



PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY

**ALLEGED MISCONDUCT BY STAFF MEMBERS OF THE RURAL
ELECTRIFICATION AGENCY (REA) ON THE PROCUREMENT OF DESIGN, SUPPLY
AND INSTALLATION OF MEDIUM VOLTAGE AND LAST MILE CONSUMER
CONNECTIONS UNDER THE UGANDA RURAL ELECTRIFICATION ACCESS PROJECT**

ENTITY: RURAL ELECTRIFICATION AGENCY

COMPLAINANT: WHISTLE BLOWER

SEPTEMBER 2019

Contents

1.0	SUMMARY OF FACTS	1
2.0	OBJECTIVES OF THE INVESTIGATION	6
3.0	LAWS APPLICABLE.....	6
4.0	METHODOLOGY	6
5.0	FINDINGS BY THE AUTHORITY	7
6.0	OBSERVATIONS	12
7.0	STATUS OF THE PROJECT.....	12
8.0	RECOMMENDATIONS.....	13

ACRONYMS

AfDB	-	African Development Bank Group
AO	-	Accounting Officer
CC	-	Contracts Committee
FY	-	Financial Year
LV	-	Low voltage
MV	-	Medium voltage
PDU	-	Procurement and Disposal Unit
PPDA	-	Public Procurement and Disposal of Public Assets Authority
UGX	-	Uganda Shillings
UNDB	-	United Nations Development Business
UREAP	-	Uganda Rural Electricity Access Project
USD	-	United States Dollars

1.0 SUMMARY OF FACTS

1. On 3rd October 2017, Rural Electrification Agency initiated the procurement for the design, supply and installation of medium voltage and last mile consumer connections with an estimated cost of USD 38.6 M for Lots 2,4 & 5 as indicated in the Table 1 below:

Table 1: Estimated Costs

No.	Description	Amount (USD)
1.	Lot 2: Central Service Territory (Luwero and Environs)	8.6 M
2.	Lot 4: Eastern Service Territory (Kaliro and Environs)	13.8 M
3.	Lot 5: Eastern Service Territory (Iganga, Luuka and Environs)	16.2 M

2. The objective of the project was to provide reliable and affordable electricity to rural Ugandan households, public infrastructure services (Schools, Health Centres, and Administration Offices) and small and medium scale enterprises. The Procurement of design, supply and installation of medium voltage networks and last mile consumer connections comprised of;
 - i. Lot 2: Central Service Territory (Luwero and Environs) with an estimated cost of USD 8.6 Million at the time of appraisal with a scope of MV- 150 km, LV - 110 km, Connections - 7,815.
 - i. Lot 4: Eastern Service Territory (Kaliro and Environs) with an estimated cost at the time of appraisal of USD 13.8 Million with a scope of MV- 225 km, LV – 158.4 km, Connections – 6,126; and
 - ii. Lot 5: Eastern Service Territory (Iganga, Luuka and Environs) with an estimated cost at the time of appraisal of USD 16.2 Million with a scope of MV- 231 km, LV – 418.8km, Connections - 5,417.
3. On 13th October 2017, the Contracts Committee approved the open international bidding method and the Evaluation Committee comprising of six (6) members indicated in Table 2:

Table 2: Evaluation Committee

No.	Name	Designation
1.	Ms. Susan Kavuma	Senior Planning Engineer
2.	Ms. Flavia Uwayezu	Project Engineer Construction
3.	Ms. Jacqueline Musimenta	Project Procurement Officer
4.	Mr. Mutabigwa Patrick	Project Engineer
5.	Mr. Raymond Kimera	Project Engineer
6.	Mr. Samuel Bishop	Senior Construction Engineer

4. On 5th October 2017, the Entity published a bid notice for the design, supply and installation of medium voltage and last mile consumer connections on the UNDB website, AfDB website, the Monitor and New Vision Newspapers on 6th October 2017, 17th October 2017 and 19th October 2017 respectively.

5. On 17th October 2017, the Bank granted a ‘No Objection’ to the issuance of the bidding document.
6. Sixty- five (65) firms were issued with the solicitation document for treated wooden poles and sixty- nine (69) for concrete poles on 17th October 2017.
7. A pre-bid meeting was held on 1st November 2017 and the minutes were sent to the Bank and bidders on 15th November 2017.
8. On 12th December 2017, sixty-seven (67) bidders submitted bids for lots 2,4 and 5 which were opened on the same day as indicated in Table 3:

Table 3: Record of Bid Opening for Lot 2

No	Bidder	Bid Price (UGX)	Bid Price (USD)
1.	White city International Contractors Ltd & Guangdong Jianneng Electric Power Engineering Co/ Ltd JV	5,467,911,430.00	4,687,761.09
2.	Transrail lighting Ltd	6,177,800,485.00	4,382,550.00
3.	Polyphase System Ltd & MBII Power Ltd JV	-	5,542,502.07
4.	Larsen & Tubro Ltd (L&T) Ltd	12,306,000,817	5,028,169.00
5.	Hengtong Optic – Electric Co. Ltd	-	5,997,823.04
6.	Angelique International Limited	-	4,904,304.00
7.	STEG International Limited	4,660,238,310.00	4,391,061.83
8.	Lucky Exports	7,797,986,869.08	2,880,827.20
9.	Zhejiang Post & Telecommunication Construction Co. Ltd		
10.	Nageshwar Steels Vadodara JV with Sonaa Engineers Pvt Ltd	-	14,092,506.00
11.	C&G Andijes Group Ltd	-	5,219,795
12.	High Dam Electrical and Industrial Projects Company & Dott Services Ltd JV	19,960,242,293.81	2,738,320.50
13.	Zhongmei – JTPCC Consortium JV	-	5,923,967.82
14.	Shenzhen – Clou Electronic Co. Ltd	13,982,175,414.56	2,319,727.62
15.	China Jiangxi Corporation	-	5,684,613.39
16.	GXED- Senyuan Consortium JV	5,278,897,139	4,673,063
17.	BYE-CIGG-GDLY JV	5,366,463,380.24	3,687,362.89
18.	Sinohydro Corporation	-	6,373,994.58
19.	Urban and Rural Engineering Services Limited	6,713,436,693	4,706,186.44
20.	Xian Electric Engineering Company Ltd	-	7,411,611.06
21.	North China Power Engineering Consulting Group with Subsidiary NCEP Engineering Nigeria Ltd	11,433,114,769.00	3,121,739.12

No	Bidder	Bid Price (UGX)	Bid Price (USD)
22.	National Contracting Co. Ltd	876,214,404	5,320,361
23.	PPC/HEMG JV	-	6,071,788.49
24.	DERM Electric (T) Ltd	5,093,153,008	4,409,458.95
25.	Sinotec Co. Ltd	-	5,122,040.95
26.	and Mandewo Inv. Projects Co. (South Africa)	-	-

Table 4: Record of Bid Opening for Lot 4

No	Bidder	Bid Price (UGX)	Bid Price (USD)
1.	White City International Contractors Ltd & Guandong Jianneng Electric Power Engineering Co. Ltd JV	6,579,598,445.00	5,387,476.26
2.	Transil Lighting Ltd	6,370,823,972.00	5,382,758.00
3.	Larsen & Toubro Ltd (L & T Ltd)	15,481,246,412.00	6,493,637.00
4.	Hengtong Optic- Electric Co. Ltd	-	7,899,808.47
5.	Angelique International Limited		6,051,387.00
6.	STEG International Services	6,067,556,460.00	5,479,012.93
7.	Lucky Exports	9,894,791,468.69	3,549,373.20
8.	C & G Andijes Group Ltd	-	6,711,217.00
9.	High Dam Electrical & Industrial Projects Co. & Dott Services Ltd JV	27,041,436,573.09	3,952,436.59
10.	AIPEC- HAINAN XIANGDIAN JV	-	7,193,350.31
11.	Mandewo Inv Projects Co.	-	-
12.	Shenzhen- Clou Electronic Co. Ltd	18,181,519,534.48	2,856,496.91
13.	China Jiangxi Corporation	-	5,951,301.69
14.	GXED- Senyuan Consortium JV	6,645,929,219.00	5,818,527.00
15.	Burhani Engineering Ltd & Traquility Holdings Ltd	5,960,689,092.97	3,866,590.87
16.	Sinohydro Corporation Limited	-	7,024,313.82
17.	Urban and Rural Engineering Services Limited	8,811,576,787.14	6,351,618.81
18.	Xian Electric Engineering Co. Ltd	-	9,556,566.87
19.	North China Power Engineering Consulting Group with Subsidiary NC	13,220,283,638.00	4,009,126.26
20.	MEGGER Technical services Ltd	-	7,597,297.00
21.	National Contracting Co. Ltd	1,024,206,134	6,575,371.00
22.	DERM Electrics (T) Ltd	7,178,465,497.00	5,844,191.30
23.	SINOTEC Co. Ltd	-	6,644,515.80

Table 5: Record of Bid Opening for Lot 5

No	Bidder	Bid Price (UGX)	Bid Price (USD)
1.	White City International Contractors Ltd & Guandong Jianneng Electric Power Engineering Co. Ltd JV	7,769,032,450	7,755,458.70
2.	Transil Lighting Ltd	6,497,171,944.00	6,350,484.00
3.	Larsen & Toubro Ltd (L & T Ltd)	18,803,876,380.00	7,731,048.00
4.	Angelique International Limited	-	7,219,221.00
5.	C & G Andijes Group Ltd	-	8,704,886.00
6.	High Dam Electrical & Industrial Projects Co. & Dott Services Ltd JV	14,968,871,938.95	5,658,861.13
7.	AIPEC- HAINAN XIANGDIAN JV	-	8,906,517.12
8.	Mandewo Inv Projects Co.	-	-
9.	Shenzhen- Clou Electronic Co. Ltd	22,333,622,906.14	3,677,981.11
10.	China Jiangxi Corporation	-	7,280,188.36
11.	GXED- Senyuan Consortium JV	6,987,552,430.00	7,405,948.00
12.	China Henan International Corporation Co. Ltd (CHICO)	7,154,688,939.33	5,456,974.19
13.	Jiangsu ETERN Co. Ltd (ETERN) CCC Engineering JV	18,763,380,498.83	7,191,889.99
14.	Sinohydro Corporation Limited	-	8,866,238.43
15.	Urban and Rural Engineering Services Limited	9,325,314,706.40	7,401,355.15
16.	Xian Electric Engineering Co. Ltd	-	11,512,190.98
17.	North China Power Engineering Consulting Group with Subsidiary NC	14,400,985,023.00	5,125,017.17
18.	National Contracting Co. Ltd	1,227,731,217.00	7,971,473.00
19.	DERM Electrics (T) Ltd	6,863,056,256,259	7,302,957.57

9. The Evaluation Report dated 15th January 2019 for Lot 2 indicated that seven (7) bidders passed preliminary evaluation while five (5) bidders passed technical and progressed to financial evaluation.
10. The Evaluation Report dated 3rd December 2018 for Lot 4 indicated that ten (10) bidders passed preliminary evaluation while seven (7) bidders passed technical and progressed to financial evaluation.
11. The Evaluation Report dated 14th September 2018 for Lot 5 indicated that seven (7) bidders passed preliminary evaluation while three (3) bidders passed technical and progressed to financial evaluation.
12. On 4th February 2019, the Contracts Committee awarded the tender of Lot 2 to Larsen & Toubro Ltd (L & T Ltd) at a contract sum of USD 5,028,168.75 and UGX 12,306,000,817.36 inclusive of VAT.

13. On 21st January 2019, the Contracts Committee awarded the tender of Lot 4 to Larsen & Toubro Ltd (L & T Ltd) at a contract sum of USD 5,805,311.21 and UGX 13,840,234,292.17 inclusive of VAT.
14. On 12th April 2019, the Contracts Committee awarded the tender of Lot 5 to China Henan International Corporation Co. Ltd (CHICO) at a contract sum of USD 2,499,225.55 and UGX 18,937,436,531.42 inclusive of VAT.
15. The AfDB granted 'No Objections' to the Evaluation Reports for Lot 2 (28th January 2019), Lot 4 (14th December 2018), Lot 5 (26th October 2018).
16. The Entity displayed the notice of best evaluated bidders as follows:
 - i. Lot 2 from 6th to 19th February 2019;
 - ii. Lot 4 from 8th to 28th February 2019; and
 - iii. Lot 5 from 16th to 29th November 2018.
17. On 24th April 2019, the Solicitor General cleared the contracts for signature under Lots 2 & 4 while Lot 5 was cleared on 8th February 2019.
18. The Entity signed contracts with the following providers as detailed in the Table 7 below;

Table 7: Contracts Signed

Lot	Name of Bidder	Contract Price in USD & UGX	Contract Date
2	Larsen & Toubro Ltd (L & T Ltd)	USD 5,028,168.75 and UGX 12,306,000,817.36 inclusive of VAT	26 th April 2019
4	Larsen & Toubro Ltd (L & T Ltd)	USD 5,805,311.21 and UGX 13,840,234,292.17 inclusive of VAT	26 th April 2019
5	China Henan International Corporation Co. Ltd (CHICO)	USD 2,499,225.55 and UGX 18,937,436,531.42 inclusive of 18% VAT	13 th February 2019

19. On 26th July 2019, Ms Susan Kavuma was appointed the Contract Manager for the project.
20. On 5th September 2019, the Authority received a request from the Permanent Secretary, Ministry of Finance, Planning and Economic Development to investigate a complaint from Urban and Rural Engineering Services alleging irregularities in the procurement Ref no. REA/WRKS/17-18/00070.

2.0 OBJECTIVES OF THE INVESTIGATION

The objectives of the investigation as derived from the complaint were to establish whether:

1. The bid of Urban Rural Engineering Services Limited was tampered with prior to bid opening;
2. Only two bids out of three were opened; and
3. REA responded to the request by the Bank.

3.0 LAWS APPLICABLE

- i. The Public Procurement and Disposal of Public Assets Act, 2003;
- ii. The Public Procurement and Disposal of Public Assets Regulations, 2014;
- iii. The Public Procurement and Disposal of Public Assets Guidelines 2014;
- iv. The AfDB Rules and Procedures for Procurement of Goods and Works, May 2008 Edition, Revised July 2012; and
- v. The bidding documents issued.

4.0 METHODOLOGY

1. The Authority reviewed the following documentation:
 - i. Procurement Requisition;
 - ii. Solicitation document issued to bidders;
 - iii. Records of bid closing and bid opening;
 - iv. Bids submitted by bidders;
 - v. Evaluation Reports;
 - vi. Contracts Committee minutes and decisions;
 - vii. No Objections by AfDB
 - viii. Notice of the best evaluated bidder;
 - ix. Contract documents;
 - x. Progress Reportsand
 - xi. Any other correspondences on the matter.
2. The Authority met the following persons as indicated in Table 8 below:

Table 8: Persons Met

No.	Name	Designation
1.	Mr. Godfrey Turyahikayo	Executive Director
2.	Ms. Susan Kavuma	Senior Planning Engineer
3.	Ms. Flavia Atukunda	Ag. Head Procurement and Disposal Unit
4.	Ms. Patricia Kirangi	Procurement and Disposal Officer
5.	Ms. Jacqueline Musimenta	Project Procurement Officer
6.	Eng. Wegulo S. Byakatonda	Senior Project Engineer
7.	Mr. Kevin Gidudu	Procurement and Disposal Assistant

5.0 FINDINGS BY THE AUTHORITY

5.1 Whether the bid of Urban Rural Engineering Services Limited was tampered with prior to bid opening

1. The complainant alleged that its bids were already opened prior to the bid opening session that was held in the boardroom on 12th December 2017.
2. The complaint alleged that Urban Rural Engineering Services Limited submitted bids in four sealed boxes on 12th December 2017 which were marked No.22 at the reception. However, during bid opening, the representative of Urban Rural Engineering Services Limited saw a gentleman with its bid opened before the actual opening and reading out of the bid. It was submitted to the representative that the bid had fallen and, in the process, opened and was only reorganising it.
3. The Authority met with Mr. John Bosco Nsubuga a representative of the firm who was present at submission of the bids to REA and at bid opening who confirmed that the firm submitted three bids on 12th December 2107 for lots 2, 4 & 5 and not 4 bids as alleged in the complaint.
4. The representative further indicated that the bid for Lot 2 was not sealed as submitted at the reception and was open. He informed the Authority that he suspected it had been opened prior the official bid opening session based on how the gentleman was handling the bid. The representative further indicated that this conduct was raised with the presiding officer at the bid opening who allowed him to ascertain that all documents were in the bid and to reorganise the bid.
5. The Authority met the officials from REA i.e Mr. Godfrey Turyahikayo, Ms. Susan Kavuma, Ms. Flavia Atukunda, Ms. Patricia Kirangi, Ms. Jacqueline Musimenta, Eng. Wegulo S. Byakatonda and Mr. Kevin Gidudu who were present at bid opening on 12th December 2017 and confirmed that one of the boxes for Urban Rural Engineering Services Limited which contained one of the bids had been opened and the files were disorganised but requested the representative to reorganise them. The Officials indicated that the box fell which led to the opening of the bids prior to the bid opening.
6. The record of bid opening dated 12th December 2017 indicated that the bids submitted by Urban Rural Engineering Services Limited were accompanied by the key documents i.e. bid securities and Powers of Attorney.
7. The Authority noted that the Evaluation Reports for Lot 2,3 &5 indicated that the bids by Urban Rural Engineering Services Limited were found compliant to the preliminary and administrative requirements of the bidding document and progressed to detailed evaluation and financial comparison. The responsiveness of the bids submitted meant that the bids were complete with no missing documents/information required for evaluation purposes.

8. Regulation 65(8) of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations 2014, provided that; *“public bid opening shall be conducted in the presence of a bidder who chooses to attend or a representative of a bidder”*.
9. The Authority noted that the record of attendance indicated that the bid opening on 12th December 2017 was attended by bidders including Mr. Meshack Meckson, (Quantity Surveyor) who represented Urban Rural Engineering Services Limited.
10. During a meeting held with the Entity officials, the Authority was informed that a total of 132 bids were received by the time of bid closing on 12th December 2017 including bids by Urban Rural Engineering Services Limited. All bidders/representatives signed on form 11 and were numbered in a sequential manner with the complainant’s box numbered 22. All bids were carried to the bid the Boardroom (opening room) and opened in front of all bidders present or their representatives. When one of the boxes for Urban Rural Engineering Services Limited fell down and opened it was discovered that two box files were disorganized and the bidder’s representative was notified and re-organised them. All the bids submitted for Lots 2,3 and 5 were found complete with the key documents included such as bid security and Power of Attorney and were read out in presence of bidders present and recorded on form 12.
11. During a meeting held with the Authority, the complainant stated that he suspected that the box containing its bid was opened prior to the bid opening exercise and was surprised in the way the staff was handling the documents out of the files and boxes. He raised a concern to the presiding officer who allowed him to re-organise bid. He further stated that all the information that was read out for other bidders was equally read out for its bids and was satisfied to note that no page had been removed from the bid documents submitted for the three lots.
12. The Authority found that the bid of Urban Rural Engineering Services Limited was tampered with prior to bid opening since the Entity staff confirmed that one of the boxes for Urban Rural Engineering Services Limited which contained one of the bids had been opened and the files were disorganised but requested the representative to reorganise them. The Officials indicated that the box fell which led to the opening of the bids prior to the bid opening.

5.2 Whether only two bids out of three were opened

1. The complainant alleged that only two lots out of the three bided for were opened as the third box which contained other documents was missing in the Boardroom. When the missing box was found hours later, the staff presiding over the bid opening exercise announced that its original copy was in disarray and needed to be organized. He noted that the documents had been switched from one file to another while other pages were completely missing. He suspected foul play and wondered whether the Entity would fairly evaluate its bid.

2. During a meeting held with the Entity officials, the Authority was informed that the bid opening exercise was held in a transparent manner with all bidders and bidder's representative present. All the three Lots were opened, read out and evaluated at preliminary examination, detailed commercial and technical stage & at financial comparison and found response and recommended for due diligence.
3. The Authority reviewed the procurement file and established from the record of bid opening that Urban Rural Engineering Services Limited submitted bids for 3 Lots i.e. 2,4 and 5. Form 12 indicated that the bidder was recorded as number 22 and submitted 3 copies of the bid for each Lot including the bid securities and Powers of Attorney.
4. The Authority noted that the Bid Evaluation Reports for Lot 2,3&5 indicated that the bids by Urban Rural Engineering Services Limited were evaluated and the bidder found unsuccessful after the due diligence exercise for lack of experience.
5. During a meeting with the Authority, the complainant stated that when the missing box was found hours later, the staff presiding over the bid opening exercise announced that its original copy was in disarray and needed to be organized. He was given an opportunity to organise the bid documents and bid opening continued in presence of other bidders. He confirmed that all bids submitted for the 3 Lots were opened and read out like other bidders.
6. The Authority found that Urban Rural Engineering Services Limited submitted three bids for Lots 2, 4 and 5 which were opened, read out and evaluated and hence the allegation that only two lots were opened lacks merit.

5.3 Whether the REA responded to the request by the Bank

1. On the 14th of December 2017, Urban Rural Engineering Services Limited submitted a complaint to the Accounting Officer alleging mishandling of its bid documents by Entity staff during bid opening on 12th December 2017.
2. On 21st June 2019, the Office of Integrity and Ant-Corruption of the African Development Bank Group requested the REA Accounting Officer to provide responses to the following issues:
 - i. Whether the Entity informed the Bank of the alleged manipulation of Urban's bid documents;
 - ii. What measures if any did REA take to investigate the allegations of manipulation of Urban's bid documents and what was the outcome of the investigation; and
 - iii. If the investigation by the Entity established misconduct by staff.
3. Section 26 (h) of the PPDA Act 2003 provides that "*The Accounting Officer of a Procuring and Disposing Entity shall have overall responsibility for the execution of the procurement and disposal process in the procuring and disposing entity, and in particular, shall be responsible for investigating complaints by providers*".

4. On 26th August 2019, African Development Bank wrote to the Minister of Finance Planning and Economic Development and requested for an investigation into to address the following issues:
 - i. Why has REA failed to acknowledge the Banks letter;
 - ii. Why REA did not conduct an investigation in response to the bidder's complaint dated 13th December 2017, alleging mishandling of its bids;
 - iii. If REA did conduct an investigation, what were the outcomes; and
 - iv. If the outcomes of the investigation confirmed the allegation, disciplinary actions did REA take.

5. On 2nd September 2019, the Accounting Officer, REA responded to the letter from the Permanent Secretary, Ministry of Energy and Mineral Development dated 27th August 2019 which made reference to a letter from the African Development Bank dated 26th August 2019 and responded as follows:
 - i. The letter from the Bank dated 21st June 2019 was sent to him at the time he was preparing reports for various Projects and other Agency activities to pave way for handing over the Office of the Executive Director and did not check his email regularly at the time and only saw it on 29th August 2019 following the letter from Ministry of Energy and Mineral Development. He added that if a hard copy had been sent, his executive assistant would have brought it to his attention.

 - ii. The Entity did not conduct an investigation into the bidder's complaint dated 13th December 2017 alleging mishandling of its bid because the bidder did not full fill the requirements of the complaint provided for under Regulation 4 of the Administrative Review Regulations 2014 and Section 90 (1) of the PPDA Act 2003. The further submitted that he did not deem it necessary to respond to the allegation nor warrant any investigation or disciplinary action.

6. During a meeting with the Authority , the complainant stated that the Accounting Officer called him for a meeting after receipt of the complaint and informed him that he had summoned the responsible staff present at the bid opening who explained to him that the box containing the documents accidentally fell and broke open but the documents were preserved. The Accounting Officer further guided him that in case it was not satisfied with the explanation he should lodge a formal complaint and pay the prescribed fees in accordance with the procedure for administrative review. The complainant added that he was satisfied with the explanation of the Accounting Officer and opted not to file for Administrative Review.

7. The Authority reviewed the response dated 2nd September 2019 by the Accounting Officer, REA to the issues raised by the Bank in the letter by the Permanent Secretary, Ministry of Energy and Mineral Development dated 27th August 2019 and noted that the issues raised were addressed as indicated below. The response was also copied to the Banks's Kampala Office.

Table 9: Response by Accounting Officer

No.	Bank's Concerns	Response by Accounting Officer	Authority's findings
1.	Why has REA failed to acknowledge the Banks letter?	The Accounting Officer did not check his emails for some time as he was preparing to hand over office of the Executive Director.He further indicated that he was not aware of the email by the Bank until 29 th August 2019 following a letter by the Permanent Secretary, Ministry of Energy and Mineral Development.	The Accounting Officer's response to the letter from Ministry of Energy and Mineral Development indicated that he did not acknowledge the Banks letter because he was not aware of the email from the Bank.
2.	Why REA did not conduct an investigation in response to the bidder's complaint dated 13th December 2017, alleging mishandling of its bids.	The Entity received a complaint by Urban Rural Engineering Services Limited but was not handled as an administrative review since it did not comply with Section 90(1) of the PPDA Act, 2003 and the PPDA Administrative Review Regulations 2014. The Accounting Officer, however inquired from the staff who had managed the bid opening process who informed him that one of the boxes for Urban Rural Engineering Services Limited which contained one of the bids had been opened and the files were disorganized but requested the representative to re-organize them. The Officials indicated that the box fell which led to the opening of the bids prior to the bid opening.	The Accounting Officer did not conduct an investigation but instead conducted an inquiry into the matter and established that the documents accidentally fell and broke open and the documents were preserved. He further guided the complainant on the Administrative Review procedure for lodging a formal complaint and payment of the prescribed fees in accordance with the Law. The complainant added that he was satisfied with the explanation of the Accounting Officer and opted not to file for Administrative Review.
3.	If REA did conduct an investigation, what were the outcomes.	REA did not conduct an investigation into the allegations.	There was no documentary evidence that the Entity conducted an investigation into the allegations.
4.	If the outcomes of	No action needed.	There was no

No.	Bank's Concerns	Response by Accounting Officer	Authority's findings
	the investigation confirmed the allegation, what disciplinary actions did REA take.		documentary evidence to that effect.

8. The Accounting Officer informed the Authority that he considered the matter settled and did not find it necessary to make a formal written response to the complaint by Urban Rural Engineering Services Limited following the meeting held.
9. The Authority found that although the Accounting Officer did not make a formal response to the complaint, he held a meeting with the complainant, explained the procedure for submitting a complaint to the Entity and considered the matter settled. Despite the guidance by the Accounting Officer, the complainant opted not to apply for Administrative Review in accordance with Section 90(1) of the PPDA Act, 2003 and the PPDA Administrative Review Regulations 2014.

6.0 OBSERVATIONS

The Authority made the following observations;

1. Delays at evaluation: The Authority noted delays during evaluation process from the bidclosing on 12th December 2017, the evaluation of bids was concluded on 15th January 2019 for Lot 2, on 3rd December 2018 for Lot 4 and on 14th September 2018 for Lot 5 creating a delay of over 10 months.
2. Delays at implementation: The Authority noted delayed implementation of the Project with the provider still mobilizing for contracts under Lots 2 & 4 after over five (5) months after contract signature.

7.0 STATUS OF THE PROJECT

By the time of conducting the investigation in September 2019, the Projects were under implementation with the contracts for Lots 2 & 4 partially effective since the provider had received only the dollar component of the advance payment and the UGX component not yet paid. The Project Manager informed the Authority that the contractor had submitted some required documentation, mobilized staff and site hand over was scheduled for September 2019. The provider had also submitted suppliers for the conductor and some line accessories. In respect to Lot 5; the survey works have been done with some drawings submitted to the Consultant for review and approval.

8.0 RECOMMENDATIONS

In light of the above findings, and in accordance to Section 9 of the PPDA Act, 2003, the Authority recommends that:

- i. The Entity proceeds with implementation of the contract in accordance with the terms therein;
- ii. The Accounting Officer should always handle bidder's complaints in accordance with Section 26 (h) of the PPDA Act 2003;
- iii. The evaluation process is concluded within the stipulated timelines to instil bidder confidence in the procurement process and reduce potential complaints that delays the procurement process.