



PPDA Board Chairperson Julius K. Ishungisa speaks to the press in Mbarara District at the site of the plot handed over by Mbarara District Leadership for the construction of the PPDA Regional Office.

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The PPDA Board Chairperson Julius K. Ishungisa receives the documentation for the plot of land from Mbarara District LCV Chairperson, Didas Tabaro. Witnessing the event are Members of Mbarara District Leadership plus PPDA Board members and Management.

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PPDA Board Chair Counsels Public Entities on Procurement

By PPDA PR team

The Chairperson of the Board of Directors of the PPDA, Julius K. Ishungisa, has advised government agencies to seek the guidance from the Authority whenever they have challenges related to public procurement. In a recent tour of projects in Western Uganda, under implementation by different government entities, Ishungisa allayed fears that the PPDA was on a fault-finding mission. He said that the Authority was, instead, looking for ways of supporting the Procuring and Disposing Entities (PDEs) to deliver on their mandates through

adherence to the proper procurement procedures. “We have not come here because there is a problem. Maybe it is there but that is not the reason for our coming here,” Ishungisa told a meeting of leaders of Mbarara city including the Mayor, Robert Mugabe Kakyebi. He added, “How can we help you? How can we improve service delivery? What is it that is causing delay in service delivery?” The PPDA Board chairperson’s comments came against the background of challenges associated with two major projects in the city; Mbarara



PPDA Board Members and Mbarara city leaders tour and discuss the fate of Mbarara city market that has not been opened to the vendors and the public since February this year when it was handed over by the contractor. (L-R) PPDA Board Member Dr. Levi Kabagambe, PPDA Executive Director Benson Turanye, PPDA Board Member David Sserebe Bbunya, Mbarara City mayor Robert Mugabi Kakyebi and PPDA Board Chairperson Julius Ishungisa

City Central Market and Victor Bwana Road also in the centre of the city. While the construction of the market was finally completed, at the time of the visit in May 2022, it was not yet in use. According to a report on the market by the PPDA Regional Manager for western

Uganda, Lydia Kwesiga, “The defect liability period is counting, yet no snag list is being developed. Therefore the contractor might not address the challenges developing as a result of the project not being used”. The report adds that the project was also delayed with

a time overrun of 97%. A time overrun is a condition where a construction project is not completed within the designed schedule. In the case of the Mbarara City market, the time overrun was mainly because of the COVID-19 pandemic, but also due to the capacity challenges of the contractor. The facility is also accumulating expenses in terms of utilities including a bill to UMEME, the power provider that is reportedly in the range of shs6.5m.

The project, worth Uganda shillings 21.1bn, was contracted to Roko Construction Company and commenced on February 14, 2018. It was meant to be completed by February 14, 2020. The contract was extended five times until it was finally handed over on February 20, 2022.

Dr Levi Kabagambe, a member of the PPDA Board of Directors told the same meeting, that for the entities to effectively deliver on projects, due diligence must

be cardinal in the procurement process. He noted that while the list of potential providers is available, the entities must dig deeper to ensure that the selected provider has the capacity.

Dr Kabagambe, who represents procurement professionals on the PPDA Board, warned that entities must be meticulous in the procurement process, adding that when things go wrong, they may take part of the blame alongside the contractor. **“It is difficult to terminate these contracts because when you check yourself, you have also erred. You have engaged a contractor but you have no design”** he said.

Mbarara City Mayor told the PPDA team that he was also concerned that the market was not in use several weeks after it was handed over. The management of Mbarara city and the Ministry of Local Government are reportedly yet to strike a compromise on the formula for the allocation of the stalls to the vendors.



PPDA Board Member Dr Levi Kabagambe speaking during a meeting between Mbarara city leaders and PPDA board and management members in Mbarara city hall. On the right, (taking notes), is PPDA board member David Sserebe Bbunya



Adopt Collaborative Procurement to save Public Resources.

By Benson Turamy

The phrase, “*working in silos*”, has become part of today’s common parlance in many an office or boardroom, especially in government ministries, departments and agencies. The word silo in its ordinary meaning refers to storage containers, mainly for grains. But working in silos, as coined by authorities in public administration and management, has taken on a new meaning. It refers to people, teams or organizations that are working towards the same objective, but not sharing information on what they are doing even when they are supposedly aiming at one goal; for instance delivering on one mandate by government agencies.

Working in silos, especially in public procurement, is irrational, because it leads to wastage in terms of time and cost, not to mention missing out on the other advantages accruing from synergizing. This is in spite of the provisions of the law that allows government ministries, departments and agencies to pool efforts and collaborate in public procurement. It is not uncommon to find government entities, undertaking separate procurements to construct, say, a road that is meant to connect and enhance business for instance between two districts.

By invoking the law, and breaking down the silos and adopting the concept of Collaborative Procurement, there is reduction in the procurement processes, which leads to lower administrative costs and thereby allowing government agencies to spend more time focusing on the specialized purchases that are unique to them.

The PPDA Act 2003, in Section 58, provides that a procuring and disposing entity shall plan its procurement and disposal in a rational manner and shall aggregate its requirements where possible, both within the procuring and disposal entity and between procuring

and disposal entities, to obtain value for money and to reduce procurement costs. This provision has been strengthened further following the amendment of the PPDA Act last year. The amendment has now empowered the Secretary to the Treasury to give instructions to government agencies to undertake aggregated procurement, otherwise known as Collaborative Procurement. Section 58 now provides, among other things, that for purposes of aggregation of procurement, the Secretary to the Treasury “*shall for each financial year determine the procuring and disposing entities with procurement requirements that qualify to be aggregated*”.

The PPDA in conjunction with the Uganda Road Fund (URF) has demonstrably shown that Collaborative Procurement is practicable, cost effective and can even deliver on projects where a single entity working in silos would not even dream of. The two entities in October last year unveiled a new office block that adds to the ever changing appearance of Kampala’s skyline.

In addition to saving the taxpayers’ hundreds of millions of shillings that the two agencies have hitherto been spending to hire office space, a lot more has been saved in terms of design, construction and consultancy. In total, Shillings 54bn was spent on construction works and Shillings 4bn on the design and construction supervision consultancy. Had each of these entities separately undertaken the construction of an office block, the cost would have doubled because each entity would have hired different firms or even similar firms but paid twice by the government of Uganda, each for design, works, and supervision. This is not to talk of the divided tendering and procurement processes which would also cost money and time.

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Located in the upscale city neighborhood of Nakasero, the PPDA-URF, two-Tower complex, is a 12-level building with a total of 15,179 square metres that include 3 basement levels for over 150 parking spaces. It has 7 floors of office space, training rooms and a 305-seater conference hall. The building is composed of two separate wings connected by a central circulation core. It has shared facilities that include parking, cafeteria, a gym, a Day Care Centre, general reception and lobby. Government agencies may want to take a leaf from this undertaking.

The idea of the PPDA constructing the office block dates back to 2007 when the Authority bought land located at Plot 39 Nakasero Road. Later in 2013, by invoking the provisions of the PPDA Act in respect of aggregating Procurement, the PPDA Board and the URF Board, with the approval of the Ministry of Finance Planning and Economic Development, entered into a memorandum of understanding to develop a joint home.

The iconic PPDA-URF towers were completed in October 2021 six months behind schedule because of the COVID-19 related delays. The building shall be managed as a condominium with condominium titles, a corporation and a Building Management Agreement.

The Writer is the Executive Director, PPDA

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The PPDA Act, 2003 as amended; here are the highlights

By Cris Magoba

The Amendment of the PPDA Act 2003, by Parliament and the subsequent assent by the President, in June 2021 was followed by the publication in the Uganda Gazette of 2nd July 2021.

The process of amending the Act dates back to the 2016 Cabinet Retreat at the National Leadership institute Kyankwanzi. The proponents of the amendment argued that it was necessary so as to;

- Create efficiency in the Procurement Process through the reduction of the Procurement lead times;
- Clearly define the roles of the different key stakeholders in the Act;
- Introduce use of good practices, for instance Life Cycle Costing. Life cycle costing, or whole-life costing, is the process of estimating how much money will be spent on an asset over the course of its useful life. It covers an asset's costs from the time it is purchased to the time it is disposed of. In a word, it is the net cost of owning, operating, maintaining and disposing of an asset.
- Promote the use of Procurement as a Social Economic tool, i.e. Sustainable Procurement
- Simplify Procurement and reduce the cost of doing business without compromising quality and increasing the risk to the entities.

Thus, the PPDA Act, 2003 as amended, is aimed, among other things, at realizing the following objectives:

- To provide for the functions of the Authority and of the Board of Directors of the Authority;
- To provide for electronic records and communication;
- To provide for the aggregation of procurement requirements;
- To provide for marginalised groups under reservation schemes;
- To remove the Authority from the administrative review process;

- To provide for the appointment of a registrar of a Tribunal;
- To provide for the powers of the High Court in procurement proceedings;
- To amend the Kampala Capital City Act and the Local Governments Act with respect to procurement and for related purposes.

Accordingly, the amendments have some implications on the procurement and disposal processes of the Procuring and Disposing Entities (PDEs) and the providers.

- Prior to the amendments, the PPDA had a responsibility of receiving and handling complaints of providers who would be dissatisfied with the decision of an accounting officer in a Procuring and Disposing Entity (PDE). The authority was thus responsible for the settling disagreements between PDEs and providers. Providers would only appeal to the PPDA Appeals' Tribunal if they were dissatisfied with the decision of the PPDA. With the amendment of section 91 of the Act, if a bidder is dissatisfied with the AO decision, they will now proceed directly to the Tribunal.

Further still, to improve on the capacity and effectiveness of the PPDA Tribunal, its membership has been increased from 5 to 7. And decisions of the Tribunal are final. This means that a procurement or disposal process that is suspended during the tribunal hearing shall immediately continue after the decision of the tribunal. An appeal to the High Court shall be only on matters of law. And the decision at the High Court shall be final and conclusive.

The reduction in tiers of the administrative review process will quicken the procurement and disposal processes, thereby facilitating the business processes for national development.

- The amendment has also enhanced the role of the ministry of finance planning and economic development in the procurement and disposal in the country. According to Section 4 of the Act, the Minister may now, in writing, give directions to the PPDA, ***“On policy related matters and the Authority shall give effect to those directions.”***
- To enhance efficiency and strengthen the anticorruption measures, the amendments have introduced stringent punitive action for public officials who will be found flouting the provisions of the Act. This is provided for in section 95, where the Act explicitly outlines areas that may call for punishment if there is:
 - Obstruction or hindering a person carrying out a duty or function or exercising a power under the Act;
 - Delay contrary to the requirements of the Act, in the opening of bids, the evaluation of bids or making an award decision;
 - Cancelling the procurement process after the award decision by the contracts committee contrary to the requirements of the Act;
 - Causing loss of public funds or public assets as a result of negligence, in the implementation of the Act; or
 - Failure to comply with the decision of the Tribunal.

• The amendments have also addressed one of the core ingredients of the National Public Sector Procurement Policy. The policy strongly advocates for the use of the procurement function as a social, economic and environmental policy tool. Thus Section 61A, as amended, provides that “a procuring and disposing entity shall, for each procurement, take into account environmental protection, social inclusion and stimulating innovation, as may be prescribed”. In Section 59B, the Act now also provides for developing strategies that will promote procurement opportunities for SME’s and special interest groups like, Women, Youth, and Persons with Disabilities.

• Pre-contract financing is another key area that comes in place as a result of the amendments. With the amendment of Section 2 of the Principal Act, the law now provides for Pre-contract financing by providers. This is aimed at allowing private providers support unfunded priorities and to recoup their investment over an agreed modality and agreed period of time. This will apply only to Complex, Specialized and Strategic Procurements after clearance by the Minister of Finance and the Attorney General.

• In addition to the aforementioned reduction of players in the administrative review process, (from the Accounting to Officer to the Appeals Tribunal without referring to the PPDA), the amendments have also introduced more measures to quicken procurement and disposal processes in government. According to Section 29 of the Act as amended, the Contracts Committee has 10 days to make a decision on a submission from the procurement and disposal unit. This 10-day deadline can only be altered after seeking clearance from the Accounting Officer.

• The amendments have also introduced procurement methods hitherto not provided for in the PPDA Act 2003. Section 88AA now provides for “Methods of procurement of complex, specialised and strategic goods, works and services”; that is the competitive dialogue method or the competitive negotiation method. This is in view of the fact that, as the economy continues to grow, a number of NDP III projects are complex and the existing procurement methods are not adequate to enable Government achieve value for money.

The competitive dialogue method or competitive negotiation method shall be used where a PDE is not able, to define the technical specifications and methods appropriate for procurement or the legal and financial implications of the procurement, at the beginning of procurement.

• Government will now have one set of Public sector procurement Regulations. Exceptions shall be incorporated as subsets within the main Regulations, for instance Medicine Regulations or Local Government Regulations. Regulations will now be laid before parliament instead of being approved by Parliament



PPDA head office, plot 39, Nakasero Road



PPDA Board chairperson, Julius Ishungisa gives counsel to members of staff

From Wednesday 2nd February 2022 to Friday 4th February 2022 the PPDA held its annual retreat in Entebbe, bringing together all members of staff. The main thrust of the retreat was to discuss the progress in the implementation of the PPDA 5-year strategic plan 2020/2021 – 2024/2025.



Staff member Rebecca Namayanja, contributes to the deliberations during the retreat.



In the evenings, members of staff took time off the hectic deliberations to engage in some physical exercises

A host of other issues were discussed including staff performance and staff welfare. The meeting also dedicated some time to deliberate on the staff investment club. We caught some moments through the lens. *(Photo credit David Matovu)*



Staff member and regional Manager for the eastern region, Arthur Clive Birungi raises a point during the meeting.



Staff member and Director Performance Monitoring Dr Aloysius Byaruhanga making a point during the meeting.

Ntare School lauded for procurement efficiency



Part of the Shs3.8bn three-storey dormitory block under construction at Ntare school

Some of the members of staff of the PPDA that man the western region. (L-R) Bridget Nyakuhirwa, (Senior Officer Procurement Audit), Lydia Kwesiga (Regional Manager), Raymond Freedom Akatwijuka (Senior Officer Procurement Audit), and Dalia Hassam, Officer Procurement Audit. The team was commended by both the PPDA board and the government agencies for being diligent in the performance of their duties.

“It must also be emphasized that our highly respected Board of Governors and PTA (Parents, Teachers Association) has never at any one time interfered with our activities; they are supportive” reads part of Turyagenda’s report.

The Board of Directors and Management of the PPDA have commended the leadership of Ntare School for prudently following the procurement procedures and in the process delivering on public-funded projects in time.

The commendation follows a visit by the PPDA to assess the procurement performance of the school in respect of the projects they have undertaken. In the last five years, the school has, in partnership with central government agencies, overseen the construction of a stadium pavilion worth shs485m, a three-in-one laboratory worth shs2.5bn and a dormitory complex still under construction worth shs3.9bn.

Although the construction of the pavilion hit a snag, the school invoked the provisions of the law to cancel the initial contract with DoKa Investments Ltd, and engaged a new contractor, Bamujuni and Cosma Builders, who successfully completed the project.

The construction of the pavilion commenced with a seed donation of shs100m from President Museveni and US\$30,000 from President Kagame of Rwanda, both old boys of the school.

The school is also undertaking the

construction of a three-storey dormitory block worth Shs3.8bn. According to the Headteacher, Jimmy Turyagyenda, who is also the accounting officer, the project whose construction commenced in April 2021 is expected to be complete in April 2023.

“The site is well mobilised. The contractor is compliant and cooperative. All best practices of contract management are being adhered to, to ensure that the project is fast tracked and becomes our other success”, Turyagyenda notes in a report presented to the board and management of the PPDA.

While speaking to the press shortly after meeting the school management team, the PPDA Executive Director, Benson Turamye noted that Ntare School is able to deliver on their projects because of having a substantive procurement unit and an active Contracts Committee. He said that many schools face challenges related to public procurement and disposal because they undertake procurement and disposal activities in an ad-hoc manner.

According to the headteacher, the school’s procurement unit is headed by a professional procurement officer and each unit in the procurement process acts independently.

The school has completed the construction of a laboratory block that houses the Physics, Biology and Chemistry labs. It was undertaken during the 2017/2018 financial year at cost of shs2.5bn for construction and shillings 647m for the supply of lab equipment. Construction was contracted to Block Technical Services while the supply of lab equipment was by Kainat Company, executed in the year 2020.

The PPDA Board Chairperson, Julius K. Ishungisa, urged the management of the school to utilise the PPDA to ensure apt delivery of services.

“Don’t get bogged down by procurement problems. Anything within our means we can explain. If there are provisions within the law that cannot help you deliver service, please contact us”, he said.

Ntare School is a government-funded, boys’ only boarding school, founded in 1956 and currently with an enrolment of over 2000 students.

PPDA Secures Land for Regional Office in Mbarara



The Public Procurement and Disposal of Public Assets Authority (PPDA) is due to commence the construction of a regional office for South Western Uganda after securing a plot of land from Mbarara District Local Government.

The plot, measuring 25 decimals in the upscale neighbourhood of Kamukuzi, in Mbarara city, was officially handed over to the PPDA Board of Directors and Management team that was in Mbarara on May 26, 2022.

Speaking during the handover function, the District LCV Chairperson, Didas Tabaro said that the offer was in the interest of the people of Mbarara and eastern Uganda in

general. He dubbed the donation an achievement saying that people in the region will no longer have to travel to Kampala for the services offered by the PPDA.

Mbarara District Chief Administrative Officer, Edward Kasigara said that the District Council with the approval of the Ministry of Local Government has so far allocated three plots of land for different projects. These include the Office of the Auditor General who constructed and are already occupying their office premises, a businessman for the construction of an international school and now, the PPDA.

Basil Bataringaya, the Kashari North MP who was present at the function said that he was part of the District Council, (2016-2021), that passed the resolution to offer a plot to the PPDA.

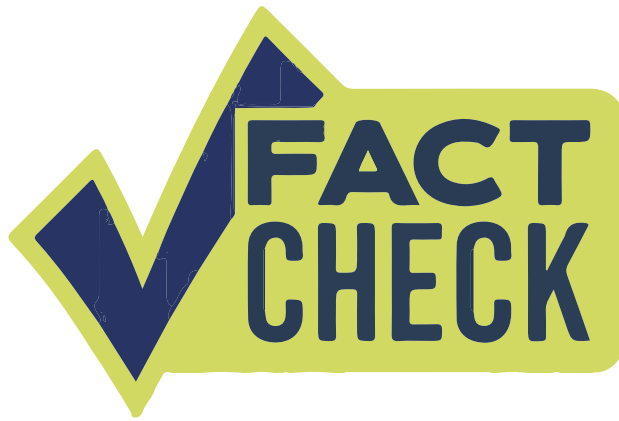
“I know the importance and benefit. Mbarara has been doing it over time. I want to inform the people of Mbarara that this is a great achievement”, he said.

The Executive Director of the PPDA, Benson Turamyie said that the offer of the land was aptly part of the law in respect of disposal of public assets.

He added that the authority was already in touch with the Ministry of Works and Transport to secure the drawings for the office project.

The PPDA Board Chairperson Julius Ishungisa pledged to utilise the plot properly.

“We have to be exemplary we have to deliver in time and quality, we have got the experience”, he said in reference to the recently constructed PPDA home in Nakasero - Kampala.



FACTS

FIGURES

TITBITS

- 2** Implications of the Amendment of the PPDA Act 2003, at a glance the number of Players in the Administrative Review process; i.e. Accounting Officer and the Tribunal. Aggrieved bidders will no longer have to appeal to the PPDA. If a bidder is dissatisfied with the Accounting officer decision, they will now proceed directly to the Tribunal.
- 7** The number of members of the PPDA appeals tribunal (PAT) increasing from 5 to improve the PAT's capacity and effectiveness following the amendment of the PPDA Act 2003.
- 10** The number of days during which a contracts committee must make a decision upon receipt of a submission from the procurement and disposal unit, (PDU). This number of days can only be altered with explicit permission from the Accounting Officer.

Sagaciously Speaking

- Silence is often misinterpreted but never misquoted.
- A blind person who sees is better than a seeing person who is blind.
- An optimist laughs to forget; a pessimist forgets to laugh.
- When one door closes, another opens. Or you can open the closed door. That's how doors work.
- Doing the right thing, is not always the right thing to do

This is no laughing matter

- Don't take life too seriously. You'll never get out of it alive anyway
- Never put off until tomorrow what you can do the day after tomorrow.
- Life is a funny thing that happens to us on the way to the grave.
- A part from life is short, which other lines do you use before you make bad decisions.

COFFEE BREAK

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