PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY

AUDIT IN RESPECT OF THE PROCUREMENT OF CIVIL WORKS FOR UPGRADING OF KABALE-LAKE BUNYONYI AND KISORO-MGAHINGA ROADS (33.2KM) FROM GRAVEL TO PAVED (BITUMINOUS) STANDARD

ENTITY: UGANDA NATIONAL ROADS AUTHORITY

REQUESTER: CRIMINAL INVESTIGATIONS DIRECTORATE OF THE UGANDA POLICE FORCE

JULY 2026

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1.0 BACKGROUND

1. On 17th July 2020, the African Development Bank (AfDB) provided a no-objection to advance contracting procedures for the civil works for upgrading of Kabale-Lake Bunyonyi and Kisoro-Mgahinga ROADS (33.2Km) from gravel to paved (bituminous) standard using the Bank's procurement procedures and framework for the eventual contract to be eligible for Bank financing.

2. On 17th November 2020, Uganda National Roads Authority initiated the procurement for civil works for upgrading of Kabale-Lake Bunyonyi and Kisoro-Mgahinga ROADS (33.2Km) from gravel to paved (bituminous) standard at an estimated cost of UGX 174,760,563,700. Funding for the procurement was through a loan agreement from the African Development Bank (AfDB) referenced 2100150042497.

3. On 11th June 2021, the Contracts Committee approved the international competitive bidding method, the Specific Procurement Notice and the Evaluation Committee as indicated in Table 1 below:

Table 1: Evaluation Committee members

S/No	Name	Position
1.	Ms. Phoebe Kenyonyozi	Procurement Manager
2.	Mr. Ponsiano Kiggundu	Highway Engineer
3.	Mr. Phillip Patrick Kitimba	Manager Road Development

4. On 22nd July 2021, a Specific Procurement Notice was advertised in the EastAfrican Newspaper with a deadline for receipt of bids of 23rd September 2021.

6. On 5th August 2021, a pre-bid meeting was held.

7. On 30th August 2021, the Contracts Committee approved Addendum No. 1 to the solicitation document.

8. On 15th September 2021, Clarification No. 1 was issued to bidders who were issued the solicitation document.

9. On 16th September 2021, the Contracts Committee approved Addendum No. 2 to the solicitation document.

10. On 17th September 2021, the African Development Bank gave a No-Objection to Addendum No. 1.

11. On 22nd September 2021, the African Development Bank gave a No-Objection to Addendum No. 2.

12. On 24th September 2021, Addendum No. 1 and No. 2 were advertised in the NewVision newspaper.

13. On 27th September 2021, Clarification No. 2 was issued to bidders who were issued the solicitation document.

14. On 7th October 2021, the Contracts Committee approved Addendum No. 3 to the solicitation document.

15. On 11th October 2021, the African Development Bank gave a No-Objection to Addendum No. 3.

16. On 27th October 2021, the Contracts Committee approved Addendum No. 4 to the solicitation document.

17. On 27th October 2021, the African Development Bank gave a No-Objection to Addendum No. 4.

18. On 30th October 2021, Addendum No. 4 was advertised in the NewVision newspaper.

19. On 11th November 2021, the Contracts Committee approved a revised Evaluation Committee as indicated in Table 2 below:

Table 2: Revised Evaluation Committee members

S/No	Name	Position
1.	Ms. Phoebe Kenyonyozi	Procurement Manager
2.	Mr. Ponsiano Kiggundu	Highway Engineer
3.	Mr. Phillip Patrick Kitimba	Manager Road Development
4.	Mr. Stephen Ariko Alongu	Procurement Specialist

20. On 12th November 2021, Clarification No. 3 was issued to bidders who were issued the solicitation document.

21. On 23rd November 2021, sixteen (16) bidders submitted bids that were opened on the same day as indicated below:

Table 3: Record of bid opening

S/No	Bidder	Price Read Out
1.	Longjian Road and Bridge Co. Ltd	UGX 148,750,960,904
2.	Chongqing International Construction Corporation (CICO)	UGX 161,231,845,976.33
3.	Stelcel Corporation	UGX 181,390,516,980.65
4.	China Railway No. 10 Engineering Group Co. Ltd	UGX 154,904,059,175
5.	China Geo Engineering Corporation	UGX 126,009,389,086
6.	China Communication Construction Company (CCCC)	UGX 157,925,328,386
7.	China National Aero-Technology International Engineering Corporation	UGX 170,016,653,698.58
8.	China Wu Yi Co. Ltd	UGX 154,034,694,372

S/No	Bidder	Price Read Out
9.	Shandong Luqiao Group Co. Ltd	UGX 172,391,142,541 (Discount of UGX 5,500,000,000)
10.	China Civil Engineering Construction Corporation	UGX 144,418,823,888
11.	Gulsan Insaat Sanayi Turizui Nakliyat Ve Ticaret	UGX 226,159,141,456.72
12.	Zhongmei Engineering Group Ltd	UGX 159,055,201,917
13.	Metag International Insaat Ticaret A.S	UGX 143,798,957,376.71
14.	Hunan Road and Bridge Construction Group Co. Ltd	UGX 59,632,472,290.80 USD 38,950,814.15
15.	Ersa Insaat Project Turizui San Ve	UGX 161,412,019,739.35
16.	Samcrete Engineers and Contractors	UGX 112,038,539,400

22. The Bid Evaluation Report dated 22nd December 2021 indicated that out of the 16 bidders that participated in the process, 6 bidders were eliminated at preliminary evaluation. The remaining 10 bidders were subjected to commercial and technical evaluation, and four bidders were found non-responsive. Six bidders proceeded to the next stage of evaluation (Financial examination) from which China Civil Engineering Construction Corporation emerged as the lowest and best evaluated bidder at a contract price of UGX 144,418,823,888.

23. On 13th January 2022, the Contracts Committee approved the evaluation report that recommended the award of the contract to China Civil Engineering Construction Corporation at a contract price of UGX 144,418,823,888.

24. On 18th January 2022, the Entity sought for a '' No Objection'' of the evaluation report and on 2nd March 2022 in a letter dated Ref COUG-LTR-UNRA-KBK/22/04 the Bank responded with comments to the Entity.

25. On 28th June 2022, the Entity submitted a revised bid evaluation report and sought a ''No Objection'' from the Bank for the award of contract to China Civil Engineering Construction Corporation at a contract price of UGX 144,418,823,888.

26. On 26th July 2022, the Bank, in its letter Ref COUG-LTR-UNRA-KBK/22/05, made further comments to the bid evaluation report, to which it did not agree with the disqualification of the two lowest bids based on priority of contract documents.

27. On 2nd September 2022, the Contracts Committee approved the revised evaluation report and awarded the contract to China Geo Engineering Corporation at UGX 126,903,440,794

28. On 27th September 2022, the Entity submitted a revised bid evaluation report and sought a ''No Objection'' to the revised evaluation report and the award of contract to China Geo Engineering Corporation at UGX 126,903,440,794.

29. On 6th December 2022, the African Development Bank declined to give a ''No Objection'' to the revised evaluation report. The Bank instead made comments on the evaluation report, rejecting the decision to award the contract to China Geo-Engineering Corporation.

30. On 10th January 2023, the re-evaluation of bids, taking into consideration the Bank's comments in its letter dated 6th December 2022, was completed. As per the evaluation report, Samcrete Egypt Engineers and Contractors was recommended for the award of the contract at UGX 112,028,918,319.

31. The 13th January 2023, the Contracts Committee approved the revised bid evaluation report, awarding the contract to Samcrete Egypt Engineers and Contractors at UGX 112,028,918,319, subject to conducting negotiations on the areas of weakness in the preferred bidder's bid, which were raised in the evaluation report and undertaking due diligence.

32. On 2nd February 2023, the African Development Bank gave a "No-Objection" to the evaluation report and award of contract to Samcrete Egypt Engineers and Contractors at UGX 112,028,918,319.

33. On 24th April 2023, the Contracts Committee awarded the contract to Samcrete Egypt Engineers and Contractors at UGX 112,028,918,319.

34. On 19th September 2023, the contract for civil works for upgrading of Kabale-Lake Bunyonyi and Kisoro-Mgahinga Roads (33.2Km) from gravel to paved (bituminous) standard was signed between Uganda National Roads Authority and Samcrete Egypt Engineers and Contractors at UGX 112,028,918,319.

2.0 OBJECTIVES OF THE AUDIT

1. To establish whether Samcrete Egypt Engineers and Contractors was correctly awarded the contract; and
2. To establish whether Samcrete Egypt Engineers and Contractors was executing the contract in accordance with the provisions provided therein.

3.0 LAW APPLICABLE

1. The Public Procurement and Disposal of Public Assets Act No. 1 of 2003;
2. AfDB Rules and Procedures for Procurement of Goods and Works, 2015; and
3. The Public Procurement and Disposal of Public Assets Regulations of 2023.

4.0 METHODOLOGY

In reviewing the application, the Authority adopted the following methodology:

a) Review and analysis of the procurement action file. The records reviewed included the following:
   i. Invitations to bid;
   ii. Bid invitations;
   iii. Records of issue and receipt of bids;
   iv. Records of bid opening;
   v. Bids submitted by the bidders; and
   vi. The evaluation report;

b) Interviews were held with the individuals indicated in Table 4 below:

Table 4: Persons interviewed

S/No	Name	Position
Ministry of Works and Transport		
1.	Ms. Phoebe Kenyonyozi	Procurement Manager
2.	Mr. Phillip Patrick Kitimba	Manager Road Development
Samcrete Egypt Engineers and Contractors		
1.	Mr. Tamer Samy	Authorised Representative
2.	Ms. Eman Shawky	Contracts Manager
3.	Mr. Nelson Andrade	Chief Operations Officer
Sarick Construction Co. Ltd		
1.	Mr. Samuel Okurut	Authorised Representative

5.0 FINDINGS BY THE AUTHORITY

5.1 Whether Samcrete Egypt Engineers and Contractors was correctly awarded the contract

The Authority reviewed the evaluation reports, the solicitation document issued to bidders, Clarification and Addenda and the bid submitted by Samcrete Egypt Engineers and Contractors and made the following observations:

5.1.1 Method Statement

1. Clause 1.1 (b) of the evaluation and qualification criteria provided that, in addition to the criteria listed in ITB 35.2 and BDS, for assessment of adequacy of a bidder's technical proposal with requirements (Reference ITB I 6 and ITB 29.3), the Employer will determine whether the bids are substantially responsive to the Technical Requirements. Evaluation of the Bidder's Technical Proposal will include an assessment of the Bidder's technical capacity to mobilise key equipment and personnel for the contract, consistent with its proposal regarding work methods, scheduling, and material sourcing in sufficient detail and fully in accordance with the requirements stipulated in Section VII, Works' Requirements. To determine the technical responsiveness of the bidder with respect to the method statement.

2. Bidders were required to submit a narrative outlining their intended methods for undertaking the works. This narrative should include, but not be limited to, details of the following:
   i. The methods to be used in procuring the necessary resources, their transportation to the site and their installation;
   ii. Methods to be employed in constructing the works, including specific details of the Contractor's and Engineer's establishments, earthworks and drainage the production and construction of: gravel sub-base, crushed aggregate base, surface dressing and concrete, the construction of new concrete structures and clearance of the Site after completion of construction;
   iii. For each major element of work and production of materials (e.g. stone quarry and aggregates), prepare a separate table showing the number of labourers by craft and all items

of plant to labour one "gang (labour and plant)" and the assumed production rates for one gang, including how haulage will be managed;

iv. The methods to be employed in meeting the Contractor's obligations for providing for the safety and passage of public traffic during construction operations;

v. Proposals for sources of construction materials, including bitumen, and detailed proposals for the sourcing, winning and processing of naturally occurring materials (e.g. borrows and quarries);

vi. Traffic management covering:
   a) Management of traffic
   b) Maintenance of road surface
   c) Dust management

vii. Preliminary Environmental, Social, and Health and Safety Management Systems, that address project-related risks, which are in line with ISO 14001, ISO 26000 and OHSAS 18001 or ISO 45001

viii. Environmental and Social Safeguard Plan that should cover, among other things, the provision of adequate gender sensitive sanitary facilities at the camp and mobile toilets at the construction sites. employee welfare (medical care for the personnel, provision of accommodation and lunch for employees), protection of girls and women from sexual harassment by workers, compensation of victims affected by the action or inaction by the contractor, HIV/AIDS and Gender sensitisation.

ix. Health and Safety Management Plan covering:
   a) Public safety
   b) Labour and staff safety
   c) Equipment safety
   d) Health. water and food safety of labour force
   e) Quarry safety and Safety of auxiliary sites
   f) Measures to prevent spread of COVID-19

3. The Authority's review of the bid submitted by Samcrete Egypt Engineers and Contractors established that while the bidder provided a method statement addressing several core requirements including personnel, equipment, preparatory activities, traffic management, and Environmental and Social Health and Safety (ESHS) measures, the submission contained multiple substantive omissions and errors that rendered the bid non responsive to the technical requirements of the solicitation document. Specifically, the Authority noted that:

   i. The method statement proposed chemical stabilization of the subbase layer, contrary to the prescribed requirement of mechanical stabilization;

   ii. The methodology for precast concrete pipe culverts provided only for Class B bedding, omitting Class A bedding, despite the majority of culverts requiring Class A bedding;

   iii. The wearing course was proposed as Dense Bituminous surfacing, contrary to the requirement for continuously graded asphalt concrete (AC 14), which is structurally distinct and critical for durability on high traffic roads;

   iv. The method statement omitted provision for double surface dressing treatment required for cycle lanes and walkways in Kisoro and Nyarushiza; and

   v. The method statement failed to address the installation of urban street lighting, despite Section VII requiring over 350 street lights in Kisoro, Nyarushiza, and Bunyonyi.

4. In line with ITB 29.2 and 29.3 of the solicitation document, the omissions in the bid submitted by Samcrete Egypt Engineers and Contractors constituted material deviations, as they substantially affected the scope and quality of the works and undermined confidence in the bidder's ability to perform the contract as required.

5. During an interview, Eng. Phillip Kitimba, Chairperson of the Evaluation Committee, mentioned that the Evaluation Committee observed the same omissions in the bid submitted by Samcrete Egypt Engineers and Contractors. However, the African Development Bank, in a letter referenced COUG-LTR/UNRA-KBK/22/05, stated that the Bank does not agree with the reasons for the disqualification of Samcrete Egypt Engineers and Contractors based on priority of contract Documents. The interpretation is that the Employer's requirements are of a higher priority than the contractor's proposal. If the Contractor's proposal includes details which are inconsistent with the Employer's requirements, the Employer's requirements will nevertheless take precedence in accordance with the priority of documents. This means that the parties are to disregard certain aspects of the contractor's proposal or tender notwithstanding their contents and their incorporation into the contract at a later stage.

6. Eng. Phillip Kitimba further stated that based on the above guidance from the Bank, the Evaluation Committee revised the bid evaluation report and made a resubmission to the Bank with a recommendation to award Samcrete Egypt Engineers and Contractors at a contract price of UGX 112,038,539,400. All the deviations would be handled at pre-award discussions with the contractor.

7. ITB 35.1 of the bidding document provided that the Employer shall use the criteria and methodologies listed in the ITB and Section III, Evaluation and Qualification Criteria. No other evaluation criteria or methodologies shall be permitted. By applying the criteria and methodologies, the Employer shall determine the successful Bid or Bids in accordance with ITB 40.

8. The Authority noted that the evaluation methodology in the bidding document involved four sequential stages that comprised preliminary examination of bids, commercial responsiveness of bids, technical responsiveness and financial bid evaluation and comparison.

9. ITB 29.2 of the bidding document stipulated that a substantially responsive bid meets the requirements of the Bidding document without material deviation, reservation, or omission. A material deviation, reservation, or omission is one that,
   (a) If accepted, would:
      (i) Affect in any substantial way the scope, quality, or performance of the works specified in the contract; or
      (ii) Limit in any substantial way, inconsistent with the bidding document, the Employer's rights or the bidder's obligations under the proposed contract; or
   (b) If rectified, would unfairly affect the competitive position of other bidders presenting substantially responsive bids.

11. The Authority noted that the technical responsiveness of the bidder in accordance with ITB 35 of the bidding document was premised on an assessment of the bidder's technical capacity to

mobilize key equipment and personnel for the contract consistent with its proposal regarding work methods, scheduling, and material sourcing in sufficient detail including site organization, method statement, mobilization schedule, construction schedule, contractor's equipment and the contractor's Environmental and Social Management plans.

12. The proposed guidance by the Bank to consider the deviations at the pre-contract stage despite the disqualification of the bidder by the Evaluation Committee in its earlier submissions amounted to a change in substance of the bid, which was submitted through a competitive bidding process and thus a detriment to a fair, open, transparent and competitive process.

13. The Authority further found that bidders were required under ITB 6.4 of the bidding document to examine all instructions, forms, terms, and specifications in the bidding document and to furnish with its bid all information and documentation as required by the bidding document. The consideration by the Evaluation Committee, based on the guidance from the Bank to waive technical aspects that Samcrete Egypt Engineers and Contractors deviated from, granted the bidder an unfair competitive advantage, considering that this was an open competitive bidding process and bidders were aware of the criteria and requirements needed for their bids to be considered responsive/successful.

14. The Authority further observed that the actions of the African Development Bank, in directing the Evaluation Committee to disregard material deviations in the bid submitted by Samcrete Egypt Engineers and Contractors and to proceed with recommending an award, amounted to undue influence on the procurement process. This intervention compelled the Evaluation Committee to alter its initial determination of non-responsiveness and to recommend an award to Samcrete despite clear contraventions of the solicitation requirements. Such influence undermined the principles of fairness, transparency, and competitiveness enshrined in the PPDA Act and the AfDB Rules and Procedures for Procurement of Goods and Works, 2015, and compromised the integrity of the evaluation process.

5.1.2 Construction Schedule

1. Clause 1.1 (d) of the evaluation and qualification criteria provided that in addition to the criteria listed in ITB 35.2 and BDS, for assessment of adequacy of a bidder's technical proposal with requirements (Reference ITB I 6 and ITB 29.3), the Employer will determine whether the bids are substantially responsive to the Technical Requirements. Evaluation of the Bidder's Technical Proposal will include an assessment of the Bidder's technical capacity to mobilize key equipment and personnel for the contract consistent with its proposal regarding work methods, scheduling, and material sourcing in sufficient detail and fully in accordance with the requirements stipulated in Section VII, Works' Requirements. To determine the technical responsiveness of the bidder with respect to the construction schedule.

2. Bidders were required to provide a schedule showing the sequence of all major work items and identifying the critical path and float periods. The use of standard finish-start, start-start, and finish-finish logic links with appropriate lags are to be used. The use of finish-start logic links with negative lags is not to be used. The schedule shall show the resources associated with each construction operation (temporary and permanent) and, in particular, shall include the

requirement for all labour and major items of the contractor's equipment together with relevant histograms. The schedule should make allowance for the effect of the rainy season and prevailing weather conditions. The following shall specifically be shown:

i. Date of Commencement (for purpose of the Bid assume Month zero (0))
ii. Time for Completion.
iii. Completion of the Contractor's and the Engineer's camps and other establishment items, including transport for the Engineer.
iv. Provision of temporary facilities for the Engineer until the long-term ones are complete
v. Requirements for Possession of Site.
vi. Sourcing and approval of materials
vii. On site production of materials e.g. at each borrow area, stone quarry and asphalt plant
viii. For major work items the quantities, production rates for one "gang" as described in the method statement the number of "gangs" and duration

3. Clause 1.1.8.4 of the Particular Conditions of Contract (PCC) in the solicitation document issued to bidders provided that the time for completion of the contract would be 1095 days, equivalent to 36 months.

4. The Authority reviewed the bid submitted by Samcrete Egypt Engineers and Contractors and noted that the bidder submitted a construction schedule.

5. The Authority, however, found from a review of the construction schedule in the bid submitted by Samcrete Egypt Engineers and Contractors that the bidder proposed a construction period of 41 months and 28 days, i.e. from commencement on 1st March 2022 and a completion date of 29th August 2025, in contravention of the requirement of completion of the works in 36 months.

6. In line with ITB 29.2 and 29.3 of the solicitation document, the omissions in the bid submitted by Samcrete Egypt Engineers and Contractors constituted material deviations, as they substantially affected the scope and quality of the works and undermined confidence in the bidder's ability to perform the contract as required.

7. During an interview, Eng. Phillip Kitimba, Chairperson of the Evaluation Committee, mentioned that the Evaluation Committee observed the same omissions in the bid submitted by Samcrete Egypt Engineers and Contractors. However, the African Development Bank, in a letter referenced COUG-LTR/UNRA-KBK/22/05, stated that the Bank does not agree with the reasons for the disqualification of Samcrete Egypt Engineers and Contractors based on the priority of contract documents. The interpretation is that the Employer's requirements are of a higher priority than the contractor's proposal. If the Contractor's proposal includes details which are inconsistent with the Employer's requirements, the Employer's requirements will nevertheless take precedence in accordance with the priority of documents. This means that the parties are to disregard certain aspects of the contractor's proposal or tender notwithstanding their contents and their incorporation into the contract at a later stage.

8. Eng. Phillip Kitimba further stated that based on the above guidance from the Bank, the Evaluation Committee revised the bid evaluation report and made a resubmission to the Bank

with a recommendation to award Samcrete Egypt Engineers and Contractors at a contract price of UGX 112,038,539,400. All the deviations would be handled at pre-award discussions with the contractor.

9. ITB 35.1 of the bidding document provided that the Employer shall use the criteria and methodologies listed in the ITB and Section III, Evaluation and Qualification Criteria. No other evaluation criteria or methodologies shall be permitted. By applying the criteria and methodologies, the Employer shall determine the successful bid or bids in accordance with ITB 40.

10. The Authority noted that the evaluation methodology in the bidding document involved four sequential stages that comprised preliminary examination of bids, commercial responsiveness of bids, technical responsiveness and financial bid evaluation and comparison.

11. ITB 29.2 of the bidding document stipulated that a substantially responsive bid is one that meets the requirements of the bidding document without material deviation, reservation, or omission. A material deviation, reservation, or omission is one that,
    (a) If accepted, would:
        (i) affect in any substantial way the scope, quality, or performance of the works specified in the contract; or
        (ii) limit in any substantial way, inconsistent with the bidding document, the Employer's rights or the bidder's obligations under the proposed contract; or
    (b) If rectified, would unfairly affect the competitive position of other bidders presenting substantially responsive bids.

15. The Authority noted that the technical responsiveness of the bidder in accordance with ITB 35 of the bidding document was premised on an assessment of the bidder's technical capacity to mobilize key equipment and personnel for the contract consistent with its proposal regarding work methods, scheduling, and material sourcing in sufficient detail including site organization, method statement, mobilization schedule, construction schedule, contractor's equipment and the contractor's Environmental and Social Management plans.

16. The proposed guidance by the Bank to consider the deviations at the pre-contract stage despite the disqualification of the bidder by the Evaluation Committee in its earlier submissions amounted to a change in substance of the bid, which was submitted through a competitive bidding process and thus a detriment to a fair, open, transparent and competitive process.

17. The Authority further found that bidders were required under ITB 6.4 of the bidding document to examine all instructions, forms, terms, and specifications in the bidding document and to furnish with its bid all information and documentation as required by the bidding document. The consideration by the Evaluation Committee based on the guidance from the Bank to waive technical aspects that Samcrete Egypt Engineers and Contractors deviated from granted the bidder an unfair competitive advantage, considering that this was an open competitive bidding process and bidders were aware of the criteria and requirements needed for their bids to be considered responsive/successful.

18. The Authority further observed that the actions of the African Development Bank, in directing the Evaluation Committee to disregard material deviations in the bid submitted by Samcrete Egypt Engineers and Contractors and to proceed with recommending award, amounted to undue influence on the procurement process. This intervention compelled the Evaluation Committee to alter its initial determination of non-responsiveness and to recommend award to Samcrete despite clear contraventions of the solicitation requirements. Such influence undermined the principles of fairness, transparency, and competitiveness enshrined in the PPDA Act, Cap 205 and the AfDB Rules and Procedures for Procurement of Goods and Works, 2015, and compromised the integrity of the evaluation process.

5.1.3 Management Strategies and Implementation Plans (MSIP)

1. ITB 11.1 (j) (e) of the solicitation document issued to bidders provided that bidders shall submit Management Strategies and Implementation Plans (MSlP) to manage key Environmental. Social, Health and Safety (ESHS) risks inclusive of:
    i. Traffic Management Plan to ensure safety of local communities from construction traffic.
    ii. Water Resource Protection Plan to prevent contamination of drinking water.
    iii. Management plan to prevent unauthorized access to the sites.
    iv. Management plan for deep excavations. e.g. warning tape
    v. Management plan for working offshore, e.g. access bridge.
    vi. Strategy for obtaining consents/permits prior to the start of relevant works such as opening a quarry or borrow pit.
    vii. Gender Based Violence and Sexual Exploitation and Abuse (GBV/SEA) prevention and response action plan.
    viii. Labour Force Management Plan to mitigate effects of labour influx, such as spread of communicable diseases including HIV/AIDS and other Sexually Transmitted Diseases, Tuberculosis, illicit behaviour and crime and sexual harassment
    ix. Transportation management plan for the construction materials and associated risks of accidents, contamination of environment, noise and dust emissions, traffic congestion, etc.
    x. Waste Management Plan for management of hazardous and non-hazardous waste streams, noise, dust, soil erosion, runoffs, storm water during construction, outbreak of diseases, aesthetic impact, and potential contamination of surface and groundwater sources, etc.
    xi. Environmental Protection Plan for risks related to the impact on the project affected environment. particularly any impact on natural habitats identified in the ESIA. The Code of Conduct shall ensure to avoid actions that may affect the environmental conditions of the
    xii. project area unless specified in the ESIA/ESMPs, especially any human-wildlife contact/encounter, impact on wetlands, forests/trees and waterbodies.
    xiii. Emergency Prepared Plan: to guide management of any emergency situations during implementation of project construction activities and this will include but not limited to, response to incidents/accidents, accident log, etc: and grievance redress mechanisms.

xiv. Health and Safety Management Plan: to enforce the use of Personal Protection Equipment (PPE), place safety signs to avoid accidents to community and workers, and protect workers' health, among others.

2. The Authority reviewed the bid submitted by Samcrete Egypt Engineers and Contractors and noted that the bidder submitted Management Strategies and Implementation Plans (MSIP). However, the MSIP did not provide for the following in contravention of ITB 11.1 (j) (e) of the solicitation document:
   i. Plan for the prevention of unauthorised access to the site;
   ii. Gender-Based Violence and Violence Against Children Prevention Plan;
   iii. Comprehensive strategies for obtaining permits/consents for opening a borrow pit and quarry from NEMA and other statutory bodies as required by the bidding document;
   iv. Management plan for offshore construction; and
   v. Plan for managing labour influx in the project area and the associated socio-economic impacts, especially HIV/AIDS and other sexually transmitted infections and diseases and pregnancies.

3. In line with ITB 29.2 and 29.3 of the solicitation document, the omissions in the bid submitted by Samcrete Egypt Engineers and Contractors constituted material deviations, as they substantially affected the scope and quality of the works and undermined confidence in the bidder's ability to perform the contract as required.

4. During an interview, Eng. Phillip Kitimba, Chairperson of the Evaluation Committee, mentioned that the Evaluation Committee observed the same omissions in the bid submitted by Samcrete Egypt Engineers and Contractors. However, the African Development Bank, in a letter referenced COUG-LTR/UNRA-KBK/22/04, stated that missing details on MSIP could still be remedied at pre-contract award discussions without necessarily leading to disqualification.

5. Eng. Phillip Kitimba further stated that based on the above guidance from the Bank, the Evaluation Committee revised the bid evaluation report and made a resubmission to the Bank with a recommendation to award Samcrete Egypt Engineers and Contractors at a contract price of UGX 112,038,539,400. All the deviations would be handled at pre-award discussions with the contractor.

6. ITB 35.1 of the bidding document provided that the Employer shall use the criteria and methodologies listed in the ITB and Section III, Evaluation and Qualification Criteria. No other evaluation criteria or methodologies shall be permitted. By applying the criteria and methodologies, the Employer shall determine the successful bid or bids in accordance with ITB 40.

7. The Authority noted that the evaluation methodology in the bidding document involved four sequential stages that comprised of Preliminary examination of bids, commercial responsiveness of bids, technical responsiveness and financial bid evaluation and comparison.

8. ITB 29.2 of the bidding document stipulated that a substantially responsive bid is one that meets the requirements of the bidding document without material deviation, reservation, or omission. A material deviation, reservation, or omission is one that,
   (a) If accepted, would:
      (i) affect in any substantial way the scope, quality, or performance of the Works specified in the Contract; or
      (ii) limit in any substantial way, inconsistent with the Bidding document, the Employer's rights or the Bidder's obligations under the proposed Contract; or
   (b) If rectified, would unfairly affect the competitive position of other Bidders presenting substantially responsive Bids.

9. The Authority noted that the technical responsiveness of the bidder in accordance with ITB 35 of the bidding document was premised on an assessment of the bidder's technical capacity to mobilize key equipment and personnel for the contract consistent with its proposal regarding work methods, scheduling, and material sourcing in sufficient detail including site organization, method statement, mobilization schedule, construction schedule, contractor's equipment and the contractor's Environmental and Social Management plans.

10. The proposed guidance by the Bank to consider the deviations at the pre-contract stage despite the disqualification of the bidder by the Evaluation Committee in its earlier submissions amounted to a change in substance of the bid which was submitted through a competitive bidding process and thus a detriment to a fair, open, transparent and competitive process.

11. The Authority further found that bidders were required under ITB 6.4 of the bidding document to examine all instructions, forms, terms, and specifications in the bidding document and to furnish with its bid all information and documentation as required by the bidding document. The consideration by the Evaluation Committee based on the guidance from the Bank to waive technical aspects that Samcrete Egypt Engineers and Contractors deviated from granted the bidder an unfair competitive advantage, considering that this was an open competitive bidding process and bidders were aware of the criteria and requirements needed for their bids to be considered responsive/successful.

12. The Authority further observed that the actions of the African Development Bank, in directing the Evaluation Committee to disregard material deviations in the bid submitted by Samcrete Egypt Engineers and Contractors and to proceed with recommending award, amounted to undue influence on the procurement process. This intervention compelled the Evaluation Committee to alter its initial determination of non-responsiveness and to recommend award to Samcrete despite clear contraventions of the solicitation requirements. Such influence undermined the principles of fairness, transparency, and competitiveness enshrined in the PPDA Act, Cap 205 and the African Development Bank Procurement Policy for Bank Group Funded Operations, 2015 and compromised the integrity of the evaluation process.

5.1.4 Specific Construction Experience in Key Activities

1. Sub-Factor 4.2 (b) of the solicitation document issued to bidders provided that for Sub-Factor 4.2 (a) and any other contracts (substantially completed and under implementation) as prime contractor, joint venture member, or sub-contractor between 1st January 2015 and the bid submission deadline, a minimum construction experience in the following key activities completed:
   i. 10,000 m^3/yr of Asphalt Concrete wearing course;
   ii. 5,000 m^3/yr of Reinforced Concrete Works;
   iii. 500,000 m^3/yr of Earthworks; and
   iv. 30,000 m^3/yr of Crushed Stone Base/Sub-Base.

2. The Authority reviewed the bid submitted by Samcrete Egypt Engineers and Contractors and noted that the bidder submitted Form 4.2 (b) on specific construction experience in key activities for the following projects:
   i. Design update and construction of select city roads (Lot 7) – (1.27Km) to bituminous standard in Makindye Division, Kampala City, undertaken by Sarick Construction Limited at UGX 2,465,777,442;
   ii. Design update and construction of select city roads (Lot 5) – extended periodic maintenance of Kalungu Road (1.42Km), Mwedde Road (0.86Km) in Makindye Division Kampala City undertaken by Sarick Construction Limited at UGX 3,257,213,312;
   iii. Rehabilitation of Kimira Irrigation Scheme Road (8Km) undertaken by Sarick Construction Limited at USD 2,536,013.74; and
   iv. Rehabilitation of Awelo-Ojiem Road in Amolatar District undertaken by Sarick Construction Limited at UGX 2,749,284,055.

3. During an interview, Eng. Phillip Kitimba, Chairperson of the Evaluation Committee, mentioned that the Evaluation Committee observed the same omissions in the bid submitted by Samcrete Egypt Engineers and Contractors. However, the African Development Bank, in a letter referenced COUG-LTR/UNRA-KBK/22/04 and dated 22nd March 2022, stated that experience cited by prospective sub-contractors is part of the collective experience as presented in Samcrete Egypt Engineers and Contractors' bid. This guidance compelled the Evaluation Committee to attribute Sarick Construction Limited's experience to Samcrete Egypt Engineers and Contractors, despite the absence of a legally binding joint venture agreement. Such intervention amounted to undue influence, altering the substance of the evaluation criteria post-submission and undermining the principles of fairness, transparency, and competitiveness.

4. The Authority found that it was procedurally irregular for the Evaluation Committee to consider the construction experience of Sarick Construction Limited in assessing the bidder's compliance with Sub-Factor 4.2(b). The solicitation document clearly required that the minimum construction experience in key activities be demonstrated by the bidder whether as a prime contractor, joint venture member, or subcontractor, within the stipulated timeframe. In this case, Samcrete Egypt Engineers and Contractors was the sole bidder, and no formal joint venture agreement was submitted to establish a shared responsibility or integrated experience between Samcrete Egypt Engineers and Contractors and Sarick Construction Limited.

5. While Sarick was nominated as a local subcontractor, such designation does not confer automatic eligibility for experience substitution unless explicitly supported by contractual arrangements or consortium documentation. The absence of a JV agreement or legally binding partnership renders the reliance on Sarick Construction Limited's past performance non-compliant with the evaluation criteria. Consequently, the Evaluation Committee's decision to attribute Sarick Construction Limited's experience to Samcrete Egypt Engineers and Contractors undermined the integrity of the procurement process and set a precedent for bypassing bidder-specific qualification thresholds.

6. Further, the Authority verified that one of the cited projects, the rehabilitation of Awelo-Ojiem Road in Amolatar District, was forged. The Chief Administrative Officer confirmed that Sarick Construction Limited had not undertaken the works, rendering the certificate of completion unauthentic.

7. Mr. Tamer Samy, the authorised representative of Samcrete Egypt Engineers and Contractors, stated in a letter to the Authority that the experience of Sarick Construction Limited was not submitted as part of Samcrete Egypt Engineers and Contractors' bid.

8. The Authority noted from Mr. Tamer Samy's assertion that the certificate did not form part of Samcrete Egypt Engineers and Contractors' bid. However, the Authority formally wrote to the Ministry of Works and Transport, who in turn submitted the original bid documents lodged by Samcrete Engineers and Contractors. These original records were reviewed by the Authority, and the same were provided to both Mr. Tamer Samy and Mr. Samuel Okurut during interviews held at the Authority's offices.

9. Additionally, contrary to the claims made by Mr. Tamer Samy, the Authority's review of the bid documents confirmed that Samcrete Egypt Engineers and Contractors submitted Forms on Specific Experience which included projects purportedly undertaken by Sarick Construction Limited, including the rehabilitation of the Awelo–Ojiem Road in Amolatar District. This constitutes reliance on Sarick's experience as part of its bid submission, notwithstanding its assertion that subcontracting was merely "forward-looking." The same projects were relied upon during the evaluation of bids to award the contract to Samcrete Engineers and Contractors.

5.1.5 Expiry of Bid

1. Clause 6.16 (g) of Part B of the African Development Bank Operations Procurement Manual provides that if the Borrower requires an extension of bid validity to complete the process of evaluation, obtain necessary internal clearances and Bank no objection, and to make the award, it shall seek the Bank's prior no objection for the first request for extension, if it is longer than 4 (four) weeks, and for all subsequent requests for extension, irrespective of the period. The final award and signing of the contract shall be completed by the Borrower with the Bank's approval within the validity period of the bids.

2. The Authority noted that on 2nd August 2022, 7th December 2022 and 29th May 2023, the Entity requested all bidders to extend the validity of their bids, to wit, Samcrete Engineers and

Contractors responded on 8th August 2022, 13th December 2022 and 2nd June 2023, extending the validity of its bid to 18th December 2022, 18th June 2023 and 18th September 2023, respectively.

3. The Authority found that there was no evidence to indicate that the Entity sought the Bank's prior no objection for the first request for extension and for all subsequent requests for extensions of time in contravention of Clause 6.16 (g) of Part B of the African Development Bank Operations Procurement Manual.

4. The Authority further found that the contract for civil works for upgrading of Kabale-Lake Bunyonyi and Kisoro-Mgahinga ROADS (33.2Km) from gravel to paved (bituminous) standard was signed between Uganda National Roads Authority and Samcrete Egypt Engineers and Contractors on 19th September 2023, one day after expiry of the bid submitted by Samcrete Egypt Engineers and Contractors on 18th September 2023.

5. This implies that the Entity accepted an offer that was legally non-existent at the time of contract signing. The signed contract was thus voidable.

5.1.6 Conclusion on the Procurement Process

The Authority concluded that the award of the contract to Samcrete Egypt Engineers and Contractors was procedurally unjustified and compromised by multiple material deviations across the evaluation criteria as indicated below:

1. The review of the Method Statement established that Samcrete Egypt Engineers and Contractors failed to comply with critical technical requirements. The bidder proposed chemical stabilization instead of mechanical stabilization, omitted Class A bedding for culverts, substituted Dense Bituminous surfacing for the specified asphalt concrete (AC-14), and failed to provide for cycle lane treatments and urban street lighting. These omissions substantially affected the scope and quality of the works and constituted material deviations under Instructions to Bidders (ITB) 29.2 and 29.3.

2. The Construction Schedule submitted by Samcrete Egypt Engineers and Contractors proposed a completion period of 41 months and 28 days, in contravention of the prescribed 36-month requirement under Clause 1.1.8.4 of the Particular Conditions of Contract. This deviation undermined confidence in the bidder's ability to deliver the works within the stipulated timeframe and again amounted to a material deviation under ITB 29.2 and 29.3.

3. The Management Strategies and Implementation Plans (MSIP) submitted by Samcrete Egypt Engineers and Contractors were incomplete, lacking provisions for unauthorized site access prevention, Gender-Based Violence and Sexual Exploitation and Abuse prevention, comprehensive permitting strategies for borrow pits and quarries, offshore construction management, and labour influx management. These omissions directly affected the bidder's capacity to manage Environmental, Social, Health, and Safety risks, which are central to project sustainability.

4. The Authority also identified deficiencies in Specific Construction Experience. Samcrete Egypt Engineers and Contractors depended on projects carried out by Sarick Construction Limited without providing a joint venture agreement or consortium documentation to substantiate shared experience. This dependence was procedurally incorrect and conflicted with Sub-Factor 4.2(b) of the solicitation document. Furthermore, one of the projects cited, the rehabilitation of Awelo-Ojiem Road in Amolatar District, was found to be falsified, with the Chief Administrative Officer confirming that Sarick Construction Limited had not performed the works. This falsified documentation invalidated the bidder's claimed experience and showed non-compliance with ITB 6.4.

5. Across all these dimensions, the Evaluation Committee initially identified the omissions and determined Samcrete Egypt Engineers and Contractors' bid to be non-responsive. However, the African Development Bank intervened directly, issuing letters that instructed the Evaluation Committee to disregard material deviations and proceed with recommending award on the basis that Employer's requirements would take precedence over the contractor's proposal. This guidance compelled the Committee to alter its evaluation report and recommend an award to Samcrete Egypt Engineers and Contractors at a contract price of UGX 112,038,539,400.

6. The Authority found that the African Development Bank's intervention amounted to undue influence on the procurement process. By directing the Evaluation Committee to disregard material deviations and accept non-compliant submissions, the Bank altered the substance of Samcrete Egypt Engineers and Contractors' bid post-submission, undermining the principles of fairness, transparency, and competitiveness enshrined in the Public Procurement and Disposal of Public Assets Act, Cap. 205, the Public Procurement and Disposal of Public Assets (Evaluation) Regulations, 2014, and the African Development Bank Procurement Policy for Bank Group Funded Operations, 2015. This intervention granted Samcrete Egypt Engineers and Contractors an unfair competitive advantage over bidders who complied fully with the requirements.

In summary, the award of the contract to Samcrete Egypt Engineers and Contractors was not consistent with the solicitation document, the Public Procurement and Disposal of Public Assets Act, Cap. 205, the Public Procurement and Disposal of Public Assets (Evaluation) Regulations, 2014, or the African Development Bank Procurement Policy for Bank Group Funded Operations, 2015. The process was compromised by material deviations in the bid and by undue influence exerted by the African Development Bank, which collectively eroded the integrity of the procurement exercise.

5.2 Whether Samcrete Egypt Engineers and Contractors is executing the contract in accordance with the provisions therein

The works commenced on 1st April 2025 and are scheduled to be completed by 31st March 2028 as per the program of works. As of March 2026, the Contractor had achieved 0% physical progress.

5.2.1 Delayed commencement of works

1. Despite the signing of the contract with Samcrete Egypt Engineers and Contractors for the Kabale - Lake Bunyonyi and Kisoro - Mgahinga Roads Upgrading Project on 19th September 2023 at UGX 112,028,918,319, the commencement date was 1st April 2025.

2. The Authority found that the delay in commencement was a result of delays in submission of the requisite advance payment guarantee by the Contractor, which led to delays in payment of the advance, which was a condition precedent to the effectiveness of the contract.

3. The Authority noted that the Contractor submitted an advance payment guarantee on 18th April 2024, seven months after signing the contract on 19th September 2023. This guarantee was, however, rejected by the Engineer as being inadequate and catering for a period of one year only, which was not sufficient for the recovery of the advance.

4. The Authority noted that the Contractor submitted a consent letter stating their acceptance to receive advance payment wholly in Uganda Shillings on 5th January 2025 to align the payment with the Bank Guarantee drawn in the same currency. The advance was eventually paid on 28th March 2025, to wit, the contract commenced on 1st April 2025.

5. Mr. Samy Tamer, Project Manager for Samcrete Egypt Engineers and Contractors, however, contended during an interview that the works had not commenced to date as the conditions precedent to commencement had not been fulfilled. Mr. Tamer stated that the following issues negated the commencement date of 1st April 2025:
    i. Effective site possession was not achieved contrary to Particular Conditions of Contract 8.1(b)
    ii. The Engineer did not provide approved designs; and
    iii. The Notice of Commencement was issued by an unauthorised Engineer's Representative.

5.2.1.1 Site Possession

1. The Authority reviewed the signed contract and noted that under PC Sub-Clause 2.1 provided that the Employer shall on the commencement date give right of access and possession of the existing road prism for the full length of the existing road. In addition, the Employer shall also give right of access and possession of 30% of the Site required for permanent works on the Commencement Date and the remaining parts in approximately 3 km sections over a period of 546 days from Commencement. Access and possession shall be taken into account by both parties in the preparation of the works programme in accordance with Sub-Clause 8.3.

2. The Authority reviewed the contract management reports and noted that notices of possession of the site were issued by the Engineer to Samcrete Egypt Engineers and Contractors on 31st March and 16th June 2025.

3. Mr. Samy Tamer, Project Manager for Samcrete Egypt Engineers and Contractors, stated during an interview that actual effective possession was not achieved since PAPs remained in occupation, land acquisition was incomplete, utilities were not relocated, and chainage

references were missing. He argued that the Entity did not provide 30% of the right of way, preventing commencement.

4. The Authority, however, found that PC Sub-Clause 2.1 of the contract did not explicitly provide that the 30% must be continuous. The 30% was to be in workable sections that allow meaningful commencement of permanent works. The Authority also noted that the Employer, in its letter dated 31st March 2025, granted possession of the full road prism to the Contractor, while a joint verification exercise between the Employer, Engineer and Contractor determined that 90.09% of the road prism had been fully acquired and available for works implying that the Employer had provided more than 30% of the right of way for works to commence.

5. The Authority therefore found that 30% of the right of way for works to commence was provided contrary to the claims made by the Contractor.

5.2.1.2 Designs and Drawings

1. Mr. Samy Tamer, Project Manager for Samcrete Egypt Engineers and Contractors, stated during an interview that the approved drawings were required to be provided prior to commencement of the works and as such, the commencement letter issued under PC Sub-Clause 8.1 was ineffective.

2. The Authority reviewed the signed contract and noted that PC Sub-Clause 8.1 provided the conditions precedent to commencement, which included the following:
   a) Signature of the contract agreement;
   b) Effective access and possession together with requisite permissions;
   c) Receipt of advance payment; and
   d) Constitution of the Dispute Avoidance and Arbitration Board (DAAB).

3. The Authority reviewed the contract management report and correspondence and noted that designs were provided to the Contractor on 9th April 2025, though marked as unapproved, while the signed contract lacked drawings that were to be supplied in approved hard copy form. As such, the Authority found that the Contractor was not furnished with the approved drawings before or after commencement.

4. The Authority, however, found that the provision of approved drawings was not a condition precedent to the commencement of the works. The Engineer, therefore, did not have to provide approved drawings before issuing the Notice of Commencement, as argued by the Contractor's Project Manager.

5.2.1.3 Issuance of the Notice of Commencement

1. Mr. Samy Tamer, Project Manager for Samcrete Egypt Engineers and Contractors, stated during an interview that the Notice of Commencement issued by Eng. Pillarisetti Jagadeesh was non-binding as the Engineer's Authorised Representative was Mr. T.V.S Banga Babu and not Eng. Pillarisetti Jagadeesh. As such, the Notice of Commencement was never effectual and non-binding. The contract, therefore, never commenced.

2. The Authority reviewed the signed contract and noted that PC Sub-Clause 8.1 provided that the Engineer shall give a Notice to the Contractor stating the commencement date, which shall be within 90 days from contract signature. In the intervening period, the Contractor will be required to carry out any operation except any temporary or permanent construction work on the site. The Notice shall be issued promptly after the Engineer determines the fulfilment of the following conditions:
   a) Signature of the Contract Agreement by both Parties, and if required, approval of the Contract by the relevant authorities of the Country;
   b) Except if otherwise specified in the Contract Data, effective access to and possession of the site given to the Contractor together with such permission(s) under (a) of Sub-Clause 1.13 (Compliance with Laws) as required for the commencement of the Works;
   c) Receipt by the Contractor of the advance payment under Sub-Clause 14.2 (Advance Payment), provided that the corresponding bank guarantee has been delivered by the Contractor;
   d) Constitution of the DAAB in accordance with Sub-Clause 21.1 and Sub-Clause 21.2 as applicable.

3. GCC 3.1 outlines the Employer's obligation to appoint a qualified Engineer to administer the contract, defining their authority and duties. This clause establishes that the Engineer, while representing the Employer, must act neutrally and impartially when making determinations, and mandates that they be a qualified professional fluent in the contract language. If the Employer appoints a legal entity (such as a company or corporation) as the Engineer, the following requirements apply regarding that entity's representation:
   a) Designation of a Natural Person: The legal entity acting as the Engineer must designate a specific "natural person" (i.e., an individual human being) to act on its behalf.
   b) Mandatory Notification: The Engineer must provide a formal Notice to the Parties (Employer and Contractor) identifying the specific natural person authorized to act for it.

4. The Authority reviewed the contract management reports and noted that there was no mandatory notification by the Engineer to the Parties (Employer and Contractor) identifying the specific natural person authorized to act for it.

5. The Authority noted that PC Sub-Clause 1.1.35 of the signed contract indicated under the Engineer's name and address, Mr. T.V.S Banga Babu (Authorised Representative) Aarvee Associates Architects, Engineers and Consultants Pvt. Ltd.

6. During an interview, Eng. Phillip Kitimba stated that Mr. T.V.S Banga Babu was indicated as the Authorised Representative of the Engineer in the contract data, as he had been granted powers of attorney by the Engineer for purposes of contracting. He was never meant to be the Engineer's Authorised Representative for purposes of the works. Eng. Kitimba further asserted that the Engineer appointed his Authorised Representative, Eng. Pillarisetti Jagadeesh, in the capacity of Resident Engineer/Team Leader, for purposes of the works on 26th February 2024. Eng. Pillarisetti subsequently issued a Notice to Commence to the Contractor.

7. The Authority found that whilst the contract provisions do not contain the title "Authorised Representative" of the Engineer, it does envisage that a natural person is appointed and

authorized to act on behalf of the Engineer. The Authority found that although no formal notification was made, the Engineer expressly appointed Eng. Pillarisetti Jagadeesh in the capacity of Resident Engineer/Team Leader, as the Authorised Representative for purposes of the works.

8. Additionally, the Authority noted that despite the sudden objection to the appointment of Eng. Pillarisetti Jagadeesh by the Contractor, the Contractor had in the first instance accepted the Notice of Commencement and other instructions issued by Eng. Pillarisetti until objections were raised related to the Contractor's performance. The Authority, therefore, found that it was disingenuous of the Contractor to feign disagreement with the appointment of Eng. Pillarisetti Jagadeesh.

9. In light of the above, the Authority found that the Notice of Commencement was issued in accordance with the signed contract.

5.2.1.4 Conclusion on delayed commencement

The Authority found that the delayed commencement of the Kabale–Lake Bunyonyi and Kisoro–Mgahinga Roads Upgrading Project was primarily attributable to the late and inadequate submission of the advance payment guarantee by Samcrete Egypt Engineers and Contractors, which in turn delayed payment of the advance a condition precedent to the effectiveness of the contract. Although the Contractor later contended that commencement was invalid due to lack of effective site possession, absence of approved drawings, and issuance of the Notice of Commencement by an unauthorised Engineer's Representative, the Authority found otherwise. The Authority determined that:

i. The Employer had provided more than the required 30% of the right of way in workable sections, consistent with PC Sub-Clause 2.1, thereby satisfying the site possession requirement.
ii. The provision of approved drawings was not a condition precedent under PC Sub-Clause 8.1, and therefore did not invalidate commencement.
iii. The Engineer had expressly appointed Eng. Pillarisetti Jagadeesh as Resident Engineer/Team Leader to act as its authorised representative for the works, and the Contractor initially accepted instructions from him, making the Notice of Commencement valid under the signed contract.

Accordingly, the Authority found that the contract lawfully commenced on 1st April 2025 following fulfilment of the contractual prerequisites, and that the Contractor's objections were not substantiated by the terms of the signed contract.

5.2.2 Slow progress of works

1. The Authority found from a review of the progress reports that the overall achieved physical progress by the time of the audit in April 2026 was 2.13%. This presented a slippage of -35.02% against the planned progress of 37.15%.

2. The Contract Manager, Eng. Phillip Kitimbe, stated during an interview that the slippage in performance was mainly attributed to the Contractor stopping work on the 14th July 2025 for

no justifiable reason, with minor physical works only resuming towards the end of September 2025.

3. During an interview, Mr. Tamer Samzy, Authorised Representative for Samcrete Egypt Engineers and Contractors, blamed the lack of progress on a failure by the Engineer to provide approved drawings, a failure to provide the right of way for works to commence and encumbrance of Projects Affected Persons (PAPs) on the site. The Contractor specifically mentioned that the Entity had failed to provide 30% of the right-of-way for the works to commence effectively.

4. The Authority found that although the Contractor attributed the lack of progress to the Engineer's failure to provide approved drawings, incomplete right of way acquisition, and encumbrance of Project Affected Persons (PAPs), the Employer had provided more than 30% of the right of way, and while drawings were delayed, this was not a condition precedent to commencement under PC Sub-Clause 8.1.

5. The Authority further found during a physical visit to the site and review of contract management reports that the slow progress of works was largely due to a failure by the Contractor to fully mobilise on the site despite receipt of an advance payment amounting to UGX 16,804,337,748.

6. The Authority noted that the Contractor had, at the time of the audit in April 2026, not completed the establishment of the camp site, mobilisation of equipment and personnel, Engineer's establishment, supply of vehicles for the Engineer, supply of survey equipment and establishment of the laboratory.

7. Mr. Tamer Samzy, Authorised Representative for Samcrete Egypt Engineers and Contractors, stated during an interview that much of the essential and critical equipment was still under shipment by the time of the audit.

8. When tasked by the Authority, the Contractor, through its Authorised Representative, to account for the use of the advance payment as required under the Contract, Samcrete Egypt Engineers and Contractors was unable to furnish the Authority with any information.

9. Accordingly, the Authority determined that the slow progress of works was largely due to the Contractor's inadequate mobilisation and poor contract management rather than deficiencies on the part of the Employer or Engineer. Further, despite the issuance of several Notices to Correct, there was minimal effort and/or willingness on the part of the Contractor to execute the works

5.2.3 Conclusion on Implementation of the Contract

The Authority concluded that Samcrete Egypt Engineers and Contractors was not executing the Kabale–Lake Bunyonyi and Kisoro–Mgahinga Roads Upgrading Project in accordance with the provisions of the signed contract.

The delayed commencement of the works was primarily attributable to the Contractor's late and inadequate submission of the advance payment guarantee, which in turn delayed payment of the advance, a condition precedent to the effectiveness of the contract. Although the Contractor later contended that commencement was invalid due to lack of effective site possession, absence of approved drawings, and issuance of the Notice of Commencement by an unauthorised Engineer's Representative, the Authority found otherwise. The Employer had provided more than the required 30% of the right of way in workable sections consistent with PC Sub-Clause 2.1, the provision of approved drawings was not a condition precedent under PC Sub-Clause 8.1, and the Engineer had expressly appointed Eng. Pillarisetti Jagadeesh as Resident Engineer/Team Leader to act as its authorised representative for the works. The contract, therefore, lawfully commenced on 1st April 2025 following fulfilment of the contractual prerequisites.

Despite lawful commencement, the Authority found that physical progress as of April 2026 was 2.13%. This presented a slippage of -35.02% against the planned progress of 37.15%. The slow progress was largely due to the Contractor's failure to mobilise adequately on site despite receipt of an advance payment amounting to UGX 16,804,337,748. At the time of the audit, the Contractor had not completed critical preparatory activities, including the establishment of the camp site, mobilisation of equipment and personnel, provision of the Engineer's establishment, the supply of vehicles and survey equipment, and establishment of the laboratory. The Contractor's Authorised Representative stated during an interview that much of the essential equipment was still under shipment, but when tasked to account for the use of the advance payment, the Contractor failed to furnish any information.

Accordingly, the Authority determined that the slow progress of works was attributable to the Contractor's inadequate mobilisation and poor contract management rather than deficiencies on the part of the Employer or Engineer. The Contractor's execution of the contract was therefore inconsistent with the obligations and requirements set out in the signed agreement

6.0 RECOMMENDATIONS

In light of the above, the Authority recommends as follows:

1. The Authority shall commence suspension proceedings against Samcrete Egypt Engineers and Contractors in accordance with Section 128(c) of the PPDA Act, Cap. 205 for falsification of construction experience and failure to mobilise despite receipt of advance payment;

2. The Accounting Officer should immediately initiate the process of termination of the contract in accordance with PC Sub-Clause 16 of the signed contract;

3. The Accounting Officer should liquidate the contractor's performance security and also recover any portions of the advance payment made which have not been recovered by liquidating the advance payment guarantee in accordance with PC Sub-Clause 16 of the signed contract;

4. The Accounting Officer should immediately commence the procurement of a replacement contractor using the most expeditious means provided for under the African Development Bank Procurement Policy to mitigate against the following risks:
   i. Likelihood of further deterioration of the road, which will result in loss of the value of physical work so far executed by the current contractor;
   ii. A prolonged procurement process may also necessitate changes in design as the road continues to deteriorate with the attendant cost implications; and
   iii. The supervising consultant, having mobilised their resources for the project, is likely to request payment for the idle time of the staff and resources that have been dedicated and deployed on the project.

5. The Accounting Officer should ensure that the replacement provider has a track record of proven past satisfactory performance and can demonstrate the ability to expeditiously mobilise for the contract. Please note that in doing this, you should ensure and demonstrate value for money, and the procurement should be carried out in line with the financing agreement.