



**PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY**
"Procurement That Delivers"

Your Ref: PPDA/MUK/301

Our Ref:

1st February 2023

The University Secretary
Makerere University
P.O. BOX 7062
KAMPALA

**INVESTIGATION INTO ALLEGED PARALLEL ONGOING PROCUREMENT
PROCESSES FOR PROVISION OF TRAFFIC MANAGEMENT AT MAKERERE
UNIVERSITY**

Reference is made to the above subject.

The PPDA received a complaint from Mr. Ronald Ajuk, the Managing Director of Ron Outsourcing Ltd wherein it was alleged that there were two on-going parallel procurement processes for the provision of traffic management at Makerere University (MUK) and that Samanga Solutions Ltd, who emerged as the Best Evaluated Bidder, did not have the required experience.

In accordance with Section 8 (1) (e) of the PPDA Act 2003 as amended, the Authority instituted an investigation into the above procurement with objectives of establishing whether:

1. There were two on-going parallel procurement processes for the provision of traffic management at Makerere University; and
2. The Best Evaluated Bidder had the required experience as prescribed in the bidding document.

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PPDA Findings

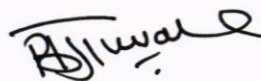
Whether there were two on-going parallel procurement processes for the provision of Traffic Management at Makerere University

1. On 12th May 2020, Makerere University initiated the procurement for provision of traffic management services at Makerere University main campus and advertised for the same on 3rd August, 2020.
2. Subsequently, three bidders expressed interest which consisted of Ron Outsourcing Ltd, Kampala Access Parking Services Ltd and Samanga Solutions Ltd.
3. Upon evaluation, Samanga Solutions Ltd emerged the best evaluated bidder, with Kampala Access Parking Services Ltd and Ron Outsourcing Ltd being eliminated at the technical and preliminary stages of the evaluation respectively.
4. On 31st March 2021, Makerere University signed a contract with Samanga Solutions Ltd, on a 50:50 revenue sharing basis. The contract period was 5 years, renewable for a further 3 years following satisfactory performance.
5. On 4th July 2022, Mr. Moses Nadiope, the Chief Executive Officer MAK Holdings Ltd invited Ron Outsourcing Ltd via email to pick a Request for Proposal for the provision of traffic management services from MAK Holdings Ltd. This followed an earlier University Council decision to transfer the traffic management and parking service at the University Main Campus to MAK Holdings Ltd. The Authority noted that MAK Holdings Ltd is a private company owned by Makerere University and was incorporated to manage the university's businesses.
6. Consequently, Ron Outsourcing Ltd submitted its bid to MAK Holdings Ltd, but the procurement process was halted thereafter before opening of the bid, and the same was communicated to Ron Outsourcing Ltd by MAK Holdings Ltd on 23rd September 2022.
7. Mr. Yusuf Kiranda, University Secretary, Makerere University revealed that the University didn't give any instructions or authority to MAK Holdings Ltd to conduct another procurement for parking and traffic management services. That MAK Holdings Ltd is not yet a Procuring and Disposing Entity and could not therefore conduct procurements.
8. The Authority noted that whereas there seemed like there were two procurement processes for the provision of traffic management services to Makerere University, there was actually only one procurement process that was initiated by Makerere University on 12th May 2022 that culminated into the contract signed between Samanga Solutions Ltd and Makerere University. The procurement process carried out by MAK Holdings Ltd, which was later suspended, was irregular and cannot therefore be recognized by the Authority.

In light of the above findings, the Authority therefore finds no merit in the complaint raised.

Whether the Best Evaluated Bidder had the required experience as prescribed in the Bidding Document

1. According to the solicitation documents which MUK issued to the bidders, the Best Evaluated Bidder was required to:
 - i) Provide evidence of managing at least one similar contract/facility for 2 years, with a copy of the contract and recommendation from the current client with contacts attached;
 - ii) Implemented at least one parking and control management system using the current technology in any country; and
 - iii) Provide a minimum of one reference site as experience in implementing the current technology of parking and control management systems during the last 2 years.
2. The Authority noted that in their bid document submitted to MUK on 1st September 2020, Samanga Solutions Ltd submitted the following as evidence of experience and personnel:
 - i) Contract agreement dated 11th October 2019 between Kampala Capital City Authority (KCCA) and Samanga Solutions Ltd for provision of parking lot management services at Plot M.736 Cooper Road, Kisementi in Kampala City on a 70:30 revenue sharing ratio; and
 - ii) Brochure from Cross Zlin indicating that the company (Cross Zlin) had installed several parking and traffic management systems in Czech Republic and Norway, among others.
3. The Authority noted that among the documents for Cross Zlin that were submitted to Makerere University, there was a letter dated 30th August 2020 from the company confirming that they were in a partnership with Samanga Solutions Ltd.
4. On 10th November 2020, bid evaluation was carried out where the Evaluation Committee found that Samanga Solutions Ltd was responsive to all the technical evaluation criteria, including providing experience in managing at least one similar contract/facility for 2 years and the committee thereafter recommended the company to the Contracts Committee for contract award.
5. The Authority noted that at the time the bid evaluation was carried out (10th November 2020), Samanga Solutions Ltd had only signed its contract with KCCA for the provision of parking lot management services at Plot M.736 Cooper Road, Kisementi eleven (11) months ago on 11th October 2019, meaning that it did not meet the experience of managing at least one similar contract/facility for 2 years as required, thereby making it non-responsive.



6. The Authority established from KCCA that whereas the Entity (KCCA) signed a contract with Samanga Solutions Ltd, the contract had not been implemented to-date due to litigations with the landlords. This meant that the company had never implemented any parking and control management system as required under general experience and did not have any reference site as required under specific experience.
7. On being interviewed, the members of the Evaluation Committee revealed that they considered the experience of Cross Zlin, who was Samanga Solutions Ltd's partner, since Cross Zlin had committed to work with Samanga Solutions Ltd on the project. It was on this basis that the Evaluation Committee found Samanga Solutions Ltd responsive.
8. The Authority noted that the Evaluation Committee's decision to consider the experience of Cross Zlin as that of Samanga Solutions Ltd was erroneous because Samanga Solutions Ltd did not submit their bid to Makerere University as a joint venture and neither did they carry out any of the mentioned projects jointly with Cross Zlin. Similarly, Samanga Solutions Ltd only signed its contract with KCCA 11 months prior to the date of bid evaluation and had not yet even implemented the said contract.

In light of the above findings, the Authority therefore finds merit in the complaint raised.

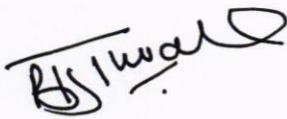
Other observations

1. The Authority noted that there was delay in contract implementation from when the contract was signed in March 2021 and the implementation which started in September 2022. The Authority also noted delay in appointment of a Contract Management team (MAK Holdings Ltd) which only occurred on 30th November 2022. This followed the University Council's decision to transfer the contract management of the traffic management and parking service at the University Main Campus to MAK Holdings Ltd (a private company owned by MUK to manage the University's businesses).
2. The Authority established that Samanga Solutions Ltd commenced implementation of the contract in September 2022 and had remitted UGX 7,497,000, UGX 16,205,500 and UGX 22,817,750 for the months of September, October and November 2022 respectively to the bank account of MAK Holdings Ltd.
3. Mr. Yusuf Kiranda, University Secretary, Makerere University revealed that the delay in contract execution, implementation and appointment of a Contract Manager was as the lengthy consultation process with the Council and Finance planning, Administration and Investment Committee (FPAIC) on the overall management of the parking and traffic management services at Makerere University

Recommendations

In accordance with Section 9 of the PPDA Act 2003 as amended and in light of the above findings, the Authority found merit in the allegation that the Best Evaluated Bidder did not have the required experience as prescribed in the bidding document and directs that:

1. The University Secretary should bar MAK Holdings Ltd from carrying out any further procurements on behalf of the University and caution the Company's management for irregularly carrying out a procurement process.
2. The University Secretary should ensure that MAK Holdings Ltd immediately returns Ron Outsourcing Ltd's sealed bid to Mr. Ajuk Ronald, the Managing Director, to enable the firm to cancel the bid security.
3. The University Secretary should caution in writing the Evaluation Committee members for recommending Samanga Solutions Ltd for the contract award for parking and traffic management when they did not have the experience to carry out the service thus exposing Makerere University to the risk of underperformance of the contract.
4. The University Secretary should in future ensure that Contract Managers/Contract Management Teams are appointed early enough to ensure smooth supervision of projects, and avoid delays in project implementation.
5. The University Secretary should incorporate the Estates and Works Department as a User Department into the Contract Management Team, to ensure that contract implementation is closely managed.
6. The Contract Management team should ensure close supervision of Samanga Solutions Ltd to ensure that the contract is implemented as per the agreed contractual terms.



Benson Turamye
EXECUTIVE DIRECTOR

c.c.: Managing Director, Ron Outsourcing Ltd
c.c.: The Chairperson Contracts Committee
c.c.: The Head, Procurement and Disposal Unit