

Joint Statement by the Public Procurement and Disposal of Public Assets Authority (PPDA) and Uganda National Roads Authority (UNRA) on the procurement for the upgrading of Kigumba-Bulima-Kabwoya road

On 1st September 2014, PPDA received a complaint regarding the tender for upgrading of Kigumba-Bulima-Kabwoya road funded by the African Development Bank (AfDB). The complaint alleged the following:

- That M/s Chongqing International Construction Company (CICO) misrepresented its experience record for 6 projects in their bid; and
- That the award to China Railway No.5 Engineering Group Company Ltd (CR 5) for Lot 2 was contrary to the Instructions to Applicants and Instructions to Bidders No. 4.3 on conflict of interest.

PPDA findings and recommendations:

In exercise of its regulatory function under Section 8(e) of the PPDA Act 2003, the PPDA instituted an investigation into the procurement process and made recommendations:

UNRA should implement the following measures:

- a) Ensure that pre-qualification documents explicitly request for documentary evidence to confirm that a bidder meets the qualification criteria. It is only the bidders who present such documentary evidence that should be pre-qualified; and
- b) Engage an international firm to undertake due diligence on information submitted by bidders to avoid reliance on misrepresentations from the bidders who have submitted the same information.

Status of the Procurement:

The PPDA issued its report on 27th October 2014. UNRA then contracted Ernst and Young to undertake a due diligence on the bidders. On 23rd January 2015, Ernst and Young advised that although China Railway No.3 Engineering Group and China Railway No.5 Engineering Group Co. Ltd are owned by China Railways Group, they have separate legal representatives and compete to win projects as separate Entities.

UNRA then proceeded with the procurement and the draft contract was approved by the UNRA Contracts Committee. The procurement was forwarded to AfDB for a “No-Objection” on 27th February 2015.

Clarification:

UNRA and PPDA would like to clarify as follows:

1. There is no clash as reported in the press between PPDA and UNRA. UNRA is obliged to comply with recommendations of PPDA as the regulator of public procurement. The PPDA recommendation to undertake due diligence was fully complied with by UNRA.
2. The firm of Ernst and Young was not contracted by PPDA. It was contracted by UNRA to undertake due diligence on the bidders.
3. The procurement process has not been stopped by PPDA. It had been concluded and is awaiting clearance by the funder, AfDB.
4. The article in the Monitor newspaper of 16th March 2015, page 4, titled: "Government bodies clash over 120b deal" was full of misrepresentation of facts.

UNRA AND PPDA MANAGEMENT