Improving SMEs Access to the Public Procurement Market

Draft Report

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## CONTENTS

List of Acronyms used in the Report

### Executive Summary

1. **Introduction & Reader Guidance**
   1.1 Reader Guide
   1.2 Glossary

2. **About The Access to Procurement (A2P) Programme**
   2.1 Programme Concept
   2.2 Strategic Context
   2.3 How A2P Will Benefit Uganda’s SME Businesses
   2.4 Developing & Implementing A2P Programme
   2.5 Focus of research report

3. **Supply Side: The Experiences of SMEs**
   3.1 Methodology & Respondent Profile
   3.2 Challenges faced by SMEs
   3.3 Section Conclusions & Recommendations

4. **Demand Side: PDE Perspective**
   4.1 Legislative Context – Summary PPDA Act 2003
   4.2 PPDA / Procuring & Disposing Entities (PDEs)
   4.3 Challenges faced by PDEs & Recommendations

5. **Conclusions**

6. **Recommendations**

### Appendix

1 – SME Questionnaire

2 – Focus Group Questionnaire

3 – PDE Questionnaire
LIST OF ACRONYMS USED IN REPORT

Access to Procurement – (A2P)

Commonwealth Secretariat (COMSEC)

EDES & Associates – (E& A)

Enterprise Uganda - (EU)

Government of Uganda - (GoU)

National Register of Providers (NRP)

Nichols Training Limited – (NTL)

Private Sector Foundation Uganda - (PSFU)

Procuring & Disposing Entities (PDE)

Public Procurement and Disposal of Public Assets Authority - (PPDA)

Small and Medium size Enterprises - (SME)

Train of the Trainer - (TOT)

UK Trade and Investment - (UKTI)
EXECUTIVE SUMMARY

The need and significance of the Access to Procurement (A2P) programme is profound and is highlighted by the significant changes in the legal framework for public procurement since 2003, 2006 and 2010, through the Public Procurement and Disposal of Public Assets Act and Regulations, the Local Government (Amendment) Acts and the Procurement and Disposal of Public Assets Act (Amendment) Bill, respectively.

The research of initiatives and capacity building projects, since the passing of the Act has focused on developing the skills and processes of the responsible individuals (Procurement Officers / Professionals) within the Procuring and Disposing Entities (PDEs) to understand the robust procedures that have been put in place to ensure value for money, transparency and quality is delivered in the provision works, goods and services for and on behalf of Central and Local Government in Uganda. A need for “continuous professional development for procurement officers” is required to ensure that the sound procurement principles stated in the Acts and Regulations are complied with and adhered to.

With the ongoing development and capacity building initiatives of organisations like the Public Procurement and Disposal of Public Assets Authority (PPDA) for the procuring entities, it is vital that SMEs in Uganda have a programme that will assist them in understanding the legal framework, and the A2P programme is a timely and direct response to this.

Context

The Access to Procurement programme is a pilot initiative, delivered by SMEs for SMEs, which seeks to create greater opportunities for Small & Medium Enterprises (SMEs) to effectively compete for the millions of Shillings / Dollars of contracts offered by major public sector and statutory bodies within Uganda. Specifically, the programme seeks to establish greater accessibility for SMEs within the procurement practices of the public sector through the Procuring Disposing Entities (PDEs)

To achieve this, the A2P programme deploys a mixture of engagement, research and training over a six month period. It will establish a legacy of influence within the procurement strategies and operational activities and will provide a bespoke programme of training for Uganda’s SMEs to improve their competitiveness and ability to successfully win and develop business from the public sector in Uganda.

Scope of Research

The research element of the project included reviewing existing procurement legislation and practices in order to identify SME bottlenecks, generating strategic options for a SME support programme and delivering a pilot training project with selected businesses. Specific issues that have been factored into the research are:

- Analytical work to review existing procurement legislation and practices, identify SME bottlenecks, generate strategic options for a SME support programme, and develop the training materials and other supporting documents.

- Consultations with SMEs through their relevant business Associations took place to ensure that their views are accommodated and acted on.
Consultations with Women’s Empowerment Groups and Institutions ensured that gender issues are adequately dealt with and specific challenges of woman owned enterprises are incorporated in all outputs.

The A2P programme is a direct response to the above, which links research into the procurement agendas of the public sector, to help bridge the gap between demand and supply realms in the public sector procurement equation.

As a platform for all further programme development; this strategic research report focused on two key distinct yet inter-linked areas of interest and provides recommendations on how more SMEs can access public sector contracts:

i. Supply side: The experiences and the barriers faced by Small & Medium Enterprises in winning contracts

ii. Demand side: Challenges faced by PDE’s in engaging SMEs

Detailed below is a summary of the key research conclusions and recommendations:

Conclusions

“Insufficient knowledge”, “Lack of feedback” and a “lack of opportunities to meet buyers” are the most frequently cited barriers as to why their company has not yet won, or does not win more contracts.

Very few SMEs win tenders. For those that do, less than 5% of their turnover is accounted for by contracts and hence unable to successfully integrate tendered contracts into their revenue streams.

38% of respondents stated that opportunities were communicated through either direct invitation from the buyer or through some other form of personal contact. This implies that there is a significant level of supplier retention within public sector purchasing. Logically, established relationships represent a barrier for those SMEs who are not currently engaged with the public sector.

Most businesses had used some form of external organisation for advice or training in the past. It is both compelling and important to note that only 1% of the respondents stated that their business had benefited by improving their tendering skills through the engagement of business support and information sources.

The most frequently cited response by the PDEs in relation to the key challenges in engaging SMEs are that they lack the knowledge and understanding to submit compliant bids.

PDEs consistently cited examples where SMEs have been awarded contracts and they are not in the position or cannot deliver to the contract specification and price

Some contracts offered by the PDEs are too large, or too complex for SMEs to effectively compete for.
Many key players consulted felt that a significant proportion of procurement contracts were already being won by SMEs, but there is a need for a steady supply of new entrants. Dissemination of procurement plans and tender opportunities: Some PDEs outlined that the delays in preparing comprehensive procurement plans meant that some procurement was “Haphazard”. Therefore dissemination to SMEs varied.

There are challenges developing terms and conditions (Community Benefit Clauses – Based around employment, skills and training) within contracts that are favourable to smaller firms and support the “Local” SME engagement agenda (particularly in rural areas) whilst upholding the legal regulations governing competitiveness and other best value concerns.

Procurement Officers in PDEs acknowledged the need for continuous professional development for front line individuals but is challenging due competing pressures on limited resources.

**Recommendations**

The recommendations aim to facilitate four developments in Uganda.

In order to develop a more **favourable policy environment for SME procurement**, the GoU should promote greater transparency and simplification of the national procurement system; ensure that the SME definition can be used to identify under represented firms; and take action on issues such as Bid Securities, Insurance and Bank products through its regulatory instruments.

The adoption of the A2P programme by PPDA as part of their core business is necessary if SMEs are to succeed. PPDA should ensure that the resources are organised for its ongoing operations. The A2P programme must be incentivised and look to use flexible training methods which minimise the staff resource costs. PPDA will need the active support of PDEs who are ultimately responsible for incorporating SMEs into their supply chains. PPDA and PDEs should collaborate closely to ensure that procurement protocols are standardised, SME consortia are encouraged for bigger contracts, aggregation of contracts are done with due cognisance of SME challenges and local business development service providers are used to help SMEs.

To deliver the interventions, the A2P programme will make use of a **portfolio of market-led products and services**. It is recommended that the training product developed through this project serve as the foundation for a range of complementary products and services such as Sectoral Consortia Programme Meet the Supplier Events, Brokerage Services, etc. It is also necessary, given the general lack of high-level usage of the Internet for e-procurement and market research, that any strategies involving the development of e-tools for procurement must include considerations related capacity building strategies.

It is important to **strengthen business development service providers** to meet the needs of SMEs who aim to engage successfully in public procurement. PPDA and PDEs will rely on independent service providers to deliver the interventions such as the training programme designed to effectively equip SMES with the skills required to compete for public sector contracts. It is recommended that PPDA be responsible for a programme of continuous professional development.
Finally, all of the proposed recommendation must be backed up with defined staff resources and high-level commitment, with progress governed and managed through measurable action plans.
1 INTRODUCTION

This research report presents a holistic overview of the development and forth coming delivery of the Access to Procurement (A2P) Programme in Uganda.

The A2P programme is a flagship initiative which seeks to create greater opportunities for Small & Medium Enterprises (SMEs) to effectively compete for the millions of Shillings / Dollars of contracts offered by major public sector and statutory bodies within Uganda.

Whilst the A2P programme is accessible to and of benefit to all Uganda’s SMEs, it is by design a targeted initiative which focuses on the needs of all small and medium sized businesses globally. As research has informed us that once generic and specific barriers have been identified and solutions have been put in place to address these barriers, SMEs can successfully compete and deliver goods and services to the public sectors.

This report provides the following:

- An overview of what the A2P is and how it will benefit Uganda’s Small & Medium Enterprises
- A summary of the main developments leading up to, and during the first three months of the programme
- Key findings and highlights from the work undertaken to date
- The “next steps” to take the programme forward and build on the progress achieved to date

This Report draws together the key findings from research completed during the first three months of the programme; summarising all aspects of work undertaken and providing a comprehensive outline of planned programme delivery during the second phase of the A2P programme, this includes conclusions and recommendations on how the A2P programme can capitalise upon the development opportunities and best practices identified during the initial research period.

READER GUIDE

This report is structured to facilitate effective assessment of progress against the programme’s aims and outcomes; to provide easy access to the general reader; and to allow for future assimilation into policy, strategic and operational development activities. Key sections are as follows:

Section 1 **Introduction & Reader Guide** – Includes an introduction to the Research Report and reader guide which outlines the structure of this report.

Section 2 **About The Access to Procurement (A2P) Programme** – Provides a comprehensive overview of the A2P, including the programme’s background and history of need; programme aims and planned delivery arrangements.
Section 3  The Supply Side: The Experiences of Small & Medium Enterprises – Summarises the findings and key messages from a questionnaire and focus groups to establish the views and experiences of a representative sample of Uganda’s Small and Medium Enterprises, which encompasses the viewpoints of businesses which are owned and managed by Women.

Section 4  The Demand Side: Challenges faced by PDE’s in engaging SMEs – Summarises the research findings and the key messages from the PDEs and the challenges they face in engaging SME.

Section 5  Conclusion – Summarises the conclusions of the report.

Section 6  Recommendations – Provides details of the recommended actions that the PPDA, GoU and other development partners have to consider in order to meet the objectives of the project.
2 ABOUT ACCESS TO PROCUREMENT PROGRAMME (A2P)

This section provides a comprehensive overview of the A2P programme covering all key issues implicit to the programme’s background and design, aims and objectives, delivery structures and delivery timescale. The remainder of this section is divided into the following five areas of focus:

i. Programme Concept

ii. The need for the Access to Procurement

iii. How A2P will benefit Uganda’s businesses

iv. Developing & Implementing A2P

v. Focus of research report

2.1 PROGRAMME CONCEPT

The Access to Procurement programme is a flagship initiative, delivered by SMEs for SMEs, which seeks to create greater opportunities for Small & Medium Enterprises (SMEs) to effectively compete for the millions of Shillings / Dollars of contracts offered by major public sector and statutory bodies within Uganda.

Specifically, the programme seeks to establish greater accessibility for SMEs within the procurement practices of the following Procuring Disposing Entities (PDE) including:

- The Ministry of Finance
- Mulago Referral Hospital
- National Housing Corporation Company
- Uganda Prisons
- Ministry of Education & Sports

To achieve this, the A2P programme deploys a mixture of engagement, research and training over a six month period. It will establish a legacy of influence within the procurement strategies and operational activities and will provide a bespoke programme of training for Uganda’s SMEs to improve their competitiveness and ability to successfully win and develop business from the public sector in Uganda.

Whilst the A2P programme is accessible to and for the benefit identified SMEs in Uganda’s, it is by development and design a targeted initiative which focuses on the needs of small and medium sized businesses globally.
2.2 STRATEGIC CONTEXT

Like many countries across the globe, Uganda’s formal and informal small businesses make an essential contribution to economic growth, employment and social well being, playing a vital role in both the economic and social regeneration agendas for Uganda:

**THE ROLE OF SMEs IN THE ECONOMIC GROWTH & REGENERATION**

- The majority of businesses within Uganda fall within the SME categorisation
- Small firms are acknowledged as key contributors to the economic and regeneration plans for the most marginalised communities and rural areas. Business start-ups create wealth and employment opportunities locally, promote reinvestment in other goods and services offered locally and stimulate wider prosperity within the country.
- Entrepreneurship can present important opportunities for individuals or groups who might otherwise be disadvantaged or excluded.
- Uganda’s SMEs are recognised as vital drivers of growth and innovation.

In Uganda the procurement legislative framework, institutional arrangements and existing programmes are based on established procurement practices. The current system has been operating for 7 years. It is being upgraded and new audit procedures, performance management tools, improved training programmes and the development of a national database (The National Register of Providers – NRP). This project will provide stakeholders with the means to use the public procurement system to increase market opportunities for SMEs.

The GoU needs to improve SME participation in the public procurement system and thereby provide an incentive for SMEs to improve their overall competitiveness. It needs to address the challenges that make it difficult for SMEs to access and compete for procurement contracts, and the A2P programme will help it to develop the strategies and tools to accomplish the objective.

**Scope of Research**

The research element of the project will include reviewing existing procurement legislation and practices in order to identify SME bottlenecks, generating strategic options for a SME support programme and delivering a pilot training project with selected businesses. Specific issues that have been factored into the research are:

- Analytical work to review existing procurement legislation and practices, identify SME bottlenecks, generate strategic options for a SME support programme, and develop the training materials and other supporting documents.

- Consultations with SMEs through their relevant business Associations will take place to ensure that their views are accommodated and acted on.
• Consultations with Women’s Empowerment Groups and Institutions to ensure that gender issues are adequately dealt with and specific challenges of woman owned enterprises are incorporated in all outputs.

The A2P programme is a direct response to the above, which links research into the procurement agendas of the public sector, to help bridge the gap between demand and supply realms in the public sector procurement equation.

2.3 HOW A2P WILL BENEFIT UGANDA’S BUSINESSES

The A2P programme is delivered by SMEs for SMEs and can be considered to be the first demand-led initiative of its type in Uganda, which means that the training and business support package delivered through the programme is directly tailored to the actual procurement needs and practices of the PDE’s and the public sector in Uganda. Furthermore, it is intended that the programme’s sustainability will be actual contracts won by businesses that have successfully completed the programme.

100 SMEs will be initially recruited for the training delivery commencing in November 2010. The training and business support package offered will cover a variety of themes pertinent to procurement and improving competitiveness for SMEs. The broad themes of the SME training include:

• An introduction to public sector procurement
• Identifying opportunities to supply the public sector
• The tendering process & effective tendering

Through this six month intervention of research and business support activities, the A2P programme will create the following benefits for Uganda’s SMEs:

<table>
<thead>
<tr>
<th>BENEFITS CREATED FOR UGANDA’S SMES THROUGH A2P</th>
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<tbody>
<tr>
<td>• Stimulate an increase in the number of SMEs accessing and winning contracts</td>
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<tr>
<td>• Create increased knowledge and understanding of public procurement processes by Uganda’s SMEs - More SMEs in Uganda will become “tender ready”</td>
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<tr>
<td>• Deliver transferable business skills which will improve the overall competitiveness of each business participating in the programme and its workforce</td>
</tr>
<tr>
<td>• Provide a “sounding board” to reflect back the real needs and procurement experiences of Uganda’s SMEs to influence public sector procurement policy decisions</td>
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<tr>
<td>• Create a pathway to a more accessible public sector procurement environment for SMEs.</td>
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2.4 DEVELOPING & IMPLEMENTING A2P

This programme of technical assistance has been procured by the Commonwealth Secretariat (COMSEC) on behalf of the Public Procurement and Disposal of Public Assets Authority (PDDA), the agency responsible for administering the Government of Uganda’s (GoU) public procurement and asset disposal system, to increase market opportunities for SMEs by improving access to public procurement contracts.

Nichols Training Limited (UK) was awarded this contract following an open competitive international procurement process and they are delivering this programme in partnership with their local partner EDES & Associates (Uganda). This consortium brings together the experience and track record of front line procurement practitioners and enterprise support services to SMEs in Uganda and the UK. In developing our consortium we have deliberately sought out and engaged organisations with a proven track record of successfully delivering a full range of relevant enterprise services, and in particular those who have a real and meaningful understanding of the needs of SMEs and public sector procurement market in Uganda.

Our Consortium is structured on two levels to ensure the successful delivery of this programme. At the heart of the Consortium are our Core Partners who will be directly responsible for developing and delivering all the major aspects of the programme. The Core Partners include:

- Nichols Training Limited (NTL) - UK: Project Management / Training Delivery
- EDES & Associates (E&A) – Uganda: Delivery Partner

Through our partners we have engaged with a number of Strategic Partners who will broaden the geographical reach, business sectors and profile of SMEs that will be engaged on the programme. Our Strategic Partners include:

- Public Procurement and Disposal of Public Assets Authority - PPDA
- National Register of Providers - NRP
- Enterprise Uganda - EU
- Private Sector Foundation Uganda - PSFU
- UK Trade and Investment – UKT

2.4.1 Progress to Date

Progress to date has been geared towards establishing the relationships, baseline research and marketing engagement with SMEs to develop this research report, which sets out the foundations of the A2P product, including the outcomes of all research undertaken to-date and the implications of this for the SME training programme. The diagram below illustrates the major activities that have been undertaken taken thus far.
2.4.2 Delivery Plan for Next Three Months

The next three months of the A2P programme are built on the foundation of the research and stakeholder engagement undertaken in the first three months of the programme and will focus on the following areas:

<table>
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<tr>
<th>NEXT THREE MONTHS - KEY ELEMENTS OF A2P DELIVERY</th>
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<tbody>
<tr>
<td>• Marketing the programme to more SMEs – September 2010 to November 2010</td>
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<tr>
<td>• Delivering the Trainer of the Trainer Programme – October 2010</td>
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<tr>
<td>• Delivering the business support package to SMEs – November 2010</td>
</tr>
<tr>
<td>• Report on the Train-the-Trainer Course – December 2010</td>
</tr>
<tr>
<td>• Report on SME Procurement Training Course for 100 SMEs – December 2010</td>
</tr>
<tr>
<td>• Suggest establishing a forward strategy and sustainability plan to ensure that the sustainability of the programme</td>
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2.5 FOCUS OF RESEARCH REPORT

The illustration below demonstrates how we have captured information about both the demand and supply sides of the equation (SMEs as potential suppliers and the PDE’s as purchasers of goods, services and supplies, respectively).

The key research findings from each activity will feed into the development and delivery of the A2P SME training programme; enhancing the programme’s ability to act as a “bridge” between the demand and supply environments and actively develop the ability of SMEs to secure contracts.

HOW THE RESEARCH ELEMENTS WILL INFORM THE DEVELOPMENT OF A2P

Best Practice & Portable Models

“DEMAND”
PDEs

A2P

“SUPPLY”
SMEs

Best Practice & Portable Models
This approach will both inform and shape the development of A2P in the following ways:

- Inform the SME training programme by identifying the needs and practices of the PDE procurers
- Inform intermediary business support programmes offered to SMEs and PDE’s by identifying the development needs and training/support delivery preferences of both
- Identify possible ways that the procurement policies, strategies and operational practices can be adapted to create better engagement and greater accessibility for SMEs
- Identify synergies with the wider economic regeneration and procurement development opportunities

Therefore, as a platform for all further programme development; this strategic research report focuses on two key distinct yet inter-linked areas of interest and provides recommendations on how more SMEs can access public sector contracts:

iii. Supply side: The experiences and the barriers faced by Small & Medium Enterprises

iv. Demand side: Challenges faced by PDE’s in engaging SMEs

These areas are considered in sections 3 and 4 respectively of this report.
3. **SUPPLY SIDE: THE EXPERIENCES OF SMEs**

3.1 METHODOLOGY AND RESPONDENT PROFILE

Utilising our tried and tested methodology, this phase of the programme establishes an essential foundation of knowledge which will underpin and influence the further development of the programme in several ways:

Using a range of primary and secondary information and data capture tools to collect both quantitative (the SME Procurement Questionnaire – Appendix 1) and qualitative (Focus Group Questionnaire – Appendix 2 and Procuring and Disposing Entity (PDE) Questionnaire Appendix 3) to engage stakeholders, we also recorded the focus groups and meetings with the PDEs for training and quality purposes. This culminated in a holistic understanding of the “Local” demand and supply environments that will underpin key decisions around the skills development, for SMEs in the next stage of the programme.

Initial consultation and project planning meetings was held with the programme strategic stakeholders, such as the PPDA, the Procuring and Disposing Entities, Enterprise Uganda, the Private Sector Foundation Uganda and the National Register of Providers to outline the project cope and deliverables. This was followed by communication to stakeholders and SMEs through their relevant business Associations to enlist their support and to ensure that their views were accommodated and acted on.

Through our engagement with Enterprise Uganda and UKTI we consulted with Women’s Empowerment Groups and Institutions, this culminated in a facilitated Women Owned Business focus group to ensure that gender issues are adequately dealt with and specific challenges of woman owned enterprises are incorporated in all outputs. A further three focus groups were carried out ensuring that the SME business profile matched the PDE profile of future procurement in Good, Works and Services.

The views, experiences, business profiles and support need of Uganda’s SMEs were captured through an in-depth procurement questionnaire, which also served as a “gateway” prerequisite for the recruitment of the 100 SMEs wishing to take part in the SME training programme in November 2010.

The SME Procurement Questionnaire was administered through the A2P programme strategic partners as well as a number of selected expert-level support organisations. This ensured that the opportunity to participate was extended to SMEs across Kampala and that SMEs from the target beneficiary groups of the A2P were effectively engaged. More than 110 businesses were given the opportunity to participate in the questionnaire overall. A total of 57 SMEs have completed and returned the SME Questionnaire and 35 SMEs took part in the focus groups. Of the 57 SMEs who completed the questionnaire 28 were Woman managed / owned, accounting for 49% of all respondents. Due to the significant penetration and response from women owned business in the overall sample, we have provided analysis on the basis of the whole sample and have provided specific data, where responses have been unique to women owned business.

The findings of the SME Procurement Questionnaire play a crucial role in the A2P programme overall ability to bridge the demand and supply side realms, effectively shaping
the SME training programme as well as providing valuable input into the procurement development strategies of the PDE’s.

The illustration below outlines the key roles that questionnaire findings fulfil in addressing both demand and supply side needs.

**KEY ROLES OF THE SME QUESTIONNAIRE WITHIN THE SUCCESSFUL DEVELOPMENT OF THE A2P**

**DEMAND SIDE**
- Greater knowledge of high quality companies in the marketplace with the ability to supply to PDEs
- Greater understanding of the impact of procurement processes & policies on potential suppliers at different stages of development
- Aids the development of a holistic understanding of the barriers faced by SMEs
- Identifies areas for further development within the SME supplier development agenda

**SUPPLY SIDE**
- Provides a “sounding board” for SMEs to express their experiences of public sector procurement
- Delivers an in-depth profile of the support needs which business support provided through A2P must fulfil
- Allows respondents to “showcase” their firms to potential clients
- Directly shapes and influences the development of SME engagement

**A HOLISTIC & EFFECTIVE A2P**

This section considers in detail the significant findings from the SME research; using a representative sample of 57 businesses who will take part in the SME training programme. The respondents provide an insight into the views, trading profiles, procurement experiences and development needs of Uganda’s SMEs.

The remainder of this section is divided into the following two key areas of focus:

- Supply side: The experiences and the barriers faced by Small & Medium Enterprises
3.2 CHALLENGES FACED BY SMES

In order that the A2P programme can establish effective and deliverable improvements within the accessibility of public sector contracts, a detailed understanding of the key supply-side barriers that prevent these SMEs from effectively securing this type of work is essential.

Definition of SME

The definition of SME globally is subject of much debate as the size and the respective turnover of the SME vary significantly depending on the sector that they operate in. For the purposes of this report SMEs have been defined as detailed below as there is a direct correlation to company turnover and the size of contract awarded for higher value, high risk projects:

A Micro enterprise is defined as an enterprise employing maximum 4 people; annual sales/revenue turnover of maximum Ugandan Schillings 12 million and total assets of maximum Ugandan Schillings 12 million.

A Small Enterprise is defined as an enterprise employing maximum 50 people; annual sales/revenue turnover of maximum Ugandan Schillings 360 million and total assets of maximum Ugandan Schillings 360 million.

A Medium Enterprise is defined as an enterprise employing more than 50 people; annual sales/revenue turnover of more than Ugandan Schillings 360 million and total assets of more than Ugandan Schillings 360 million.

Findings of the Survey

Main Reasons for not Winning Tenders:

The graph below outlines the main reasons cited by SME respondents as to the main reasons why their company has not yet won, or does not win more contracts from public sector and statutory bodies? (Respondents were allowed to select as many barriers as they felt were relevant
Tick all that apply
1. Don’t know what is available
2. Don’t know how to achieve “approved supplier status”
3. Insufficient knowledge of the formal tendering process & contractor expectations
4. My company is too small to service large contracts
5. We don’t hold the necessary quality accreditations required
6. We don’t meet the insurance, public liability, or professional indemnity requirements
7. We don’t meet the health & safety requirements
8. Discrimination
9. The procurement process is too lengthy & ties up too much staff time or resources
10. Payment terms offered are not suitable for my company
11. Don’t know how to write a formal tender
12. Don’t know how to make a formal presentation
13. Lack of opportunity to meet the decision makers/buyers
14. We have not tried to win this type of contract before
15. We are a new company and don’t have a long established trading record
16. No feedback was made available about previous unsuccessful tenders
17. No sub-contracting opportunities are available on large contracts
18. Other

The illustration below outlines the most frequently cited barriers by all SME respondents:

THE MAIN BARRIERS FACED BY SMES WHEN SEEKING TO SECURE PUBLIC SECTOR CONTRACTS

ALL SMEs

1. “Insufficient knowledge of the formal tendering process & contractor expectations”
2. “No feedback was made available about previous unsuccessful tenders”
3. “Lack of opportunity to meet the decision makers/buyers”
4. “My company is too small to service large contracts
5. “The procurement process is too lengthy”
6. “Payment terms offered, not suitable”

Insufficient knowledge of the formal tendering process

The above rankings suggest an overwhelming need for the A2P programme as respondents have demonstrated a clear requirement for capacity building support to provide them with sufficient knowledge of the procurement process.

No feedback was made with regards to unsuccessful tenders

In pursuit of continuous professional development it is imperative that SME’s have the opportunity to receive feedback with regards to how they can improve their chances of
winning public sector contracts. Whilst a process is in place to provide feedback, this has to be monitored to ensure that it is provided.

**Opportunity to Meet the decision makers / buyers – “Meet the Supplier”**

The need for opportunities to meet the buyers is key, targeted “Meet the Supplier” events can be arranged whereby potential suppliers are cherry picked to meet the specific procurement needs and have allotted timeslots with the buyers.

3.1.2 CONTRACTING & TENDERING METRICS

The graph below illustrates how contracts secured through a tendered process contribute to the overall turnover of responding SMEs with previous experience of tendering for contracts (successfully or unsuccessfully). When considering the respondent sample as a hole; (29%) of all businesses surveyed said that less than 5% of their turnover is accounted for by contracts.

However we had more than 10% of the respondents stating that, more than 95% of their annual turnover is accounted for contracts won through tendering. These findings indicate a mixed situation within the SME sector. Whilst there is clearly a significant proportion of firms which are both able to effectively tender for work and rely heavily on these types of contracts; there is also a much larger proportion of firms which are unable to successfully integrate tendered contracts into their revenue streams.

**Approximately what proportion of your annual turnover is accounted for by contracts won through tendering?**

![Pie chart showing distribution of turnover by tendering success]

3.1.3 IDENTIFYING NEW TENDERING OPPORTUNITIES

An understanding of how SMEs identify new business opportunities is implicit to the communication and engagement strategies to be developed. Specifically this means,
identifying the good habits of successful SMEs; and the barriers which prevent less successful firms from identifying possible commercial opportunities.

The table below illustrates how SMEs with previous experience of winning public sector contracts had identified these opportunities (respondents could select more than one method of communication within their answer):

![Pie chart showing how SMEs initially heard about contracts]

It is apparent that after newspapers established relationships are very important in terms of accessing contracts. Overall, more than 38% of respondents stated that opportunities were communicated through either direct invitation from the buyer or through some other form of personal contact. This is supported by the most frequently used type of procurement (Micro Procurement, Restricted Domestic Bidding and Request for Proposal are by far the most common used for lower value contracts, source “Baseline Survey on the Public Procurement System in Uganda – January 2010.

This implies that there is a significant level of supplier retention within public sector purchasing. Logically, established relationships represent a barrier for those SMEs who are not currently engaged with the public sector. This is a markedly difficult situation to address given that any private sector firm will typically seek to be retained as a supplier through improvements in service, whereas procurers will aim to find reliable suppliers with whom they can build effective working relationships and reduce margins.

### 3.1.4 HABITS OF SUCCESSFUL TENDERERS

As well as focussing on the perceived barriers to accessing contracts it is important that the A2P programme takes into account the successes of SMEs and explores why companies feel
they have been successful in securing contracts in the past. Knowledge of successful habits can be shared through the programme so that other SMEs can learn from, and emulate these habits. The diagram below illustrates the reasons successful firms felt they had won public sector contracts:

If you have won public sector contracts in the past, what do you consider to be the main reasons for your success? (tick all that apply)

1. We are an experienced company with established trading records
2. We have sufficient knowledge and experience of formal tendering processes
3. We have all the required quality standards in place
4. We met all the tendering requirements
5. Other

The reasons companies won contracts are interesting when considered alongside the perceived barriers. Again, knowledge and experience are seen as being of particular importance, which helps explain the more positive position of companies with a longer trading history and more employees.

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

Internal business development investment amongst SMEs in areas such as quality assurances and training are highly effective tools for demonstrating organisational robustness as a competitive strength during the tender process. However, many SMEs consider that the financial and time investments necessary to secure accreditations exceed their perceived value of being accredited.

Quality and equalities assessments are an essential element of public sector contracting; therefore it is necessary to test the views of SMEs towards accreditation to establish whether targeted strategic intervention is required to support SMEs seeking accreditation.

3.1.6 INTERNAL BUSINESS DEVELOPMENT & QUALITY ASSURANCE TOOLS

Companies were asked to identify whether they were working towards or currently utilise the following business development and quality assurance tools, many of which are considered as the cornerstones of business development.

Which of the following business development and quality assurance tools does your company currently use, or is working towards? (Tick all that apply)

![Graph showing usage of various business development and quality assurance tools](image-url)

The fact that a lack of knowledge is seen as one of the main reasons for not winning contracts
suggests that businesses need to be able to access more market information. The limited access to market research identified by respondents holds a key message for the development of A2P, (especially if seeking to support newer/less developed firms). Drawing parallels with the difficulties experienced by SMEs seeking to identify possibilities to supply to the public sector, and also the difficulties of public sector officers seeking to procure from SMEs; there is a clear need for a brokerage and engagement facilitation model which looks to actively coordinate and communicate both the terms under which procurement can be conducted (what qualities/metrics potential suppliers must fulfil) and actual contracting opportunities themselves. There is also still a high level of need for SMEs in respect of the demand for staff development, sales and marketing and general business planning.

3.1.7 EXTERNAL BUSINESS DEVELOPMENT SUPPORT

Business support has always played a key role within the delivery of economic regeneration. Over the last few years this provision has diversified considerably, shifting towards a broader spectrum of targeted initiatives which focus on the needs of individual businesses, gender and sector specific solutions within Uganda.

A key element within the delivery of A2P is the direct engagement of business support agencies as strategic partners as they have been the conduit to potential SME beneficiaries for the programme. A2P has aimed to engage with high-quality support providers which provide focused support on SMEs owned or led by people who fall within the target groups of the programme.

A greater understanding of how SMEs use external business support and their experiences of this support will allow A2P to ensure that programme delivery is effectively tailored to their needs; learning from what has worked well; and avoiding any potential pitfalls as identified through the real experiences of Uganda’s SMEs.

Companies surveyed were also asked to identify what they considered to be the main benefits of engaging with business support intermediaries. The top 5 most common responses for all companies is summarised below:

In which ways has your company benefited from the support and services provided by these organisations? (Tick all that apply)

1. Helped my company access new contracts
2. Promoted improved internal efficiency
3. Improved knowledge of our marketplace
4. Helped my company access additional finance
5. Helped my company identify new business opportunities
6. Improved staff or management skills
7. Helped my company develop a Business Plan
8. Helped my company develop a Marketing Plan
9. Helped my company work towards recognised quality accreditations
10. Helped my company develop an IT strategy
11. Helped my company develop a Customer Charter
12. Helped my company cut overheads
13. Improved our tendering and contract winning skills
14. Helped my company develop a sales strategy
15. I am not sure
BENEFITS OF ENGAGING WITH BUSINESS SUPPORT AND INFORMATION SOURCES

ALL SMEs

1. Helped my company develop a business plan
2. Improved staff or management skill
3. Improved knowledge of our market place
4. Prompted improved internal efficiency
5. Help indentify new business opportunities

It is both compelling and important to note that only 1% of the respondents stated that their business had benefited by improving their tendering skills through the engagement of business support and information sources. Again, our research concludes that there is good demand for generic business support services, but there is a need for the targeted specialist interventions that the A2P programme, will address.
3.1.8 Barriers To Engaging With Business Development Support

Respondents were asked to identify what they considered to be the main barriers to engaging with business development support which adds value to the design of A2P by identifying any potential pitfalls to avoid.

While the findings illustrate a spread across all response categories, there appears to be a level of clustering around a number of favoured issues. The table below ranks the top three most cited barriers for SMEs:

What are the main barriers and reasons that would prevent your organisation from making more use of business support and /or training? (Tick all that apply)

1. Insufficient funding available to cover costs
2. Insufficient staff resources available to commit to training
3. Don’t know what is available
4. Nothing suitable available locally
5. Support offered does not reflect the needs of my company
6. Support used before hasn’t helped my company access new business
7. Discrimination
8. Support offered is not flexible enough to work around our work commitments
9. Support used before has not delivered on its promises
10. Lack of after-care has meant that previous training has been hard to follow up
11. Lack of suitable accredited training available which is recognised in the marketplace
12. Training ad support often goes into too little detail to be useful or is too general
13. Too much information is usually provided in one go
14. Too little information is usually provided in one go
15. Have not liked the learning environment of courses used previously
MAIN BARRIERS TO ACCESSING BUSINESS SUPPORT AND TRAINING

ALL SMEs

1. Insufficient funding available to cover costs
2. Don’t know what is available
3. Insufficient staff resources available to commit to training

Cost and capacity are inevitably key issues, which suggest that business support organisations need to improve the tangible business offer to SMEs to encourage them to initially engage with support organisations. This reflects key delivery considerations outlined earlier in this section, stipulating that beneficiary costs should be kept to a minimum and that flexible delivery methods should be used to provide outreach elements where possible.

Knowledge is again an issue for the businesses surveyed, with 13% of those surveyed suggesting that they don’t know what is available. This is part of a wider engagement and communication issue and indicative of a wider strategic need to improve communication between strategic support/investment agencies, front-line deliverers and SMEs.

3.1.9 PROCUREMENT DEVELOPMENT TRAINING

Respondents were asked to identify the particular types of business support which they considered would help them tender more effectively for public sector contracts in the future. This will effectively inform the development of the business support package and ensure it is tailored to the real needs of its beneficiaries.
What support or training in any of the following areas would help your business tender more effectively for public sector contracts?

![Pie chart showing support areas]

- Customer relations, 27, 6%
- Business planning, 37, 10%
- Financial monitoring systems, 40, 9%
- Negotiating contracts, 35, 8%
- Completing tenders, 36, 9%
- Quality assurance, 38, 9%
- Effective marketing, 36, 9%
- Engaging with customers, 26, 6%
- Other, 3, 1%
- Service delivery, 27, 6%
- Tendering & evaluation process, 34, 8%
- Internet strategy, 22, 5%
- Generating business, 34, 8%
- Forming consortia bids, 27, 6%

The following illustration outlines the most frequently cited types of support required by SMEs:

**SUPPORT REQUIRED BY SMEs TO COMPETE MORE EFFECTIVELY FOR PUBLIC SECTOR CONTRACTS**

<table>
<thead>
<tr>
<th>ALL SMEs</th>
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<tbody>
<tr>
<td>Business Planning”</td>
</tr>
<tr>
<td>“Completing tenders”</td>
</tr>
<tr>
<td>“Financial Monitoring Systems”</td>
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<tr>
<td>“Quality Assurance”</td>
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<tr>
<td>“Effective Marketing”</td>
</tr>
</tbody>
</table>

Whilst the completion of tenders was consistently cited as a service that SMEs cited as support required for them, it is also very important to note that “Generic” business support services such as business planning and financial monitoring systems was highlighted as key areas that SMEs have requested further support. This certainly has been our experience with similar interventions. These issues must be addressed with our strategic partners as part of our recommendations going forward.
3.1.10 Consortia Development

The key drivers for procurement globally are to provide quality, cost effective solutions, that improve efficiency, through savings. We have seen the growing trend of “Monopsony” (Clusters of buyers coming together to procure services) on the demand side and the creation of sophisticated “Monopolies” who come together an “co-pete” on the supply side in order to deliver a one stop shop of end to end services.

Based on our experience and the creation of our sector based consortium models we asked respondents to identify the particular types of business support which they considered would help them tender more effectively for public sector contracts in the future. This will effectively inform the sustainability and forward strategy of ongoing business support.

The graph below overwhelming indicates that 67% of the SMEs have not considered entering into a consortium to deliver a contract. We firmly believe that this statistic provides scope for us to develop sector based consortia with the view to a collective of SMEs coming together to access and deliver public sector contracts.

Have you ever considered entering into a consortium to deliver a contract?

- Yes, 16, 33%
- No, 33, 67%
3.3 SECTION CONCLUSIONS & RECOMMENDATIONS

This summary draws together all main conclusions from Section 3, together with initial recommendations:

The careful use of intermediaries and targeted engagement meant that the response base to the questionnaire included a diverse mixture of SME businesses and the programme is on-target to meet the desired engagement targets for under-represented groups.

Considerable breadth exists within the capabilities and performance of firms within the parameters of the SME definition. Due to the significant penetration and response from women owned business in the overall sample, we have provided analysis on the basis of the whole sample and have provided specific data, where responses have been unique to women owned business

Overall, the respondent group cited “Insufficient knowledge”, “Lack of feedback” and a lack of opportunities to meet buyers “as the most frequently cited barrier as to why their company has not yet won, or does not win more contracts. These priorities to be addressed in the design of the training programme and providing more opportunities to ‘meet the supplier’.

At the focus group events respondents also cite the requirement for submitting Bid Bonds / Bid Securities as part of their tender submissions as prohibitive for SMEs. SMEs also raised concern with regards to contracts predominately being awarded on the basis of the lowest price at the detriment of quality. SMEs also have their concerns in respect of a lack of transparency and integrity in the procurement process.

While there are SMEs which have effectively tendered for and won work, for a majority this is yet to be the case:

When considering the respondent sample as a hole; (29%) of all businesses surveyed said that less than 5% of their turnover is accounted for by contracts. However we had more than 10% of the respondents stating that, more than 95% of their annual turnover is accounted for contracts won through tendering. These findings indicate a mixed situation within the SME sector. Whilst there is clearly a significant proportion of firms which are both able to effectively tender for work and rely heavily on these types of contracts; there is also a much larger proportion of firms which are unable to successfully integrate tendered contracts into their revenue streams.

Overall, more than 38% of respondents stated that opportunities were communicated through either direct invitation from the buyer or through some other form of personal contact. This implies that there is a significant level of supplier retention within public sector purchasing. Logically, established relationships represent a barrier for those SMEs who are not currently engaged with the public sector.

The reasons companies won contracts are interesting when considered along side the
perceived barriers. Again, knowledge and experience are seen as being of particular importance, which helps explain the more positive position of companies with a longer trading history and more employees.

Most businesses had used some form of external organisation for advice or training in the past. It is both compelling and important to note that only 1% of the respondents stated that their business had benefited by improving their tendering skills through the engagement of business support and information sources. Again, our research concludes that there is good demand for generic business support services, but there is a need for the targeted specialist interventions that the A2P programme, will address.

Firms had used support services for business planning, accessing finance and accessing information about their market place. However, a lack of funding (22%), organisational capacity and a lack of knowledge about what is available (13%), and a lack of commercial impact achieved from previously used support hinder some businesses who would otherwise be engaged.

Businesses identified a plethora of support solutions which they thought would improve their access to public sector contracts. Whilst the completion of tenders was consistently cited as a service that SMEs cited as support required for them, it is also very important to note that “Generic” business support services such as business planning and financial monitoring systems was highlighted as key areas that SMEs have requested further support. This certainly has been our experience with similar interventions. These issues must be addressed with our strategic partners as part of our recommendations going forward.

RECOMMENDATIONS

The above conclusions yield the following recommendations:

The recommendations and the findings of the SME and PDE research will be integrated into the A2P SME training programme, however in order “Ignite” the new partnerships between demand and supply and achieve the tangible results, some “Sectorial Consortia Development” Workshops to create sustainable SME procurement hubs. This should then be followed up with a targeted “Meet the Supplier” event based on our previous interventions.

The A2P programme must be able to add value to “smaller” and “larger” firms within the SME categorisation, by matching the business support offered to the different development stages of participating firms, and assist the PDEs identify appropriate strategies to engage firms at different stages within this spectrum.

In order to manage SME expectation it is advised that firms which are in too early a stage of development to be able to practically benefit from the support provided are signposted to stakeholders with more appropriate provision to support them in bridging this gap, with an option to return at a future date.
The delivery of the A2P programme must be incentivised and look to use flexible training methods which minimise the staff resource implications for participating firms whilst maintaining that participants acquire a high level of competence so that new practices can be implemented independently. This entails effective use of strategic partners to support localised delivery of business support.

We strongly recommend that in order to create a value on the training that will be delivered a nominal fee is charged to SMEs for attendance of this “residential” course.

A series of measures should be identified and pursued which look to reduce the barriers that risk assessment criteria present to SMEs when seeking to compete for contracts. There needs to be meaningful engagement and dialogue with relevant bodies in respect of issue of Bid Securities, Insurance and products such as a carefully developed “Invoice finance” products which will reduce some of the problems of delayed payments.

The research findings demonstrate evidence of successful SMEs at all levels and sectors. These SMEs should be engaged more strategically in order to establish the “Quick Wins” to support further developments.

In the medium term. There is a need for dedicated brokerage strategies between the demand and supply environments so greater knowledge of what actual opportunities exist is facilitated through effective communications tools and engagement and management of the SME supply chain. This is an area for Uganda to adopt our Procurement Intermediary Model TM (Second Tier Managed Commissioning Service)

A general lack of high-level usage of the Internet for e-procurement and market research amongst SMEs means that any strategies involving the development of e-tools for procurement must include considerations for impacts upon SME engagement and a related capacity building strategy.

The A2P programme must ensure that the expectations of participant SMEs are carefully measured. Whilst the aims for the programme are ambitious, much of the development work is largely exploratory and it is not possible to guarantee contracts for firms which take part.
4. **DEMAND SIDE: PDE PERSPECTIVE**

This section considers the demand-side profiling element of A2P, which aims to shape the A2P programme in the development of the SME training programme, which will be directly tailored to the actual practices procurement legislation in Uganda.

To engage stakeholders we requested the PDEs to complete the Procuring and Disposing Entity (PDE) Questionnaire (Appendix 3), we then followed this up with face to face meetings with the following PDE’s;

- The Ministry of Finance
- Mulago Referral Hospital
- National Housing Corporation
- Uganda Prisons
- Ministry of Education & Sports

We also recorded these meetings with for training and quality purposes. This culminated in a better understanding of the “Local” supply environments that will underpin key decisions around the skills development, for SMEs in the next stage of the programme.

The remainder of this section is divided into the following four areas of focus:

i. Summary of the Acts and legislation

ii. Role of Procuring & Disposing Entities / PPDA

iii. Key Challenges faced by PDE’s in engaging SMEs

iv. Section conclusions and recommendations

### 4.1 LEGISLATIVE CONTEXT - SUMMARY OF THE ACTS AND THE REGULATIONS

The need and significance of the A2P programme is profound and is highlighted by the significant changes in the legal framework for public procurement since 2003 and more recently in 2006, with the root and branch review of public sector procurement in Uganda. Our research of initiatives and capacity building projects, since the passing of the Act has focused on developing the skills and processes of the responsible individuals (Procurement Officers / Professionals) with in the Procuring and Disposing Entities, to understanding the robust procedures that have been put in place to ensure value for money, transparency and quality is delivered in the provision works, goods and services for and on behalf of Central and Local Government.
Consistently a “Lack of capacity” and a need for “continuous professional development for procurement officers” is required to ensure that the sound procurement principles stated in the Acts and regulations are complied with and adhered to.

With the ongoing development and capacity building initiatives of organisations like the PPDA for the procuring entities, it is vital that SMEs in Uganda have a programme that will assist them in understanding the legal framework and The A2P programme is a timely and direct response this.

The principal legal instruments governing public procurement at central / Local levels are detailed below:


**The Public Procurement and Disposal of Public Assets Act:**

The Public Procurement and Disposal of Public Assets Act (PPDAA/the Procurement Act) was passed by Parliament in December 2002. The Procurement Act came into force shortly after in February 2003. The essential features of the Procurement Act are:

- To ensure that the decentralisation process which had commenced prior to 2003
- To ensure that PDE procurement activities are conducted in a decentralised environment
- To establish the Public Procurement and Disposal of Assets Authority (PPDA) and define its “reason for being”
- To ensure that the PPDA is the primary conduit for complaints about public procurement
- To ensure the principles of procurement are adhered to and to offer legal support in the implementation in the Regulations

**The Procurement Regulations:**

The Public Procurement and Disposal of Public Assets Regulation, came into effect on September 5, 2003 and sets out the operation guidelines in relation the interpretation of the Act.

It is well documented and acknowledged by procurement officers and SMEs alike that one of the key challenges of the implementation and understanding of the documents is the size and complexity.

**4.2 THE PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY (PPDA)**

The Public Procurement and Disposal of Public Assets Authority (PPDA) is regulatory and monitoring body
The objectives of the PPDA are described in detail in the PPDAA (Article 6):

- Ensure the implementation and application of fair non-discriminatory, competitive, transparent procurement and disposal practices
- Harmonize the procurement and disposal policies, systems and practices of Central Government, Local Government and statutory bodies
- Set, monitor and review standards for the public procurement and disposal systems in Uganda
- Build capacity

For the wider benefit of all stakeholders, the PPDA has summarised and published a process flow chart, which sets out the roles and responsibilities throughout the procurement cycle. It is imperative that SMEs and procurement officers fully understand the identified key “Moments of truth”. This will ensure that they are better equipped to respond and improve the success rates of SMEs tendering for public sector contracts.

4.3 PROCURING DISPOSING ENTITIES (PDE)

The Procuring and Disposing Entities

(Article 24) of the PPDAA, states that all public entities that wish to carry procurement must establish a Procuring and Disposing Entity (PDE)

The PDE will consist of: an Accounting Officer, a Contracts Committee Procurement and Disposal Unit (PDU), a User Department, and an Evaluation Committee.

The Accounting Officer is responsible for the implementation of the procurement process for the PDE. This is summarised below:

Establishing and appointing members to Contracts Committee; recruitment and selection of staff at the PDU; advertising tender opportunities, communicating award tender; ensuring the availability of budget funds; signing contracts; investigating complaints and reporting to the PPDA.

A key as aspect of the regulations is that Section 34 (2) of the Public Procurement and Disposal of Public Assets Act, 2003, require the PDE to prepare a work plan for procurement based on the approved budget.

The procurement plan is a comprehensive statement of requirements to be procured over the life of the plan – usually one year. The procurement plan is put in place in order to, measure, monitor, review and evaluate agreed procurement objectives.

4.4 ADDRESSING CHALLENGES TO ENGAGING SMEs

During key stakeholder interviews with PDE’s undertaken by the A2P Team, each of the
PDE’s highlighted a number of specific issues that they considered as challenges in engaging with SMEs. This section provides a summary of these key challenges. The table below summarises the key barriers and challenges identified and the suggested actions required to address each of them:

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<th>KEY ENGAGEMENT CHALLENGES &amp; SUGGESTED RECOMMENDATIONS</th>
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<tr>
<td><strong>KEY CHALLENGES IDENTIFIED</strong></td>
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<td>Lack of Knowledge and Capacity – the most frequently</td>
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<td>knowledge and understanding to submit compliant bids.</td>
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<td>SME Capacity – representatives from the PDEs</td>
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<td>consistently cited examples, where SMEs have been</td>
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<td>can not deliver to the contract specification and price</td>
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<td>Contract Size: Some contracts offered by the PDEs</td>
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<td>are too large, or too complex for SMEs to effectively</td>
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<td>Identifying and engaging with potential SME suppliers:</td>
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<td>Many key players consulted felt that a significant</td>
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<td>proportion of procurement contracts were already being</td>
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<td>won by SMEs, but there is a need for a steady supply of</td>
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<td>new entrants.</td>
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<td>KEY CHALLENGES IDENTIFIED</td>
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<td>and matching strategies, underpinned by centralised foundations and aims, and integrated with the operational activities of each PDE.</td>
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<td><strong>Action:</strong> This is a new and developing area; however the use of objective “Procurement Benchmarking” through our strategic partners like PI Benchmark would assist PDEs in reaching “scientific” and objective decisions.</td>
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<td><strong>Action:</strong> It is essential that there is early planning and dialogue with SMEs so that they can plan and prepare for this inevitable but painful transition.</td>
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<td><strong>Action:</strong> We suggest that the PDEs work closer with local business support intermediaries who represent the SMEs that they which to engage.</td>
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<tr>
<td><strong>Action:</strong> Further interventions are possible both in terms supply side support and demand-side contract design. The research elements and outcomes of this must be integrated with the Central and individual action plans.</td>
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**The role of Procurement Officers:**
Positively, all of the PDEs acknowledged that the need for continuous professional development for front line “Responsible” individuals is an ongoing need, but is challenging due competing pressures on limited resources.

**Action:** All future capacity building strategies must include a process for supporting initiatives to assist procurement officers adjust effectively to changes. These must to be backed up with defined staff resources and high-level commitment, with progress governed and managed through measurable action plans.

Finally, based on the research findings the A2P programme will be designed to effectively equip SMES with the skills and practices to compete for public sector contracts, the importance of knowledge of opportunities and processes, as well as opportunities to engage with potential customers is a critical issue to successful procurement. As such, stakeholders need to establish a robust engagement and communications strategy based on the provision of relevant information.
5 CONCLUSIONS

This section draws together all conclusions and recommendations from all elements of the research report and presents a number of possible approaches which build upon what has been achieved thus far.

Conclusions related to engaging with SMEs:

5.1. The careful use of intermediaries and targeted engagement meant that the response base to the questionnaire included a diverse mixture of SME businesses and the programme is on-target to meet the desired engagement targets for under-represented groups.

5.2. Considerable breadth exists within the capabilities and performance of firms within the parameters of the SME definition. Due to the significant penetration and response from women owned business in the overall sample, we have provided analysis on the basis of the whole sample and have provided specific data, where responses have been unique to women owned business.

5.3. Overall, the respondent group cited “Insufficient knowledge”, “Lack of feedback” and a “lack of opportunities to meet buyers” as the most frequently cited barrier as to why their company has not yet won, or does not win more contracts. These priorities are to be addressed in the design of the training programme and providing more opportunities to ‘meet the supplier’.

5.4. At the focus group events respondents also cite the requirement for submitting Bid Bonds / Bid Securities as part of their tender submissions as prohibitive for SMEs. SMEs also raised concern with regards to contracts predominately being awarded on the basis of the lowest price at the detriment of quality. SMEs also have their concerns in respect of a lack of transparency and integrity in the procurement process.

5.5. While there are SMEs which have effectively tendered for and won work, for a majority this is yet to be the case.

5.6. When considering the respondent sample as a whole; (29%) of all businesses surveyed said that less than 5% of their turnover is accounted for by contracts. However we had more than 10% of the respondents stating that, more than 95% of their annual turnover is accounted for by contracts won through tendering. These findings indicate a mixed situation within the SME sector. Whilst there is clearly a significant proportion of firms which are both able to effectively tender for work and rely heavily on these types of contracts; there is also a much larger proportion of firms which are unable to successfully integrate tendered contracts into their revenue streams.
5.7. Overall, more than 38% of respondents stated that opportunities were communicated through either direct invitation from the buyer or through some other form of personal contact. This implies that there is a significant level of supplier retention within public sector purchasing. Logically, established relationships represent a barrier for those SMEs who are not currently engaged with the public sector.

5.8. The reasons companies won contracts are interesting when considered alongside the perceived barriers. Again, knowledge and experience are seen as being of particular importance, which helps explain the more positive position of companies with a longer trading history and more employees.

5.9. Most businesses had used some form of external organisation for advice or training in the past. It is both compelling and important to note that only 1% of the respondents stated that their business had benefited by improving their tendering skills through the engagement of business support and information sources. Again, our research concludes that there is good demand for generic business support services, but there is a need for the targeted specialist interventions that the A2P programme, will address.

5.10. Firms had used support services for business planning, accessing finance and accessing information about their market place. However, a lack of funding (22%), organisational capacity and a lack of knowledge about what is available (13%), and a lack of commercial impact achieved from previously used support hinder some businesses who would otherwise be engaged.

5.11. Businesses identified a plethora of support solutions which they thought would improve their access to public sector contracts. Whilst the completion of tenders was consistently cited as a service that SMEs cited as support required for them, it is also very important to note that “Generic” business support services such as business planning and financial monitoring systems was highlighted as key areas that SMEs have requested further support. This certainly has been our experience with similar interventions. These issues must be addressed with our strategic partners as part of our recommendations going forward.

Conclusions related to engaging with PDEs:

5.12. The most frequently cited response by the PDEs in relation to the key challenges in engaging SMEs are that they lack the knowledge and understanding to submit compliant bids.

5.13. SME Capacity: Representatives from the PDEs consistently cited examples, where SMEs have been awarded contracts and they are not in the position or can not deliver to the contract specification and price.

5.14. Contract Size: Some contracts offered by the PDEs are too large, or too complex for SMEs to effectively compete for.
5.15. Identifying and engaging with potential SME suppliers: Many key players consulted felt that a significant proportion of procurement contracts were already being won by SMEs, but there is a need for a steady supply of new entrants.

5.16. The Drive For Rationalisation: The drive to reduce cost and in most cases the number of suppliers to the public sector does not favour the use of SMEs as it aims to establish a supplier base which is made up of a smaller number of larger suppliers.

5.17. Dissemination of procurement plans and tender opportunities: Some PDEs outlined that the delays in preparing comprehensive procurement plans meant that some procurement was “Haphazard”. Therefore dissemination to SMEs varied.

5.18. Contract Design: There are some difficulties in developing terms and conditions (Community Benefit Clauses – Based around employment, skills and training) within contracts that are favourable to smaller firms and support the “Local” SME engagement agenda (particularly in rural areas) whilst upholding the legal regulations governing competitiveness and other best value concerns.

5.19. The role of Procurement Officers: Positively, all of the PDEs acknowledged that the need for continuous professional development for front line “Responsible” individuals is an ongoing need, but this is challenging due to competing pressures on limited resources.
6 RECOMMENDATIONS

Based on the conclusions presented in Chapter 5, the following recommendations aim to facilitate four developments in Uganda:

i. The development of a more favourable policy environment for SMEs who want to access public contracts;

ii. The adoption of a strategy by PPDA for supporting SMEs as part of their core business;

iii. Establishing a portfolio of market-led products and services for PPDA to achieve its SME support objectives; and

iv. Strengthening business development services and business development service providers to meet the needs of SMEs who aim to engage successfully in public procurement.

Policy Recommendations

6.1. The GoU should strive to ensure greater transparency and simplicity of the national procurement system to create an environment conducive to innovation and fairness for SMEs.

6.2. The definition of SME has to be relative to the sector that the business operates in, so that classification of SME under representation can be agreed and strategies put in place to address this.

6.3. A series of measures should be identified and pursued which look to reduce the barriers that risk assessment criteria present to SMEs when seeking to compete for contracts. There needs to be meaningful engagement and dialogue with relevant bodies in respect of the issue of Bid Securities, Insurance and bank products such as a carefully developed “Invoice finance” service which will reduce some of the problems of delayed payments.

PPDA Recommendations

6.4. There is a real need and demand for the A2P programme to provide training and assistance to SMEs in understanding the requirements of the tendering process and therefore PPDA should adopt the A2P programme as part of its business and ensure that the resources are organised for its ongoing operations.

6.5. The delivery of the A2P programme must be incentivised and look to use flexible training methods which minimise the staff resource implications for
participating firms whilst maintaining that participants acquire a high level of competence so that new practices can be implemented independently. This entails effective use of strategic partners to support localised delivery of business support.

6.6. The research findings demonstrate evidence of successful SMEs at all levels and sectors. These SMEs should be engaged more strategically in order to establish the “Quick Wins” to support further developments.

6.7. The A2P programme must ensure that the expectations of participant SMEs are carefully managed. Whilst the aims for the programme are ambitious, much of the development work is largely exploratory and it is not possible to guarantee contracts for firms which take part.

6.8. All of the proposed recommendations must be backed up with defined staff resources and high-level commitment, with progress governed and managed through measurable action plans.

PDE Recommendations

6.9. Significant differences in the procurement protocols and the accessibility of contracts exist between the banding by value and the system of procurement management operated by each PDE. PDEs need to consolidate communication, engagement and matching strategies, underpinned by centralised foundations and aims, and integrate these into their operational activities.

6.10. PDEs should gear themselves for SME consortia bids. The analysis indicated that PDEs’ experience with SME consortia bids were positive and most felt that if set up appropriately, this could be a viable alternative.

6.11. In terms of future supplier aggregation, it is essential that there is early planning and dialogue with SMEs so that they can plan and prepare for this inevitable but painful transition.

6.12. In order to improve the communication of procurement opportunities to SMEs, PDEs should work closer with local business support intermediaries who represent the SMEs that they wish to engage.

6.13. Further interventions are possible both in terms supply side support and demand-side contract design. The research elements and outcomes of this must be integrated with the Central and individual action plans.

Product and Service Recommendations

6.14. In order “Ignite” the new partnerships between demand and supply and achieve the tangible results, some “Sectoral Consortia Development” Workshops
should be held to create sustainable SME procurement hubs. This should then be followed up with a targeted “Meet the Supplier” event.

6.15. The A2P programme must be able to add value to “smaller” and “larger” firms within the SME categorisation, by matching the business support offered to the different development stages of participating firms, and assist the PDEs identify appropriate strategies to engage firms at different stages within this spectrum.

6.16. A general lack of high-level usage of the Internet for e-procurement and market research amongst SMEs means that any strategies involving the development of e-tools for procurement must include considerations for impacts upon SME engagement and a related capacity building strategy.

Capacity Building Recommendations

6.17. In order to manage SME expectation it is advised that firms which are in too early a stage of development to be able to practically benefit from the support provided are signposted to stakeholders with more appropriate provision to support them in bridging this gap, with an option to return at a future date.

6.18. In the medium term there is a need for dedicated brokerage strategies between the demand and supply environments so greater knowledge of what actual opportunities exist is facilitated through effective communications tools and engagement and management of the SME supply chain. This is an area for Uganda to consider proprietary solutions such as the Procurement Intermediary Model TM (Second Tier Managed Commissioning Service – offered by NTL)

6.19. All future capacity building strategies must include a process for supporting initiatives to assist procurement officers adjust effectively to changes.
Thank you for taking the time to complete this questionnaire. By responding to this questionnaire, you are taking an important first step towards accessing lucrative public sector contracts across Uganda. **We are keen to hear from 100 SMEs with a mixture of businesses involved in the following sectors: Works, Goods and Services. Both those with and without previous experience of trading with the public sector are welcomed.**

To participate in this initiative, selection of SMEs will be on a first come first served basis. Your response by the 9th August 2010, means that your company may be eligible to directly benefit from the new SME Access to Public Procurement Opportunities in Uganda. The Programme is designed to create real business opportunities for small and medium enterprises (SMEs) throughout Uganda, by assisting and equipping SMEs with the necessary skills and competences to effectively tender for public sector contracts.

**Successful SMEs will be eligible for inclusion on the SME Procurement Focus Groups and SME Procurement Training Programme, commencing on the 19th August 2010.**

**A. Your contact details**

1. Your name: _________________________________________________________________

2. Job title: ___________________________________________________________________

3. Name of organization: ______________________________________________________

4. Address: ____________________________________________________________________
   ____________________________________________________________________________

E-Mail address: _______________ Website: ______________________

Telephone: _______________ Mobile: _______________ Fax: __________________

**B. Profile of your organisation**

1. Which of the following best describes your company status? (Tick one only)
2. How long have you been trading? _______________________

3. Which of the following classifications best describes the sector your company is in?

- Energy
- Engineering
- Food & Drink
- Footwear or Clothing
- Printing & Publishing
- Construction
- Wholesale Distribution
- Retail
- Hotels & Catering
- Business Services
- Education & Training
- Banking & Insurance
- Recreational & Cultural
- Agriculture & Fishing
- IT or Internet
- Hospitality & Leisure
- Other services

Please specify ________________________________

4. Briefly describe the main activities of your company

______________________________________________________________________________________________
______________________________________________________________________________________________
______________________________________________________________________________________________

5. What was your company’s approximate annual turnover in the last financial year? (Tick one only)

- Under SHS 12 million
- From SHS 13 million to SHS 360 million
- From SHS 361 to SHS 10 Billion

6. Overall, in the last three years has your annual turnover:
7. How many staff does your company employ in total?
   - 1 to 4
   - 5 to 50
   - 51 to 400

8. Including yourself, how many employees are full time: _____ and how many are part time: _____

9. Overall, in the next 12 months do you expect the number of staff your company employs to:
   - Increase
   - Decrease
   - Remain unchanged

10. Would you consider your business to be Woman Managed?
    - Yes
    - No

11. If ‘Yes’ which position do you hold in the company? ______________________

12. Please estimate the percentages of your total workforce who are:
    - Women ________%

C. Creating business & winning contracts

Questions 13 to 18 allow us to develop an understanding of respondents’ previous experience of tendering for public sector contracts. We are equally keen to involve organisations which have not yet tendered for these contracts as organisations which have this experience as this will help us plan the types of support and training to be offered in the SME Access to Public Procurement Opportunities in Uganda.

1. Approximately what proportion of your annual turnover is accounted for by contracts won through tendering?
   - None as yet
   - 21% to 50%
   - 51% to 75%
   - 76% to 95%
11% to 20%  □  Over 95%  □

2. Which of the following ranges most accurately reflects the average value of contracts you tender for?

□ None as yet

□ Under SHS 12 million

□ Under SHS 360 million

□ Over SHS 361

3. Approximately what percentage of your annual turnover is accounted for by contracts with public sector organisations?

□ None as yet  □  21% to 50%  □

□ Under 5%  □  51% to 75%  □

□ 6% to 10%  □  76% to 95%  □

□ 11% to 20%  □  Over 95%  □

4. Overall, in the last three years has this proportion:

□ Increased  □  Decreased  □  Remained unchanged  □  Not been trading for that long  □

5. Please briefly summarise the nature of these contracts e.g Goods, works or services________________________________________________________________________________________
                                                                                                               ____________________________
                                                                                                               ____________________________
                                                                                                               ____________________________
                                                                                                               ____________________________
                                                                                                               ____________________________

6. How did you initially hear about these contracts?

□ Trade magazines  □  Internet  □  Direct invitation  □

□ Personal contact  □  Newspaper  □  Other  □

If you have selected “Other”, please provide more information:________________________________________________________________________________________
                                                                                                               ____________________________
                                                                                                               ____________________________
                                                                                                               ____________________________

D. Training & business development

1. Which of quality standards do you currently hold, or are working towards e.g ISO9001

________________________________________________________________________________________
2. Which of the following business development and quality assurance tools does your company currently use, or is working towards? (Tick all that apply)

<table>
<thead>
<tr>
<th>Working towards</th>
<th>Currently use</th>
</tr>
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<tbody>
<tr>
<td>Sales / Marketing Plan</td>
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<td>Business Plan</td>
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<td>Customer Service</td>
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<td>Market research</td>
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<td>Staff Development</td>
<td>☐</td>
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<tr>
<td>Internal Processes</td>
<td>☐</td>
</tr>
</tbody>
</table>

Other please specify ________________________________________________________

3. Do you feel that the provision of support or training in any of the following areas would help your business tender more effectively for public sector contracts? (Tick all that apply)

| Business planning | ☐ | ☒ |
| Effective marketing | ☐ | ☒ |
| Engaging with customers | ☐ | ☒ |
| Completing tenders | ☐ | ☒ |
| Tendering & evaluation process | ☐ | ☒ |
| Internet strategy/e-commerce | ☐ | ☒ |
| Customer relations | ☐ | |

Other__________________________________________________________________________

4. Have you ever considered entering into a consortium to deliver a contract?

Yes ☐ No ☒

5. What has been your experience of being part of a consortium

___________________________________________________________________________

___________________________________________________________________________

___________________________________________________________________________

6. Have you attended any training programmes over the last 3 years?
7. What type of training did you attend

______________________________________________________________________________________________
______________________________________________________________________________________________
______________________________________________________________________________________________

8. Which of the following sources of support and information has your company used before? (Tick all that apply)

- Enterprise Uganda
- Private Sector Foundation
- Lawyer Accountant
- Chambers of Commerce
- Local Authority
- Bank Manager
- Solicitor
- Business Support Services

Other, Please specify________________________________________________

E. Joining the SME Access to Public Procurement Opportunities in Uganda.

By taking part in the programme you will receive tailored training and support that will help your company to effectively tender for Public Sector contracts across Uganda. In the coming days you may also be required to provide further information and feedback to assist the effective development of the programme and to maximise the benefits it can create for companies across Uganda.

Please tick the statement below to indicate your interest in taking part in the programme, you will also need to sign and date the statement in the spaces provided to authenticate your interest.

- YES, my company is interested in taking part in the SME Access to Public Procurement Opportunities in Uganda.

Signed: ____________________________________________  
Date:  _____________________________________________

Thank you for your time and valuable input at this stage, we wish you every success in your application.

F. Returning completed questionnaires

Please return your completed questionnaires by email or fax to:

Emmanuel Muwazi, Edes & Associates, Conrad Plaza, Plot 22, Entebbe Rd, PO Box 21984, Kampala Uganda
Should you encounter any problems returning your questionnaire, or require any further information about the SME Access to Public Procurement Opportunities in Uganda, please contact Emmanuel Muwazi on +256(414) 250504, or alternatively send an email to emmanuel.muwazi@edesassociates.com or j.albarus@cmb2group.com

Please endeavour to return your completed questionnaire to us by 5pm on the 9th August 2010.
IMPROVING SMALL AND MEDIUM ENTERPRISES ACCESS TO THE PUBLIC PROCUREMENT OPPORTUNITIES IN UGANDA – (SME A2P PROGRAMME)

Thank you for taking the time to complete this questionnaire. By responding to this questionnaire, you are taking an important first step towards accessing lucrative public sector contracts across Uganda. We are keen to hear from 100 SMEs with a mixture of businesses involved in the following sectors: Works, Goods and Services. Both those with and without previous experience of trading with the public sector are welcomed.

To participate in this initiative, selection of SMEs will be on a first come first served basis. Your response by the 9th August 2010, means that your company may be eligible to directly benefit from the new SME Access to Public Procurement Opportunities in Uganda. The Programme is designed to create real business opportunities for small and medium enterprises (SMEs) throughout Uganda, by assisting and equipping SMEs with the necessary skills and competences to effectively tender for public sector contracts.

Successful SMEs will be eligible for inclusion on the SME Procurement Focus Groups and SME Procurement Training Programme, commencing on the 19th August 2010.

Focus Group (FG) - What do you consider to be the main reasons that your company has not yet won, or does not win more contracts from public sector and statutory bodies? (Tick all that apply):

- Don’t know what is available
- Don’t know how to achieve “approved supplier status”
- Insufficient knowledge of the formal tendering process & contractor expectations
- My company is too small to service large contracts
- We don’t hold the necessary quality accreditations required
- We don’t meet the insurance, public liability, or professional indemnity requirements
- We don’t meet the health & safety requirements
- Discrimination
- The procurement process is too lengthy & ties up too much staff time or resources
- Payment terms offered are not suitable for my company
- Don’t know how to write a formal tender
Don't know how to make a formal presentation

Lack of opportunity to meet the decision makers/buyers

We have not tried to win this type of contract before

We are a new company and don’t have a long established trading record

No feedback was made available about previous unsuccessful tenders

No sub-contracting opportunities are available on large contracts

Other

(Please specify if you selected “Other”)_____________________________________________

Using the reasons listed above, or your own reasons, what do you consider to be the three most important barriers which have prevented your organisation from securing more public sector procurement contracts?

One: ______________________________________________________________________

Two: _______________________________________________________________________

Three: _____________________________________________________________________

Questionnaire / FG If you have won public sector contracts in the past, what do you consider to be the main reasons for your success? (tick all that apply)

We are an experienced company with established trading records

We have sufficient knowledge and experience of formal tendering processes

We have all the required quality standards in place

We met all the tendering requirements

Other

Please specify_______________________________________________________________
FG What do you think would be the **ideal support solution** that your business could receive to help you effectively compete for public sector contracts?

___________________________________________________________________________

___________________________________________________________________________

___________________________________________________________________________

FG -What are the main barriers and reasons that would prevent your organisation from making more use of business support and/or training? (Tick all that apply)

- Insufficient funding available to cover costs
- Insufficient staff resources available to commit to training
- Don't know what is available
- Nothing suitable available locally
- Support offered does not reflect the needs of my company
- Support used before hasn’t helped my company access new business
- Discrimination
- Support offered is not flexible enough to work around our work commitments
- Support used before has not delivered on its promises
- Lack of after-care has meant that previous training has been hard to follow up
- Lack of suitable accredited training available which is recognised in the marketplace
- Training and support often goes into too little detail to be useful or is too general
- Too much information is usually provided in one go
- Too little information is usually provided in one go
- Have not liked the learning environment of courses used previously
34. Please summarise any other reasons that are not listed above:

_____________________________________________________________________________
_____________________________________________________________________________

FG In which ways has your company benefited from the support and services provided by these organisations? (Tick all that apply)

- Helped my company access new contracts
- Promoted improved internal efficiency
- Improved knowledge of our marketplace
- Helped my company access additional finance
- Helped my company identify new business opportunities
- Improved staff or management skills
- Helped my company develop a Business Plan
- Helped my company develop a Marketing Plan
- Helped my company work towards recognised quality accreditations
- Helped my company develop an IT strategy
- Helped my company develop a Customer Charter
- Helped my company cut overheads
- Improved our tendering and contract winning skills
- Helped my company develop a sales strategy
- I am not sure

37. Please summarise any other benefits that are not listed above:

_____________________________________________________________________________
_____________________________________________________________________________
Improving SME Access to Public Procurement Opportunities in Uganda. (A2P Programme) – PDE Questionnaire

Background / Context

The Government of Uganda (GoU), the Commonwealth Secretariat (COMSEC), the Public Procurement and Disposal of Public Assets Authority (PPDA) have procured a team of consultants, Nichols Training Limited and EDES & Associates to assist in the delivery of the above programme, which is aimed at developing SME access to the public procurement market in Uganda, whilst addressing the specific identified barriers.

Over a six month period the programme will involve research, sharing of best practice, training of trainers and finally delivering training to identified SMEs.

Detailed below are the strategic programme objectives, that we seek to deliver:

Strategic Programme Objectives

- Sustainable growth in the market share of contracts awarded to SMEs
- Greater transparency and simplification of the government procurement process
- Contribute to the overall improvement in business support provided to Uganda SMEs.

Specific Programme Deliverables

Outlined below are the specific programme deliverables that we shall deliver:

- Review and report on existing procurement legislation and practices through consultation of PDEs, SMEs and Women’s Empowerment Groups through relevant and suitable intermediaries, to ensure their views are embedded into the project outcomes

- Deliver a Train-the-Trainer course and its associated SME Learning Development Programme, (Delivered over 1 and half days)

- Report and oversee the delivery of SME training course to at least 100 SMEs

The SME training programme (Delivered over 3 days) is divided into three main components listed below:

1. Understanding the Public sector and how it procures from the PDE’s perspective
2. The Tendering Process
3. Procurement Documentation and information handling

The workshops and seminars will provide the necessary skills and confidence to prepare and submit insightful, focussed tenders to both private and public sectors.

Following the receipt of the letter from the PPDA on the 27th July 2010, your organisation has been identified as a strategic partner in the successful delivery of this project and thank you for taking the time to respond to questions in the key areas below

1) Overview of the PDE and what the PDE procures
2) How to find out about tendering opportunities by type of procurement?
3) PDE Procurement and supplier selection
4) Challenges faced in trying to engage SMEs
5) Template Pre-qualification questionnaire / Standard Bidding Documents

1) Overview of PDE and what the PDE procures
   i) What type of works goods and services does your PDE procure? - Please detail

   __________________________________________________________
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________

   ii) What is the profile of the existing contractors that currently hold contracts? - Please detail

   __________________________________________________________
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________

   iii) How many of them are SMEs? - Please detail
iv) What is the description (type of contract), the value and timeline for future contracts over the next 12 months? - Please detail

2) How to find out about tendering opportunities by type of procurement

i) Where are the PDE’s tendering opportunities advertised? - Please detail

ii) Does the method of advertising vary depending on the value and type of procurement process? - Please detail

iii) Are all current and future tender opportunities made available to SME intermediary organisations such as Enterprise Uganda, Private Sector Foundation and PPDA? - Please detail

3) PDE Procurement and Supplier selection

This section considers the organisation of the procurement function of the PDE identifying the overall aims and objectives of the PDE’s procurement; the mechanisms and procedures which assist the PDE in achieving these aims and objectives, and how these affect the selection of suppliers

i) What are overarching strategic aims & objectives of PDE procurement, what initiates procurement proceedings? - Please detail
ii) What are the relevant procedural banding by contract value? - Please detail

iii) What are the relevant Tendering procedures by contract value? - Please detail

iv) What are general / specific policies & standards SMEs require to be successful within the procurement process? - Please detail

v) Supplier selection - what matrix is used to score and evaluate supplier submissions? - Please detail

vi) How are contract awards notified / advertised - Please detail

vii) What contract management and monitoring arrangements are in place post contract award? - Please detail

viii) What arrangement are in place to monitor contract delivery against milestones and evidence of timely payments? - Please detail
ix) What arrangements are in place for SMEs to initiate feedback / complaint / grievance in relation to a procurement process? - Please detail

x) What tips / suggestions do you have for successful tendering with the PDE? - Please detail

4) What are the specific challenges PDE’s face in trying to engage SMEs? please list

i) What activities / initiatives are currently in place to engage SMEs? - Please detail

ii) What are the PDE’s experiences / views on consortia bids? - Please detail

iii) Are there any continuous professional development / training support that your procurement officers could benefit from? Please specify

5) Please provide examples of PDE’s Prequalification Questionnaire & Standard Bidding Documents
Finally, we thank you once again for the generosity of your time on this project.

Yours Sincerely

SME Access to Procurement (A2P Team)