accreditation for an alternative procurement system in an effort to quicken the procurement process.

6. The Authority conducted a survey in February to update the common user items list and their prices. The list provides indicative prices to guide Entities during the budgeting process and help Entities achieve value for money by benchmarking quoted prices against market prices before contracts are signed.

7. Over Ninety three (93) Entities were trained and now using the Government Procurement Portal (GPP). The GPP has improved on the timeliness of submission of procurement plans to the Authority and on the transparency of the procurement process

where Entities provide real time information on the current tender openings, the Best Evaluated Bidders and the awarded contracts.

8. The Authority has also strengthened its relationship with the civil society and the general public to empower them effectively monitor and report malpractices in public procurement.
9. The Authority has further embarked on procurement of an Electronic Document Management System (EDMS) to automate internal processes of the Authority to improve performance and service delivery.
10. A revised procurement Audit tool was developed to strengthen procurement Audit Function Project. The new performance based audit tool is being used and so far conducted several trainings in the use of the new tool for the consultants that will undertake procurement and disposal audits in the local government entities funded under the Governance, Accountability and Participation and Performance Program (GAPP) supported by the United States Agency for International Development (USAID).

We pledge to remain a strong Public Procurement Regulator and call upon your support as always to ensure that procurement activities are undertaken in an efficient and effective manner to deliver value for money.

Please, enjoy the reading and I hope this quarterly magazine leaves you more informed of the work we are doing in this important field of public procurement.

For God and My Country.

Cornelia K. Sabiiti
Executive Director

Public Dialogue: Ask PPDA

This engagement was organized by PPDA and the Civil Society to strengthen civil society's role in monitoring Public Procurement performance in Uganda. Below is the summary of the proceedings:-

Continued from Page 1



IS PPDA TRANSPARENT? *PPDA Director Corporate Affairs Mr. Bradford Ochieng responds to questions from the audience on PPDA best practices and transparency in its operations*



WE ARE NOW MONITORING PERFORMANCE BEYOND COMPLIANCE: *PPDA's Performance Monitoring Manager Ms. Hilda Mwesigwa engages the audience on how Procurement Audits are undertaken by PPDA. This was a response to many concerns by the Audience on shoddy works and fraud in Entities*



THE PPDA LAW: *PPDA Director Legal and Investigations Mr. Uthman Segawa explaining the amendments to the PDDA Law, Turnaround time for complaints Handling and Disposal mechanisms.*



PPDA Director for Capacity Building and Advisory Services Mr. Moses Ojambo explains to the audience the PPDA Capacity Building programs. The audience requested for more sensitisation and dissemination of PPDA work



PPDA Director Operations Mr. Julius Mwesigye explains to the audience why Entities charge retention funds (Performance guarantee) and what it is used for



The Executive Director of Anti Corruption Coalition Uganda (ACCU) Ms. Cissy Kagaba (2nd left) and other participants during the public Dialogue dubbed "Ask PPDA"



MAMMOTH ATTENDANCE: A cross section of participants who attended the public dialogue "Ask PPDA"



WELL DONE: PPDA ED Ms. Cornelia Sabiiti shares a light moment with the day's moderator Mr. Gawaya Tegulle

PPDA appeals to Procurement professionals to Follow Procurement principles



The group photo of Procurement professionals after the annual procurement summit

Public Procurement and Disposal of Public Assets Authority (PPDA) has advised the procurement professionals and bidders to abide by the PPDA principles and policies that guide public procurement in Uganda. This was revealed by the Executive Director of PPDA; Ms. Cornelia Sabiiti while addressing participants at the inaugural annual procurement summit in Kampala recently.

Ms. Sabiiti noted that public procurement is strategic in ensuring service delivery of government objectives by linking public financial management to the government development agenda in terms of social and economic outcomes.

“The main objective of public procurement is to achieve the best value-for-money outcomes through processes that are transparent, efficient, facilitate equal access and promote open competition and innovation”. Ms. Sabiiti emphasised.

The summit that run under the theme “Harnessing Procurement Opportunities in Uganda for National Development” was organised by the Institute of Procurement Professionals of Uganda (IPPU) in collaboration with PPDA.

Key Principles of Public Procurement

- Economy
- Efficiency
- Competition
- Transparency
- Fairness / Non-discrimination
- Accountability
- Ethics and Integrity
- Equity

It should be noted that promotion of procurement professionals is a strategic function within the Public Financial Management so all stakeholders are advised to re-engineer and adopt good practices to enhance efficiency and effectiveness in public procurement.



PPDA Executive Director; Ms. Cornelia K. Sabiiti (right), Mr. Benson Turanye; Director Performance Monitoring at PPDA (Centre) and Mr. John Saturday; Manager Capacity Building at PPDA (Left) addressing participants at the Inaugural Annual Procurement Summit in January 2016.

PPDA Gulu Office Marks its 1st year Anniversary

On the 16th March 2015, PPDA opened doors to the public of its first Regional Office and later launched it officially on 29th May 2015 in Gulu. The Regional Office is located on Plot 1 Lower Churchill Road, in Gulu Municipality. Within just a year since its inception; the Gulu Regional Office is riding on key notable achievements. The office has created a significant impact on the mandate of the Authority and the procuring and disposing entities.

Fredrick Wandera caught up with the Acting Regional Manager Gulu Regional Office **Mr. Aggrey Amanabyona** for an interview.

Congratulations upon completing one year as a regional office.

Thank you so much.

Why was the Gulu regional office opened?

Opening up the Gulu Regional Office was a deliberate strategy by the Authority to move its services closer to the Procuring and Disposing Entities and to improve on their performance. It was also set up to reduce on the operation costs of the PPDA and the other stakeholders in the region. There was also the need to increase the awareness of the Authority's mandate in the region.

What is the mandate of this Regional Office?

The mandate of the Regional Office is in line with the provisions of the PPDA Act 2003 and includes the following:

- Carrying out Procurement and Disposal Audits.
- Carrying out Training and Capacity Building.
- Monitoring the performance of the PDEs through the procurement performance measurement system.
- Providing advice to the PDEs within their region.
- Undertaking registration of providers.
- Handling administrative reviews and investigations (at the Management threshold) including carrying out of public hearings.



Mr. Aggrey Amanabyona
Ag. Manager Gulu Regional Office

- Following up of recommendations from Procurement Audits; Investigations; Administrative Reviews; Suspensions; and Accreditations

How many Procuring and Disposing Entities (PDEs) does the Gulu Regional Office cover?

It covers 31 Procuring and Disposing Entities (PDEs) which include: 23 Districts, 3 Municipalities, 2 Universities, and 3 Regional Referral Hospitals.

What is your assessment on the performance of the regional office so far?

It has been great.

We have had quite a considerable number of achievements in the past one year:

- There has been an increase in the level of awareness clearly positioning the authority as pivotal in the public procurement process.
- Increased capacity building efforts for the entities in northern Uganda. Prior to the formation of the regional office, there were very few training and capacity building activities for

these entities largely because of the cost implications and distance, but now we have so far carried out over eight(8) such trainings and the entities still demanding for more.

- More than 13 investigations have been undertaken.
- We have been able to provide advisory services to several government agencies on different aspects of public procurement and this has consequently led to improved service delivery in the respective entities. These among others include Gulu Clinical School, Oyam district Local Government, Lira and Gulu Municipal Councils and the Solicitor General's office.
- More service providers have been registered to actively participate in public procurement opportunities. For example, 29 local providers have been registered by the office thus facilitating the private sector involvement in government projects and tenders.
- More procurement audits conducted contributing to 55.5% savings equivalent to UGX 29,471,200 for the authority in undertaking the audits. This amount would have been spent if the audits were conducted by staff in Kampala.

How did these savings come about?

The savings resulted from reduced fuel expenditure and per diems. Other intangible costs such as reduced servicing and maintenance of vehicles due to increased mileage also come into play.

What is the focus of the PPDA Gulu in the future?

- The PPDA Gulu office will continue to focus and carry out Procurement and Disposal Audits.
- Under take continuous Training and Capacity Building, Monitoring the performance of the PDEs through the procurement performance measurement system.
- Provide advice to the PDEs within their region.
- Continuous follow up on recommendations from Procurement Audits, investigations among others.

PPDA trains consultants on the use of the new Procurement audit tools



Group Photo of participants and PPDA staff after the Training in Gulu

Between 19th and 21st January 2016, The Public Procurement and Disposal of Public Assets Authority (PPDA) with the support of the Governance Accountability Participation and Performance Program (GAPP) funded by the USAID under the Governance, Accountability, Participation and Performance (GAPP) Program, trained twenty (20) consultants in using the new audit manual and audit tools. This was conducted with the intention of familiarizing consultants with the revised Procurement Audit manual prior to conducting procurement and disposal audits in 20 Entities financed by GAPP.

The workshop aimed at training firms contracted under GAPP to conduct procurement and disposal audits using the new procurement audit manual and audit tools. It also focused on ensuring that contracted firms acquire in-depth knowledge of the new PPDA procurement audit manual as well as develop skills in the use of the audit tools developed by the Authority which will enable them deliver on their contractual obligations.

The participants were enlightened on a number of key issues that would enhance their knowledge on the new audit tool such as learning how to interpret the computations involved in using the tool, dealing with missing information, gender issues, improving efficiency among others.

The workshop also revolved around enhancing the performance of the staff of the contracted firms during the conduct of the audits of the procurement and disposal process of Entities

However, the participants noted the need for the PPDA to conduct trainings on the revised audit manual and tools more often, especially on report writing. They also appealed to the Authority to develop a formula for automatically linking individual cases into one master file for ease of analysis.

In a bid to align the procurement audit function to the strategic plan objectives, the Authority revised the procurement audit manual and audit tools with support from a consultant hired by the World Bank (SPAINfosuv East Africa). Implementation of the new audit tool commenced July 2015.

It is against this background that PPDA with funding from GAPP organized training of staff of the five (5) contracted firms under GAPP to train the consultancy firms in using the new audit manual and audit tools. Consultancy firms which included, APAS Consultants, AH Consulting Limited, CYPJOS Enterprises Ltd, ABET & Company and DATIVA & Associates



Ag. Regional Manager Gulu Aggrey Amanyabyona making a presentation to the participants during the training

PPDA Trains Procurement Audit Consultants



Group Photo of the Procurement Audit Consultants and PPDA Staff shortly after the training at the PPDA offices

The Public Procurement and Disposal of Public Assets Authority (PPDA) has trained private consultants to undertake procurement audits in selected local government entities. This is under the partnership between PPDA and the Governance, Accountability, Participation and Performances (GAPP) Program funded by USAID and UKaid.

While officiating at the training at PPDA offices, the Director Performance Monitoring at PPDA Mr. Benson Turanye noted that the consultants will complement the Authority to monitor and report on the performance of the public procurement and disposal system of 21 districts and ensure they comply with the PPDA Act.

Mr. Albert Oduman a policy advisor with GAPP applauded the partnership they have with PPDA and reaffirmed GAPP's commitment towards enhancing accountability and promoting efficient service delivery at the local government level. GAPP has been supporting PPDA Audit activities in local government entities for the past 3 years.

The Districts to be covered by the consultants include;

- Alebtong
- Otuke
- Pader
- Kitgum
- Oyam
- Kole
- Lira
- Dokolo

- Apac
- Kiryandongo
- Yumbe
- Apac
- Maracha
- Kiboga
- Hoima
- Kibale
- Mubende
- Mityana
- Kalungu
- Mukono
- Masaka

The consultants to undertake the assignment are ; APAS Consultants, AH Consulting Limited, CYPJOS Enterprises Limited, Abet and Company and Davitta & Associates.

PPDA Trains New Contracts Committee Members



Some of the members of the contracts committee in central government entities who attended the training in Mukono

The Public Procurement and Disposal of public Assets Authority (PPDA) has conducted induction training for contracts committee members from central government entities in the procurement processes.

The main objective of the training was to train and promote good public procurement and disposal practices for all new members of contract committees in central government agencies to improve their capacity in overseeing and handling procurement work in their respective entities. The training covered topics on the roles and responsibilities of key stakeholders in the procurement process,

Amendments to the PPDA Act 2003, Procedures for conducting Contract Committee meetings, key Contracts committee approval requirements in the procurement and disposal process, key issues to consider by contracts committees in Bidding Documents, and contracts management.

While officiating at the opening of the training at Colline Hotel Mukono recently, the Director Capacity Building and Advisory Services Mr. Moses Ojambo implored the new members of contract committees to play their roles and ensure that procurement is effectively carried out in their respective agencies.

"I encourage you to do the due diligence, ensure that all procurements

are carried out according to the procurement plans and approved budgets in your entities to avoid complaints from service providers and shoddy work." Mr. Ojambo notes.

Members from Uganda National Roads Authority, Uganda Investment Authority, National Council of Sports, Butabika Hospital, China-Uganda Friendship Hospital; Naguru, Ministry of East African Affairs, Office of the President, Insurance Regulatory Authority, Ministry of Labour and Social Development, Local Government Finance Commission, Uganda Cancer Institute, Uganda Wildlife Education Centre, National Council for Higher Education, Law Development Centre, among others were trained.

Procurement Information



PPDA is undertaking an expansion drive aimed at taking procurement services closer to stakeholders. We have offices in Gulu and Mbarara

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business & tenders

Daily Monitor
www.monitor.co.ug

Tom Brian Angurini explains why bidders and suppliers should embrace technology in procurement.

Why suppliers should go digital

The Government Procurement Portal is the first step in achieving full eGovernment Procurement (e-GP) which when fully functional will see all procurement processes handled online, right from posting bid notices, to uploading tender documents and finally making payments to suppliers. This is a process the government envisions will be fully functional in the next five years as outlined in the E.GP strategy July 2014 - June 2019.

The executive director of the Public Procurement and Disposal of Public Assets Authority (PPDA), Cornelia K. Sabiiti, says e-GP is one of government's moves to digitalise all its bodies for accountable governance.

"If procurement uses technology, it will be efficient in the sense that, bidders do not need to submit paper bids and this makes it easier for

a procurement entity to evaluate them," she says.

According to Sabiiti, the e-GP has already been rolled out to all central government entities and in next financial year 2016/2017 shall be extended to Local Government entities (districts).

The eGovernment Procurement Portal has procurement plans, disposal plans, bid notices, contract information, best evaluated bidder information, suspended bidders (local and international) and registered providers by PPDA.

Sabiiti shares the benefits of going online in procurement. To the procuring and disposing entities, technology consolidates services under one portal, reduces data entry fatigue and is cost effective. Here, bid notices are posted online, enhancing self-assessment of procurement performance for various entities.



Finance Minister Matia Kasajja and Simeon Wanyama, Public Procurement and Disposal of Public Assets Authority board chairman at the eprocurement strategy launch last year. FILE PHOTO

THE E-GOVERNMENT PROCUREMENT PORTAL

The e-government procurement portal will bring together all bidding opportunities, successful bidders, current tenders, suspended local and international bidders as well as procurement and disposal plans for all the public entities.

The new government procurement portal is an integration of the previously stand-alone systems like tender portal, Procurement Performance Measurement System, and the register of providers, which were prone to manipulation.

To the private sector, Sabiiti says it makes bidding competitive as bid information is open to everyone, providing opportunities for different businesses to make money.

With just a click, local Ugandan businesses without access to newspaper adverts can compete for tenders through the Internet.

She adds that it facilitates accountability on how public funds are being utilised in different ministries, departments and agencies.

*Regulators can also track progress of procurement plans posted by en-

ties.

Wilfred Busingye, a procurement officer in Kampala, concurs with Sabiiti's statement on transparency saying technology increases transparency and competition since all bidders have equal access to the bidding process and information.

"It reduces the cost of doing business for the bidders. An eprocurement system removes the need for a paper based bidding process which reduces the cost of doing transactions in the process by bidders," he says.

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business & tenders

Daily Monitor
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Joseph Bahingwire's article shows that transparent procurement professionals give realistic market prices, among other benefits.

Work with professionals to get value for money

INVOLVE WORKERS IN SUB-CONTRACTS

Procuring entities are advised to employ procurement professional to streamline their procurement process.

Amelia Namatovu, an administrator at the Institute of Procurement Professional of Uganda, describes a procurement professional as someone with an academic qualification in procurement and at the same time practising it.

She says people with procurement qualifications usually have a deeper understanding of the systems which enables them do a better job even with little resources. "Because of the academic background, a professional can easily demand for quality products from the supplier and he or she is able to negotiate for low prices but will not compromise on the quality," she says.

Namatovu adds that in a situation where someone lacks procurement knowledge especially the ethics and code of conduct, they end up making mistakes that affect the company's performance.

Such mistakes include corruption and other fraudulent practices that lead the business into losses



Cornelia Kakocza Sabiiti, the executive director Public Procurement and Disposal of Assets (PPDA) addresses procurement professionals in Kampala recently. PHOTO BY MICHAEL KAKUMIRIZI

and court cases, in case of breach of contracts.

She, thus, advises all practicing procurement officers to acquire on job procurement training and studies to be on the same footing with

others.

"A well-functioning public procurement system must seek out value-for-money and meeting the needs of the procuring entity for goods and services," she says.

TRANSPARENCY IN PROCUREMENT

Transparency determines the effectiveness of public procurement systems, and in case of public procurement, transparency refers to the ability of all interested participants to know and understand the actual means and processes by which contracts are awarded and managed. It is, thus, a central characteristic of a transparent public procurement system. An effective transparent procurement system creates realistic market price structures, and a better control of public expenditures and resources.

Beatrice Namuga, a Kampala-based procurement professional, adds that an effective public procurement system allows suppliers to provide quality services and prices in time.

Contractors or bidders should involve their employers before hiring other companies to do work on their behalf. Andrew Tizoomu, a procurement officer, says this avoids future controversies.

"Before hiring a sub-contractor to do any work, the main contractor should ensure that the client or employer is involved or else risk being sued for breach of contract when the subcontractor fails to perform according to the terms of agreement," Tizoomu says.

He suggests that the company or person to sub-contract should be aware of the initial terms of agreement between the main contractor and the client or employer.

"When bidding, there is always a provision for showing that you will hire subcontractors who must follow the agreed terms. In case there is no provision, the main contractor should put it in his or her agreement with the subcontractor," he explains.

Francis Mutambuka, a procurement professional, describes subcontracting as the practice of assigning part of the obligations and tasks under a contract to another person or company. [Joseph Bahingwire]

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procurement corruption

Here are a few tips on how to conduct pre-bid meetings:

Agenda
(1) Low salaries of public servants

These were found to be among the major variables explaining increasing trends in procurement corruption. With hardships generated by the global economic crisis, public officials were likely to engage in corrupt tendencies to catch up with 'inflationary' tendencies

(2) Supplier induced bribes

These were found to be a major determinant of public procurement corruption in Uganda.

(3) Self-interest by public officer

This was also confirmed to be a significant economic variable that accounted most for public procurement corruption in Uganda

(4) Levels of income by public officials

This was found to be another economic variable that was confirmed as a major economic determinant of public procurement corruption in Uganda.

How syndicate corruption affects Uganda

Syndicate corruption is one of the major evils that affect the country's procurement sector, especially in State procuring entities. **Joseph Bahingwire** writes about its manifestation.

High level people with resources at their disposal will do anything to prevent being caught and prosecuted in Uganda. This explains why corruption is a sophisticated crime in Uganda.

Adam Byarugaba, a Kampala-based advocate, describes syndicate corruption as the abuse of entrusted power for private gain.

Byarugaba says syndicate corruption has largely manifested itself in public procurement. Some of the specific areas are: conducting procurement outside the pre-established procurement plans, failure to publish procurement plans on notice boards, signing contracts without confirmation of availability of funds, manipulating bidding processes to limit the number of bidders participating in the procurement process and deliberate delay of procurement planning leading to emergency processes.

It is also manifested by lack of effective reporting systems to expose perpetrators of corruption; poor



People march with a banner in Kampala, urging the public to stop corruption. PHOTO BY RACHEL MABALA

record management by procuring agencies such that it jeopardises evidence of procurement requests, payments and disposal of public assets.

"This leads to misappropriation of government revenue which affects service delivery in any given society," he adds.

Byarugaba describes syndicate corruption as one where a group of individuals, companies or entities do transact some business to pursue and promote a shared interest without following the set rules and

regulations.

However, Cornelia Sabiti, the executive director Public Procurement and Disposal of Public Assets Authority (PPDA), says the body is committed to ensuring fair, transparent and competitive practices in public procurement and disposal activities in Uganda to reduce corruption.

She says this has been through setting standards under which public procurement and disposal is conducted and monitoring them to ensure that the stakeholders com-

HOW TO END CORRUPTION

In order to address the public outcry against corruption and influence peddling in public procurement, the PPDA Act 2003 was amended to strengthen limits on who can provide services to government. Members of the Contracts Committees, staff of Government Entities, and line Ministers are not allowed to conduct business with the Government institution in which they are employed or responsible for. This is intended to eliminate influence peddling, encourage competition, fairness and achieve value for money.

ply with the set standards to ensure competition and transparency in the public procurement sector.

"PPDA also conducts procurement and disposal audits to assess adherence to the PPDA law and recommendations are made aimed at mitigating financial loss and ensuring better service delivery," she adds.

national

The Petition. The IGG has been petitioned to launch an inquiry into the deal for the 250-bed hospital, and probe the Shs17 billion costs escalation.

BY **FREDERIC MUSISI**
musisif@ug.nationmedia.com

KAMPALA. The proposed construction of Shs130b Uganda People's Defence Forces (UPDF) National Referral Hospital has hit a snag over claims of collusion between Ministry of Defence officials and the contractor being fronted for the project.

This came after the project price was scaled up from Shs113b to over Shs130b without a logical explanation. Consequently, Inspector General of Government Irene Mulyagonja has been petitioned to launch an inquiry into the deal for the 250-bed hospital, and probe the Shs17 billion costs escalation.

According to the petition, a copy of which was seen by this newspaper, it is alleged there was collusion between procurement officials involved in the evaluation process and M/s Seyani & Brothers Ltd, whose Shs130 final bid, was passed as the best.

According to the petition, "some members of the evaluation committee smuggled into the bid four pages (pages on Bill No.5 Mechanical installations) from the bidder. This action alone raised the price by Shs800m". The petitioners allege backhand dealings between the evaluation team and the winning contractor.

"The bill item and the summary sheet are different, the difference brought about by the page they replaced to create an impression that the summary sheet was [mis-written]. The dossier reads in part

Row over Shs130 billion UPDF hospital goes to IGG



Ms Irene Mulyagonja



Ms Rosette Byengoma



Ms Cornelia Sabiti

bid documents, the Shs79b bid price, that was raised from Shs2.4b without explanation. Among the other irregularities the dossier points out include use of wrong methods to correct arithmetic errors, a factor that inflated the final bid, to Shs130 billion.

IGG Justice Mulyagonja yesterday said she was yet to personally look at the petition, which was received by the office on January 12. "But I will check for it," she said.

Defence ministry Permanent Secretary Rosette Byengoma could not be reached by press time, but Seyani officials denied they have been awarded the contract. "We have not yet been listed as the best bidder, because the evaluation is ongoing," said Mr Mahesh Seyani, one of the company directors.

Ms Byengoma, while replying to a protest by one of the aggrieved

ing Corporation on November 13, 2015, conceded that wrong arithmetic computations had been used, and promised that the matter would be re-evaluated. "First, a re-submission of the matter to the contracts committee for review of the award decision, and secondly, re-evaluation of all the nine officially received bids by an independent evaluation team," she wrote.

The procurement for the deal was initiated early last year with the ministry inviting potential bidders. Queries, however, emerged around this stage after evaluation requirements were tightened and seemingly only one firm seemed eligible. After "numerous complaints" the evaluation process was repeated with less prohibitive requirements.

Within the ministry, disagreements emerged among staff on why such an open international bidding

process were kicked out when the process was repeated.

According to the dossier, it was after these "disagreements" could not be resolved that more money was injected into the evaluation process by hurriedly creating arithmetic error of over 20 billion to raise the bid price so as to cause "harmonization" between the majority and minority evaluation". The dossier alleged that the internal contract management team for this project has since been reshuffled in order to replace it with individuals who support the contested bidding process.

The executive director of Public Procurement Disposal of Public Assets Authority, the government body which oversees such procurements, Ms Cornelia Sabiti, indicated to this newspaper yesterday they had tried handling the complaint but the "bid-

Investor asks for more time to get money for power project

BY **NELSON WESONGA**
editorial@ug.nationmedia.com

KAMPALA. The Electricity Regulatory Authority (ERA) has amended Mss Xsabo Power Limited's licence. Xsabo is a company that wants to generate 40 Megawatts of power from wind and solar.

The amendment is meant to give Xsabo more time to post performance bonds, reach financial close, and commence construction of two power parks.

Xsabo now has 182 days, up from 45 days, from September 15 within which to post performance bonds.

For each Megawatt, Xsabo should post a bond of \$20,000 (Shs66.960 million) before the commencement of construction. And it will have to reach financial close (conclusion of project and financing agreements) within 270 days, up from 107 days.

According to some estimates, the two power plants, one in Gomba District and the other in Tororo District, will cost \$64 million (Shs214.272 billion). Two-thirds of this will be borrowed.

ERA's chief executive officer Dr Benon Mutambi, however, warned through a February 2, notice: "This licence shall automatically lapse upon failure by the licensee to submit the above bond within 182 days from the

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 Guidelines

According to the Public Procurement and Disposal of Public Assets Authority (PPDA) website, here are the guidelines on how to submit responsive bids under section 97 of the PPDA Act, 2003.

***Use standard bidding documents.** Procuring and Disposing Entities should use the standard bidding documents issued by the Public Procurement and Disposal of Public Assets Authority.

The bid documents aim at increasing predictability and uniformity in the bidding process; increasing efficiency of the bidding process and reduce costs.

They also aim at reducing unresponsive bids/proposals and thus increasing competition; and reducing preparation and review time.

***Read the bid/proposal notice and invitation to take part in a tender process.** This section contains information that enables a potential bidder to decide whether to participate in a bidding process or not. It contains a brief description of the subject of procurement, address of the entity where information may be obtained, non-refundable fee, amount of bid security/bid securing declaration, pre-bid/proposal meeting and bidder.

Why you should know the basics of bidding

Procurement entities that give attention to the nitty-gritty of a bid document are likely to receive positive responses as **Tom Brian Angurini** writes.



Procurement entities can get information about tenders from the PPDA website.
 PHOTO BY DOMINIC BUKENYA

Bidding involves responding to requests for quotations and bidding notices from media so that one can supply certain services.

Fredrick Mwesigye, a procurement officer of ministry of Internal Affairs, says bidding, like any other activity in government, operates in a legal framework.

“There is a selection criterion that you must satisfy as a bidder. If no, your bid will not be considered because you have not gone through the right procedure,” he says.

According to him, procurement officers should be well-versed with the basics of bidding since this gives them an upper hand when the suitable bidder is being selected.

Mwesigye adds that there are a

PROCUREMENT PLAN

The PPDA has developed and circulated a new procurement plan format to track the progress of each procurement and ascertain where the delays are. The new procurement plan provides separate formats for goods, works and non-consultancy services and consultancy services. These different formats provide details on the planned vs actual quantities, basic data, and pre-qualification, invitation for bids and evaluation and contract finalisation.

number of guidelines that govern bidding and procurement both in government and the private sector.

A bidder should pay attention to the requirements listed in any bid

document. A bid document usually outlines what an organisation wants and the scope of work they want, among other things.

Stephen Ssebana, a procurement officer with Human Rights Foundation Initiative, says bidders usually look out for the price of a product, among other factors, when sourcing for quality items to procure.

Ssebana notes that in procurement, one who has been working for some time is always given priority on the prerequisite of building a good working relationship. According to him, in after sales services, the procurement officer can easily revert to the supplier in case of a faulty product for a replacement.

A bidder, who in his or her submission, specifies that they give warranty and guaranty, is the first to be considered because he or she gives one chance to replace something.

“If it is faulty he or she can give you a new one or repair it but those that do not offer such have little chances of getting the tender,” says Ssebana.

Eric Yobbo, a business consultant in Kampala, says understanding the nitty-gritty details in a bid document enables the bidder to supply the right product and beat deadlines which is paramount in the bidding process.

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 successful habits

SMEs guide to winning tenders

Joseph Bahingwire and Tom Brian Angurini explain what small firms must do to win government tenders.



Constructing Gulu - Kitgum road is underway. SMEs are usually overlooked when they bid for construction projects. BY STEPHEN OTIAGE

Knowledge of successful habits can be shared through the programme so that other SMEs can learn from, and emulate these habits:

The reasons companies won contracts are interesting when considered alongside the perceived barriers.

Experience and knowledge are seen as being of particular importance, which helps explain the more positive position of companies with a longer trading history and more employees.

These findings suggest a need for further investigation of alternative methods of risk assessment which look to minimise the risk inherent within procurement whilst promoting greater accessibility for SME firms.

Training

Internal business development investment amongst SMEs in areas such as quality assurances and training are highly effective tools for demonstrating organisational robustness as a competitive strength during the tender process.

However, many SMEs consider that the financial and time investments necessary to secure prequalification exceed their perceived value of being prequalified.

Many times, smaller firms are shut out of big government tenders. This means they have less chances of winning despite the attempts they make. When they win, the contracts are usually small and end quickly; thus the need for continuous bidding for other opportunities.

Sylvia Kirabo, the communications officer Public Procurement and Disposal of Public Assets Authority (PPDA), says as a result, many smaller firms have resorted to bidding for small assignments such as catering; cleaning; supplying stationery while the bigger firms go for roads and infrastructure.

This has limited their growth since they cannot bid for bigger projects that would boost their financial capacity.

She says most SMEs cite several reasons for the low participation in public procurement such as stringent guidelines and complex procedures of the procurement process.

“Public procurement entails technical process like preparing bidding

documents which are bulky and written in a way that many of them often fail to understand. The process also involves a lot of documentation some of which the small firm owners lack capacity to interpret or comprehend,” she adds.

She says to help SMEs participate in public procurement, she says: “We normally encourage procurement officials at the local government level to give priority to local firms and there are instances where local firms get no competition from big firms for local assignments that big firms consider too small,” she says.

Edward Ategeka, a procurement

officer in Kampala, says SMEs should

CONTRACT

Lack of relevant experience, limited financial and human resource capacity and other requirements such as bid security, lack of necessary quantity and quality of equipment required to do the work, especially in construction works, also hinder SME participation.

merge to meet the demands of big government projects. Merging, Ategeka says, helps them raise capacity that cannot be managed by a single firm.

He also calls for increased investments in SMEs especially through training and protection from unfair competition since they are the major employers in any given country.

Denis Dorkoria, marketing manager of Uganda Industrial Research Institute, says small enterprises should be able to manage their finances because most big companies that request for tenders first look at a company's accounts.

“One of the most important aspects for a small business to win a tender is when they are dually registered by the Uganda Registration Service Bureau.”

Second, their bank account being managed well, clearly showing the cash flows since this creates confidence and people view you worthy the business,” he says.

Dorkoria says small business should be able to manage costs and budget well to win big tenders.

Mary Nyadol, a procurement officer with Kampala Capital City Authority, says small businesses should re-invest in their business to get the capacity for winning big tenders.

“They should pay their taxes to have a clean record when it comes to auditing of firms,” she says.

According to her reading and understanding the bidding documents is very paramount before preparing their bids plus ensure that they have enough bank security.

Best Employees FY 2014/15



**Mrs. Lydia Kwesiga, Senior Procurement Audit and Investigations Officer
Best Employee FY 2014 - 2015**



Mr. Aggrey Amanyabyona, Senior Officer. Best Employee Northern Uganda Region



Mr. Dan Atuhaire, Senior Capacity Building Officer, Best Employee Training and Capacity Building Department.



Ms. Sheila Nakiwala, Senior Legal and Advisory Services Officer. Best Employee Legal and Advisory Services Department.



Winny Nekesa Akullo, Senior Library & Documentation Officer. Best Employee Corporate Affairs Department.



Mr. Ahmed Busobozi, Finance Officer, Best Employee Finance and Administration



Ms. Anna Senyonjo, Secretary - Best Employee Assistant Officers



Mr. William Engola, Driver Best Employee Support Staff

New staff entrants



Name: Miroslav Alilovic
Title: Procurement Expert-
Capacity Building



Name: Geraldine Kawere
Title: Executive Assistant to ED



Name: Iga Henry Matovu
Title: Officer Procurement and
Audit



Name: Kasule Rober
Title: Officer Procurement and
Audit



Name: Katongole Patrick
Title: Officer Procurement
and Audit



Name: Kirabo Agatha
Title: Officer Procurement
and Audit



Name: Nakedde Benjamin
Title: Officer Procurement
and Audit



Name: Wampabya Abraham
Title: Officer Procurement
and Audit



Name: Ruth Nanteza
Title: Officer Procurement
and Audit



Name: Walter Ojok
Title: Officer Procurement
and Audit



Name: Dalia Hassam
Title: Officer Procurement
and Audit



Name: Nakidde Carolyne
Title: Officer Procurement and
Audit



Name: Morphat Andruale
Title: Driver



Name: Vincent Talyeba
Title: Driver

Public Procurement and Disposal of Public Assets Authority, UEDCL Tower| Plot 37, Nakasero Road| P.O. Box 3925, KAMPALA, Uganda
Tel: +256-414-311128| Fax: +256-414-344858| Website: www.ppda.go.ug

Promoting Value for Money

What you need to know about PPDA

The Public Procurement and Disposal of Public Assets Authority (PPDA) is the regulatory body responsible for the monitoring and overseeing public procurement in Uganda. It is also responsible for harmonising existing Government procurement policies and practices by regulating, setting standards and developing the required legal frameworks as well as building professional capacity for public procurement management in Uganda.

Vision:-

The vision of PPDA is to be:
A centre of excellence for regulation of public procurement and disposal

Mission:- The mission of PPDA is:
To promote the achievement of value for money in public procurement so as to contribute to national development.

Goal:- The overall goal of PPDA is:
To ensure that the public procurement and disposal system in Uganda achieves value for money.

Core Values:-

PPDA's core values are:

Reliability: We are dependable for a good service in public procurement.

Integrity: We will convey a zero tolerance to corruption in our dealings and conform to the PPDA Act.

Professionalism: Competence and good behaviour can be expected from all our staff.

Transparency and accountability: We endeavour to act with fairness, openness and clarity. We acknowledge responsibility and are accountable to stakeholders.

Commitment and teamwork: We are highly committed to achieving

team success. Our commitment reinforces our teamwork.

Partnership: We cooperate with stakeholders to advance mutual interests.

Strategic Objectives:

PPDA's strategic objectives, as outlined in the Strategic Plan (2014-2019) are:

1. To strengthen transparency and accountability in procurement.
2. To increase competition and hence contribute to domestic industry development.
3. To enhance the efficiency of the public procurement process by reducing procurement lead time.
4. To strengthen contract management and performance.
5. To leverage technology through e-procurement to improve procurement outcomes.
6. To enhance the performance of public procurement beyond compliance.
7. To enhance the effectiveness of capacity building, research and knowledge management.
8. To strengthen internal capacity to deliver performance of public procurement.
9. To leverage and enhance PPDA's partnerships and collaborations.

Mandate;

The mandate of PPDA as reflected in the Authority's statutory functions and objectives (PPDA Act Sections 6 and 7) is: Effective and efficient procurement; Ensure the application of fair, competitive, transparent, non-discriminatory and value for money procurement and disposal standards and practices.

Advisory: Advise central government, local governments and statutory bodies on all public procurement and disposal policies, principles and practices; and where necessary on their harmonisation.

Monitoring, Audit and Compliance;

Monitor, audit and ensure compliance of public procurement in order to ensure fairness, transparency, and efficiency.

Setting Standards:

Set, update, enforce, and advise on standards for procurement education and training, competence levels, certification requirements, procurement documents, and guidelines.

Building capacity:

Build capacity in public procurement for both the public sector and the bidding community.

Information Management:

Manage information generated in procurement and disposal process in a meaningful value adding way.

What PPDA DOES NOT DO

1. PPDA does NOT give out any tenders or contracts. Tenders and contracts are awarded by the respective Procuring and Disposing Entities (PDEs).
2. PPDA is NOT involved in the procurement process of any public entity. PPDA only gives an expert opinion when the parties involved request for guidance in accordance with the law.
3. PPDA does NOT and CANNOT influence the outcome of a procurement or disposal process. The different contracts committees at the respective Government PDEs decide on who the winning bidder is based on the procurement process and the PPDA law.
4. PPDA No longer grants waivers, rather the respective PDEs are expected to plan effectively.



Public Procurement & Disposal of
Public Assets Authority

Plot 37 Nakasero Road, Nakasero Towers,
5th Floor. UEDCL TOWERS
P. O. Box 3925 Kampala
Tel: +256-414-311100/ +256-414-311128
www.ppda.go.ug | facebook.com/ppdauganda