



UGANDA NATIONAL
ROADS AUTHORITY

Promoting the participation of local entities in public procurement - The UNRA Experience

Presented at CoST Uganda Chapter high level
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UNRA

The Uganda National Roads Authority (UNRA) was established by the National Authority Act, No. 15 of 2006. UNRA became operational on 1st July 2008. The mandate of UNRA is to develop and maintain the national roads network, advise Government on general roads policy and contribute to addressing of transport concerns.

Mission

To Efficiently Develop and Maintain a Safe and Sustainable National Road Network for the Economic Development of Uganda.

PPDA and Gov't schemes to promote Local Content

- In February 2018, PPDA issued Guidelines on Reservation Schemes to promote Local Content in public procurement.
- The objective of the guideline was to provide mechanisms of increasing the input of local labour, goods and services in the procurement of Public sector works goods and services within the country.
- Since then UNRA has been implementing the Guidelines and taking deliberate / affirmative actions to increase the level of participation of local entities in public procurement

How is local content promoted in UNRA

➤ Preference Scheme in the PPDA Act, 2003:

Under open bidding there is a margin of preference of 15% for Works by Ugandan contractors or 7% for services provided by Ugandan consultants,

➤ Reservation Schemes

- 1) By threshold – the following thresholds apply to procurements by value and are reserved for local providers:-

No.	Category	Amount in UGX
1	Road Works	45Bn/=
2	Other works e.g. Buildings works	10Bn/=
3	Consulting Services	1Bn/=
4	Supplies	1Bn/=
5	Non - Consulting Services	200M/=

- 2) Sub-contracting of at least 30% of the works to local firms. This has so far been applied among others the Critical Oil Roads and all contracts financed by GoU funding where the bidding documents have specifically required that the main contractors to sub-contract 30% of the works to local providers

Special steps taken by UNRA to increase the level of participation of local firms in the roads sub-sector

The procurements of the following contracts have been packaged so as to “ring – fence” them for local content:-

- a) Mechanised maintenance of unpaved and paved roads;
- b) Periodic maintenance of paved and unpaved national roads
- c) Low Volume Sealed Roads(LVSR)
- d) Swamp improvements
- e) Selected bridge works (short span bridges and multiple box culverts)
- f) Labour based maintenance of national roads

Further steps taken by UNRA to increase the level of participation of local firms in the roads sub-sector

2. UNRA has obtained Accreditation from PPDA for reservation of selected feasibility study and detailed engineering consultancy services for road upgrading projects to local consultancy firms
3. Improved dissemination of the performance of implementation of local content by the Authority and also the available opportunities. This includes use of ED's Pressers, adverts in newspapers, UNRA Website and participation in public engagements with industry stakeholders (UNABCEC, UACE, UIPE, ERB etc)

Performance of local content in the last 3 ½ years

Financial Year	Total Contracts Signed (UGX Bn/=)	Contracts with Local Content (UGX Bn/=)	Local Content %
2017/18	2,167	270	12%
2018/19	2,632	737	28%
2019/20	1,226	304	25%
2020/21 (Half Year to Dec 2020)	2,127	840	39%
Total	8,153	2,150	26%

In the last 3 ½ years, contracts worth UGX 2.15 trillion have been awarded in line with the reservation schemes, representing 26% of the contracts signed by UNRA

Challenges faced by National Providers

- 1) Barriers to entry for local contractors because of the high capital requirements, equipment and human resource.
- 2) Difficulty in Enforceability of the sub-contracts between the main contractors and local content providers due to lack of Regulations
- 3) Some financing agreements do not allow for local content e.g. International Competitive Bidding is a requirement for some loans, or provisions for tied aid where only contractors from the donors country are eligible to bid
- 4) Lengthy procurement cycles and delays in payments
- 5) Lack of experience of local providers in paved roads (bituminous roads)
- 6) Poor preparation of bids and lack of proper documentation
- 7) Failure of most local providers to go into Joint Ventures – in order to qualify for higher value and complex projects

THANK
YOU!

