



**PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS  
AUTHORITY**

**INVESTIGATION REPORT INTO THE ALLEGED INFLUENCE PEDDLING AND  
CANCELLATION OF PROCUREMENT CONTRACT BY MR. AGGREY WUNYI**

**ENTITY : MINISTRY OF INTERNAL AFFAIRS**

**COMPLAINANT : WHISTLE BLOWER**

**NOVEMBER 2017**

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## ACRONYMS

AO	-	Accounting Officer
BEB	-	Best Evaluated Bidder
CC	-	Contracts Committee
DCIC	-	Directorate of Citizenship and Immigration Control
FY	-	Financial Year
MOIA	-	Ministry of Internal Affairs
PDU	-	Procurement and Disposal Unit
PPDA	-	Public Procurement and Disposal of Public Assets Authority
URA	-	Uganda Revenue Authority
UGX	-	Uganda Shillings

## 1.0 BACK GROUND

1. On 29<sup>th</sup> March 2016, the Ministry of Internal Affairs initiated the procurement for renovations at the Ministry Headquarters buildings at an estimated cost of UGX 670,000,000 for two lots. Lot 1 was for renovation works of the Ministry premises (Main Administration Block, Accounts Block, Record Centre/Server Room Block, Community Service Block, Electrical re-wiring, plumbing, drainage systems and toilets) and Lot 2 was for renovation works of the Ministry premises (fixing 2 gates, gate houses, fencing and car shade).
2. On 21<sup>st</sup> December 2016, the Contracts Committee approved Open Domestic Bidding method, the bidding document and the following Evaluation Committee:

**Table 1: Evaluation Committee**

No	Name of Bidder	Designation
1.	Mr. Ivan Kasozi	Quantity Surveyor, MOWT
2.	Ms. Asha Arinda	Civil Engineer, MOWT
3.	Mr. Fredrick Mwesigye	Procurement Officer, MOIA
4.	Mr. Isaac Aluku	Office Supervisor, MOIA
5.	Mr. Simon Opolot	Senior Policy Analyst, MOIA
6.	Mr. Fredrick Batale	Senior Community Service Officer, MOIA
7.	Ms. Annet Aseku	Immigration Officer, DCIC

3. On 9<sup>th</sup> January 2017, an advert for Lot 1 and Lot 2 was published in the New Vision Newspaper with a closing date of 10<sup>th</sup> February 2017.
4. On 19<sup>th</sup> January 2017, a pre bid meeting was held in the Ministry's Board room.
5. On 13<sup>th</sup> February 2107, the Contracts Committee approved the request to include Arch. Andrew Samba of Ministry of Works and Transport on the Evaluation Committee for the renovation works at the Ministry.
6. On 10<sup>th</sup> February 2017 bids for both lots were opened as shown below:

**Table 2: Record of Bids opening**

No.	Provider	Lot	Prices Read Out (UGX)
1.	Dacosi Limited	1	652,853,369
2.	Plan Build Technical Services	1	679,862,978
3.	Pioneer Construction Ltd	1	729,085,833
4.	CMD Investments Ltd	1	600,910,502
5.	Krishna Construction Co. Limited	1	614,776,374
6.	Haheh Construction Limited	1	597,121,616

No.	Provider	Lot	Prices Read Out (UGX)
7.	Kabbs Technical Services	2	311,136,441
8.	Plan Build Technical Services	2	334,125,684
9.	Teb Technical Services & Contractors Limited	2	308,871,007
10	Raufu Technical Services Limited	2	275,766,401
11	Akiram Limited	2	302,512,579
12	Challenger (U) Ltd	2	464,403,997
13	Empire Tools Ltd	2	349,997,134
14	Pioneer Construction Ltd	2	730,104,291
15	Sembule International Limited	2	299,879,878
16	CMD Investments Ltd	2	400,299,256
17	Halcon Ltd	2	315,511,269

7. The Evaluation Report dated 27<sup>th</sup> March 2017 indicated that under Lot 1 three (3) bidders were not responsive at preliminary evaluation as indicated in Table 3 below:

**Table 3: Unsuccessful bids under Lot 1**

No	Name of Bidder	Reasons for Disqualification
1.	Plan Build Technical Services Limited	<ul style="list-style-type: none"> <li>▪ Did not provide evidence of having a credit line of UGX 5,000,000 from a Bank of Uganda regulated commercial Bank or its equivalent for foreign firms.</li> </ul>
2.	Pioneer Construction Limited	<ul style="list-style-type: none"> <li>▪ Did not provide evidence of having a credit line of UGX 5,000,000 from a Bank of Uganda regulated commercial Bank or its equivalent for foreign firms.</li> </ul>
3.	Krishna Construction Co. Ltd	<ul style="list-style-type: none"> <li>▪ Did not provide a statement in the Bid Submission Sheet that the bidder meets the eligibility criteria stated in ITB 4.1.</li> <li>▪ Did not provide evidence of having a credit line of UGX 5,000,000 from a Bank of Uganda regulated commercial bank or its equivalent for foreign firms.</li> </ul>

8. Dacosi Limited, CMD Investments Limited and Haheh Contractors Limited bids passed the preliminary stage.
9. The Evaluation Report also indicated that under Lot 2, ten (10) bidders were not responsive at preliminary evaluation as indicated in Table 4 below:

**Table 4: Unsuccessful bids under Lot 2**

No	Name of Bidder	Reasons for Disqualification
1.	Akiram Limited	<ul style="list-style-type: none"> <li>▪ Did not provide evidence of having a credit line of UGX 5,000,000 from a Bank of Uganda regulated commercial Bank or its equivalent for foreign firms.</li> </ul>
2.	Teb Technical Services and Contractors Limited	<ul style="list-style-type: none"> <li>▪ Did not provide a statement in the Bid Submission Sheet that the bidder meets the eligibility criteria stated in ITB 4.1</li> <li>▪ Did not provide evidence of having a credit line of UGX 5,000,000 from a Bank of Uganda regulated commercial Bank or its equivalent for foreign firms.</li> </ul>
3.	Plan Build Technical Services Limited	<ul style="list-style-type: none"> <li>▪ Did not provide evidence of having a credit line of UGX 5,000,000 from a Bank of Uganda regulated commercial Bank or its equivalent for foreign firms.</li> </ul>
4.	Halcons Limited	<ul style="list-style-type: none"> <li>▪ Did not provide an original bidder's income tax clearance for year 2016 addressed to Ministry of Internal Affairs for locally registered bidders or equivalent for foreign registered bidders</li> <li>▪ Did not provide evidence of having a credit line of UGX 5,000,000 from a Bank of Uganda regulated commercial Bank or its equivalent for foreign firms.</li> </ul>
5.	Pioneer Construction Limited	<ul style="list-style-type: none"> <li>▪ Did not provide evidence of having a credit line of UGX 5,000,000 from a Bank of Uganda regulated commercial Bank or its equivalent for foreign firms.</li> </ul>
6.	Empire Tools Limited	<ul style="list-style-type: none"> <li>▪ Did not provide evidence of having a credit line of UGX 5,000,000 from a Bank of Uganda regulated commercial Bank or its equivalent for foreign firms.</li> </ul>
7.	Kabbs Technical Limited	<ul style="list-style-type: none"> <li>▪ Did not provide evidence of having a credit line of UGX 5,000,000 from a Bank of Uganda regulated commercial Bank or its equivalent for foreign firms.</li> </ul>
8.	Challenger (U) Limited	<ul style="list-style-type: none"> <li>▪ Did not provide evidence of having a credit line of UGX 5,000,000 from a</li> </ul>

No	Name of Bidder	Reasons for Disqualification
		Bank of Uganda regulated commercial Bank or its equivalent for foreign firms.
9.	Raufu Technical Service Limited	▪ Did not provide evidence of having a credit line of UGX 5,000,000 from a Bank of Uganda regulated commercial Bank or its equivalent for foreign firms.
10.	CMD Investments Limited	▪ Did not provide evidence of having a credit line of UGX 5,000,000 from a Bank of Uganda regulated commercial Bank or its equivalent for foreign firms.

10. Only Sembule International Limited passed the preliminary stage under Lot 2.
11. The evaluation report dated 27<sup>th</sup> March 2017 indicated that the Evaluation Committee, recommended CMD Investment Limited for Lot 1 and Sembule International Limited for Lot 2 at contract prices of UGX 601,066,220 and UGX 291,777,630 inclusive of VAT respectively.
12. On 4<sup>th</sup> April 2017, the Contracts Committee deferred the approval of the evaluation report for renovation works on the Ministry premises under Lot 1 and Lot 2 pending due diligence.
13. The due diligence report dated 18<sup>th</sup> April 2017 indicated that CMD Investments Limited passed the due diligence for Lot 1 and Sembule International Limited, failed the due diligence for Lot 2.
14. On 24<sup>th</sup> April 2017, the Contracts Committee approved award of contract to CMD Investments Limited for renovation works of the Ministry premises under Lot 1 at a contract sum of UGX 601,066,220 taxes inclusive. The Committee noted that CMD Investments Limited had quoted above the funds required.
15. The Contracts Committee rejected the award for Lot 2 to Sembule International Limited based on the due diligence report and requested the Procurement and Disposal Unit to propose an alternative process for renovations.
16. On 27<sup>th</sup> April 2017, the Contracts Committee approved the cancellation of the procurement for renovation works for the Ministry premises on ground of non-availability of sufficient funds. The contract price by the best evaluated bidder of UGX 601,066,220 could not be funded by the released funds of UGX 480 million for Lot 1. The Entity did not get a responsive bidder for Lot 2. The Contracts Committee further approved the use of Force Account Mechanism for renovation works for the Ministry premises Uganda Police Construction Unit and Uganda Prisons Construction Unit.

17. On 27<sup>th</sup> April 2017, the Accounting Officer communicated the cancellation of the procurement process to all bidders citing limited funding for Lot 1 and no bid qualifying for award in lot 2.
18. On 2<sup>nd</sup> May 2017, the Ministry requested Uganda Police Force and Uganda Prisons Services Construction Units to execute the renovation works in accordance with Section 95A of the PPDA Act, 2003.
19. On 22<sup>nd</sup> May 2017, the Contracts Committee approved the Memoranda of Understanding with Uganda Police Force at a total sum of UGX 480,000,000 and Uganda Prisons Service at a total cost of UGX 100,000,000 for the renovations works for the Ministry premises under Lot 1 and Lot 2 respectively.
20. The Memoranda indicated that under Lot 1, the Ministry would deposit UGX 480,000,000 with Uganda Police Force to execute works and under Lot 2, Uganda Prisons Service would provide labour worth UGX 14,855,000 and the Ministry would procure required materials for execution works.
21. On 31<sup>st</sup> May 2017, the Solicitor General approved the Memoranda of Understanding with the two institutions for both Lots.
22. On 13<sup>th</sup> June 2017, the Ministry deposited UGX 480,000,000 with Uganda Police Force for execution of the works under Lot 1.

## **2.0 OBJECTIVES OF THE INVESTIGATION**

The objectives of the investigation were to establish whether Mr. Aggrey Wunyi:

- i. Tried to influence the Evaluation Committee to favor a preferred bidder with a forged Tax Clearance Certificate from URA but the Evaluation Committee refused his proposal.
- ii. Requested two bidders for UGX 200 million which was rejected by the bidders.
- iii. Used his influence to cancel the procurement process and used the force account mechanism using the Police and Prisons Constructions Units which inflated costs.

## **3.0 LAW APPLICABLE**

- i. The Public Procurement and Disposal of Public Assets Act, 2003;
- ii. The Public Procurement and Disposal of Public Assets Regulations, 2014;
- iii. The Public Procurement and Disposal of Public Assets Guidelines 2014; and
- iv. The Bidding Document.

#### 4.0 METHODOLOGY

The Authority adopted the following methodology:

- 4.1 Reviewed the following documentation:
  - i. Procurement Requisition;
  - ii. Solicitation document issued to bidders;
  - iii. Records of bid closing and bid opening;
  - iv. Evaluation Reports;
  - v. Contracts Committee minutes; and
  - vi. Memoranda of Understanding with Uganda Police Force and Uganda Prisons Service.
- 4.2 The Authority held a meeting with the following persons from Ministry of Internal Affairs held on 21<sup>st</sup> September 2017.

**Table 5: Officials who attended the meeting.**

No.	Name	Designation
1.	Mr. Paul Kintu	Ag. Permanent Secretary
2.	Mr. Aggrey Wunyi	Under Secretary, Finance & Administration
3.	Mr. Omar Okenny Turyamurreeba	Head Procurement and Disposal Unit
4.	Mr. Adrian Munyambabazi	Principal Assistant Secretary
5.	Mr. Thomas Mwanawakuno Kalifa	Senior Government Analyst
6.	Mr. Fredrick Batale	Senior Community Service Officer
7.	Mr. Isaac Aluku	Officer Supervisor
8.	Mr. Andrew Nsamba	Architect, Ministry of Works & Transport
9.	Mr. Ivan Kasozi	Quantity Surveyor
10.	Ms. Betty Kyokunzire	Legal Officer
11.	Mr. Fredrick Mwesigye	Procurement Officer

#### 5.0 FINDINGS BY THE AUTHORITY

##### 5.1 Whether Mr. Aggrey Wunyi, tried to influence the evaluation process in favour of a bidder.

1. The complainant alleged that Mr. Aggrey Wunyi tried to influence members of the Evaluation Committee in favor of his preferred bidder with a forged Income Tax Clearance Certificate from Uganda Revenue Authority.

2. On 27<sup>th</sup> March 2017, Mr. Aggrey Wunyi was appointed Accounting Officer Vote-009-Ministry of Internal Affairs, for Financial Year 2016/2017 by the Permanent Secretary/Secretary to the Treasury.
3. The Entity received a total of seventeen (17) bids for the procurement for renovation of the Ministry premises for both Lot 1 and Lot 2.
4. The Authority confirmed the authenticity of Income Tax Clearance Certificates of all bidders and found that three bidders submitted forged Income Tax Clearance Certificates where as shown below:

**Table 4: Authenticity of Income Tax Clearance Certificates submitted by bidders.**

No	Bidder	Serial No.	Authenticity
1.	Dacosi Limited	CR01170032080	Valid
2.	Plan Build Technical Services	PL01170031124	Valid
3.	Pioneer Construction Ltd (Lot 1)	DO02170032224	Valid
4.	CMD Investments Ltd (Lot 1)	CR01170052509	Valid
5.	Krishna Construction Co. Limited	N/A	Not seen
6.	Haheh Construction Limited	IG01172981842	Invalid
7.	Kabbs Technical Services	CR01170018288	Invalid
8.	Plan Build Technical Services	PL01170032080	Valid
9.	Teb Technical Services & Contractors Limited	PL01170039465	Valid
10.	Raufu Technical Services Limited	CR01170043069	Valid
11.	Akiram Limited	CR01170045133	Valid
12.	Challenger (U) Ltd	CR01170032807	Valid
13.	Empire Tools Ltd	PLO1160986543	Invalid
14.	Pioneer Construction Ltd (Lot 2)	DO02170032224	Valid
15.	Sembule International Limited	BW01170045005	Valid
16.	CMD Investments Ltd (Lot 2)	CR01170052509	Valid
17.	Halcon Ltd	N/A	Did not submit

5. The Authority found that the Evaluation Report dated 27<sup>th</sup> March 2017 indicated that the Krishna Construction Company Limited complied with the requirement of submission on an Income Tax Clearance Certificate. However the Authority did not find a copy of the same in the bid. The Evaluation Committee should have found the bid of Krishna Construction Company Limited non-responsive to the requirement of submission of an Income Tax Clearance Certificate.
6. In a meeting held with Authority, Mr. Wunyi denied the allegations of trying to influence the Evaluation Committee's decisions and that his only role in the procurement process was to confirm availability of funds as the Accounting Officer.
7. The Authority was unable to establish whether Mr. Aggrey Wunyi tried to influence the Evaluation Committee in favour of his preferred bidder with a forged Income Tax Clearance Certificate from URA since the bidders recommended by the Evaluation Committee i.e. CMD Investments Limited and Sembule International Limited both submitted valid Income Tax Clearance Certificates.

**5.2 Whether Mr. Wunyi requested a bribe of UGX 200 million from two bidders.**

1. The complaint alleged that Mr. Aggrey Wunyi solicited UGX 200 million as a bribe from two bidders. However, no particulars of the bidders were indicated.
2. In a meeting held with the Entity, Mr. Wunyi denied the allegations and informed the Authority that his role in the procurement was to confirm availability of funding as the Accounting Officer.
3. The Authority found no evidence to support the allegation that Mr. Aggrey Wunyi solicited for a bribe of UGX 200 million.

**5.3 Whether Mr. Wunyi used his influence as the direct supervisor of the Procurement Unit in the Ministry to cancel the procurement process and used the force account mechanism using the Police and Prisons Constructions Units which inflated costs.**

1. The Entity in its procurement plan for the FY 2016/2017 indicated that the Government of Uganda would release UGX 689,051,000 and the Justice Law and Order Sector would release UGX 350 million for works. However, the Ministry received only UGX 480 million from Government of Uganda and UGX 100 million from Justice Law and Order Sector which was inadequate to fund the contract.
2. The Authority found that on 27<sup>th</sup> April 2017 the Contracts Committee approved the award for renovation of the Ministry premises under Lot 1 to CMD Investments

Limited at a contract price of UGX 601, 066,220 and rejected the request for approval of award of contract for renovation of Ministry premises under Lot 2 to Sembule International Limited based on the due diligence report

3. The Authority found that the Contracts Committee cancelled the procurement process for renovation works for the Ministry premises due to inadequate funding of the requirements for Lot 1.
4. The Contracts Committee also approved the use of Force Account Mechanism in accordance with Section 95A of the PPDA Act, 2003 for the execution of the works by Uganda Police Force and Uganda Prisons Service Construction Units.
5. The Authority did not find that Mr. Wunyi influenced the cancellation of the procurement process.

In light of the above, the Authority did not find merit in the allegations.