

**PPDA/IGG/103**

13<sup>th</sup> November 2019

The Inspector General of Government  
Inspectorate of Government  
P.O Box 1682  
**KAMPALA**

**RE: ALLEGED IRREGULARITIES IN THE PROCUREMENT OF THE EAST AFRICA'S CENTRE OF EXCELLENCE FOR SKILL AND TERTIARY EDUCATION IN BIOMEDICAL SCIENCES, PHASE 1 AT THE CANCER INSTITUTE- (PPDA/HQT/001/2019)**

Reference is made to our letter dated 28<sup>th</sup> December 2018 and your letters dated 21<sup>st</sup> November 2018 and 19<sup>th</sup> December 2018, regarding the above subject.

The complaint alleged the following:

1. Failure to adhere to the PPDA Act, 2003 during the evaluation process; and
2. Non-involvement of the Contracts Committee in clearance of the evaluation report.

In accordance with Section 8 (1) (c) of the PPDA Act 2003, the Authority instituted an investigation and found that:

**Brief facts:**

1. On 1<sup>st</sup> June 2018, Uganda Cancer Institute initiated the procurement for construction of a multipurpose building for cancer treatment and research at an estimated cost of USD. 15,001,418.
2. The scope of works included construction of a multipurpose building to house cancer treatment facilities and special cases wards, research laboratory and training facilities i.e. an e-learning Centre and an e-library.

3. On 19<sup>th</sup> June 2018, the AfDB granted a “No Objection” to the bidding document.
4. On 17<sup>th</sup> August 2018, the Contracts Committee approved the Evaluation Committee, bidding document and the international competitive bidding method.
5. On 24<sup>th</sup> August 2018, the bid notice was published in the New Vision and Monitor Newspapers with a deadline for submission of bids on 21<sup>st</sup> September 2018 but extended to 24<sup>th</sup> September 2018.
6. Thirty (30) firms were issued with the bidding document.
7. On 7<sup>th</sup> September 2018, a pre-bid meeting was held with representatives of the bidders.
8. Eighteen (18) firms submitted bids by close of bid submission date on 24<sup>th</sup> September 2018 and the bids were opened and the prices read out as indicated below:

**Table 1: Record of Bid Opening**

No.	Name of Bidder	Price Read Out in USD & UGX
1.	Excel construction Ltd	\$17,796,167.11
2.	Zhoungomei Engineering Group Ltd	\$13,666,495.63
3.	Seyani Brothers & Co.U Ltd&Parbat Siyan Construction Ltd JV	\$16,576,467
4.	Nantong construction Group Company Ltd	UGX. 64,391,000,137
5.	JMC Projects (India) Limited	\$ 18,521,054 and UGX. 18,011,031,392
6.	China State construction Engineering Corporation Ltd	UGX. 49,470,707,968
7.	Shapoorji Pallonji Mideast LLC	\$18,215,261.3 & UGX. 37,271,227.058.61
8.	CRJE (East Africa) Ltd	\$17,163,144.00
9.	China New Era Group Corporation (EA) & China Overseas EngineeringJV(CNE-ENG JV	\$16,892,954
10.	Samcrete Egypt Engineers & Contractors S.A.E	UGX.57,060,130,829
11.	China National Complete Plant Import & Export Group Corporation Limited (COMPLANT)	UGX.53,449,148,764
12.	China Civil Engineering Construction Corporation (CCECC)	\$17,800,024 & UGX.67,744,758,584
13.	China National Aero-Technology International Engineering Corporation	UGX. 64,738,081,824
14.	Sadeem Al Kuwait General trading & Construction Co. and DOTT Services Ltd JV	\$10,530,962.39 & UGX. 16,967,817,578
15.	Coronation Developers (U) Ltd & N.S Associates Ltd	\$ 15,658,060 & UGX. 59,657,207,772
16.	Cementers Uganda Ltd in JV with Cementers Ltd	\$ 7,004,029.80 & UGX. 51,094,073,276
17.	Roko Construction Ltd	\$ 13,627,477
18.	Matta Et. Associates, Sal in Association with Central Electricals	\$ 15,990,000

No.	Name of Bidder	Price Read Out in USD & UGX
	Int' Ltd	

9. The Evaluation Committee Report dated 27<sup>th</sup> September 2018 recommended award of contract to Roko Construction Ltd at the contract price of USD 13,627,477.
10. On 30<sup>th</sup> October 2018, the Contracts Committee awarded the contract for construction of a multipurpose building for cancer treatment and research to Roko Construction Ltd at USD 13,627,477. On the same date, a “No objection” to the award was granted by the African Development Bank.
11. On 30<sup>th</sup> October 2018, the Notice of Best Evaluated Bidder was displayed with a removal date of 12<sup>th</sup> November 2018.
12. On 12<sup>th</sup> November 2018, Uganda Cancer Institute signed with Roko Construction Ltd a contract for construction of a multipurpose building for cancer treatment and research at USD 13,627,477 for a contract period of 18 months.

**Issue 1: Whether the Entity adhered to the PPDA Act, 2003 during the evaluation process**

- i. The complainant alleged that the Head Procurement and Disposal Unit and the Accounting Officer failed to adhere to the PPDA Act, 2003 during the evaluation process.
- ii. Section 37 (1) of the PPDA Act, 2003 provide that all evaluations shall be conducted by an Evaluation Committee, which shall report to the Procurement and Disposal Unit.
- iii. Section 37 (2) of the PPDA Act, 2003 provide that the membership of the Evaluation Committee shall be recommended by Procurement and Disposal Unit, in accordance with Regulations made under this Act, and approved by the Contracts Committee.
- iv. On 17<sup>th</sup> August 2018, the Contracts Committee approved the Evaluation Committee indicated in Table 2.

**Table 2: Evaluation Committee**

No.	Name of Bidder	Designation
1.	Mr. Michael Wateya	Quantity Surveyor
2.	Ms. Susan Watara	Senior Procurement Officer
3.	Eng. Julius Tayebwa	Structural Engineer
4.	Eng. Olive Nalugo	Engineer
5.	Arch. Julius Ddamulira	Architect
6.	Dr. Nixon Niyonzima	Clinical Officer
7.	Stup Consults PVT Ltd	Consultant

- v. The Authority noted that the Evaluation Committee comprised of members with technical skills and experience in accordance with Regulation 3 of the PPDA (Evaluation) Regulations, 2014.
- vi. The Authority further noted that Ms. Susan Watera, the Head Procurement and Disposal Unit was a member of the Evaluation Committee and participated in the evaluation process while the Accounting Officer never participated in the evaluation process.
- vii. Regulation 6 (1) of the PPDA (Evaluation) Regulations, 2014 state that “ *bids for the Procurement of Supplies , Works and Non-Consultancy Services shall be evaluated using the Technical Compliance Selection method*” and Regulation 7 of the PPDA (Evaluation) Regulations, 2014 state that “ *the evaluation of a bid , shall be conducted in accordance with the evaluation criteria stated in the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services ) Regulations , 2014 and in the bidding document*”.
- viii. The Authority noted that the bids for the construction of a multipurpose building for cancer treatment and research were evaluated using Technical Compliance Selection method contained in the bidding document issued to bidders in accordance with Regulation 6 (1) of the PPDA (Evaluation) Regulations, 2014.
- ix. The evaluation of bids commenced on 25<sup>th</sup> September 2018 and was concluded on 8<sup>th</sup> October 2018 i.e. (conducted in 11 days) which was within the mandatory period of evaluation of works procurement of 40 days in accordance with Regulation 5 of the PPDA (Evaluation) Regulations, 2014.
- x. On 8<sup>th</sup> October 2018, the Evaluation Committee recommended award of contract for construction of a multipurpose building for cancer treatment and research to Roko Construction Ltd at USD 13,627,477.
- xi. The Loan Agreement between the AfDB and Government of Uganda provided that the procurement for civil works would be carried out in accordance with the Fund’s Rules and Procedures for Goods and Works, (May 2008, Revised July 2012) under International Competitive Bidding (ICB) without pre-qualification using the Fund’s Standard Bidding Documents (SBD).
- xii. The Authority noted that the standard Bid Evaluation Guide by the African Development Bank Group for use by its Borrowers and their implementing agencies in the evaluation of bids, provided a standard step-by-step procedure for the evaluation of bids solicited through ICB.
- xiii. Section 4 of the PPDA Act, 2003 provides that where the Act conflicts with an obligation of the Republic of Uganda arising out of an agreement with one or more states, or with an international organization, the provisions of the Agreement shall prevail over this Act.
- xiv. The Authority found that the procurement for construction of a multipurpose building for cancer treatment and research was undertaken under International Competitive Bidding (ICB) without pre-qualification using the Bank’s standard bidding document using the

evaluation criteria stated in the bidding document in accordance with the ADB Rules and Procedures for Goods and Works, (May 2008, Revised July 2012).

- xv. The Authority further found that the Loan Agreement between the AfDB and Government of Uganda provided that the procurement for civil works would be carried out in accordance with the Fund's Rules and Procedures for Goods and Works, (May 2008, Revised July 2012) and hence the Entity was not required to adhere to the PPDA Act, 2003 in accordance with Section 4 of the PPDA Act, 2003.

**Issue 2: Whether the Contracts Committee was not involved in clearance of the Evaluation Report**

- i. The complainant alleged that there was no involvement of the Contracts Committee in clearance of the Evaluation Report.
- ii. The Bid Evaluation Report dated 8<sup>th</sup> October 2018 recommended award of contract for construction of a multipurpose building for cancer treatment and research to Roko Construction Ltd at USD 13,627,477.
- iii. On 30<sup>th</sup> October 2018, the Contracts Committee under minute number 03CC/15/2018/2019 approved the Evaluation Report and awarded the contract for construction of a multipurpose building for cancer treatment and research to Roko Construction Ltd at USD 13,627,477.
- iv. The Authority found that the Contracts Committee approved the Evaluation Report and awarded the contract for construction of a multipurpose building for cancer treatment and research to Roko Construction Ltd at USD 13,627,477 and hence finds no merit in the allegation.

This to submit to you the findings of the investigations for your information.

Julius Mwesigye  
**Ag. EXECUTIVE DIRECTOR**

c.c.: Executive Director, Uganda Cancer Institute