

Better Lives from Better Infrastructure



Executive Summary

In its intervention "**Promoting Fair Business Practices between Government and the Private Sector in Uganda**," CoST Uganda analyzed existing government procurement portal (GPP) data for a number of objectives.

These were:

1. to interpret the data concerning government laws and disclosure, and fair business practices between Government and providers in Uganda.
2. to providing a baseline for engagement between Government and the Private Sector.
3. to identify policy intervention areas for increased private sector participation in public procurement processes.

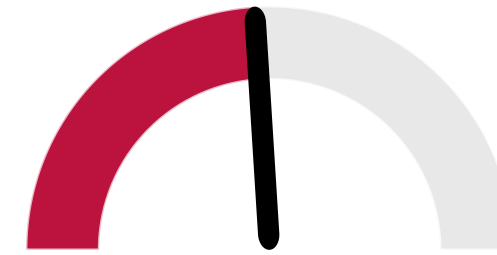
To achieve these objectives, the assessment used data on Procuring and Disposing Entities (PDEs) disclosed on GPP from 2018 – 2020. The analysis focused on five indicators:

1. proactive disclosure
2. time overruns;
3. cost overruns;
4. tender management;
5. transparency in procurement and project delivery.

Findings

Disclosure

49%



● Proactive Disclosure: Low

Results from the analysis reveal that the level of proactive disclosure was low, at 49%

Competition

 7.3

The average bid per tender was 7.3, indicating that the procurement of infrastructure projects was largely competitive.

Time and Cost overruns



Time Overruns

Most projects analysed had time overruns



Cost Overruns

Most Projects analysed had cost overruns

Transparency

 66.7

66.7% Procurement data points were disclosed. Given the centrality of procurement in the CoST Data Infrastructure Standard (IDS), this score is low, suggesting low transparency in procurement and project delivery

Purpose of the Analysis



The main objective of this exercise was to analyse and interpret infrastructure procurement data disclosed on the Government Procurement Portal, against the **CoST Infrastructure Data Standard (IDS)** and the **Open Contracting for Infrastructure Data Standard (OC4IDS)** indicators on 18 sampled Procuring and Disposing Entities in Uganda.

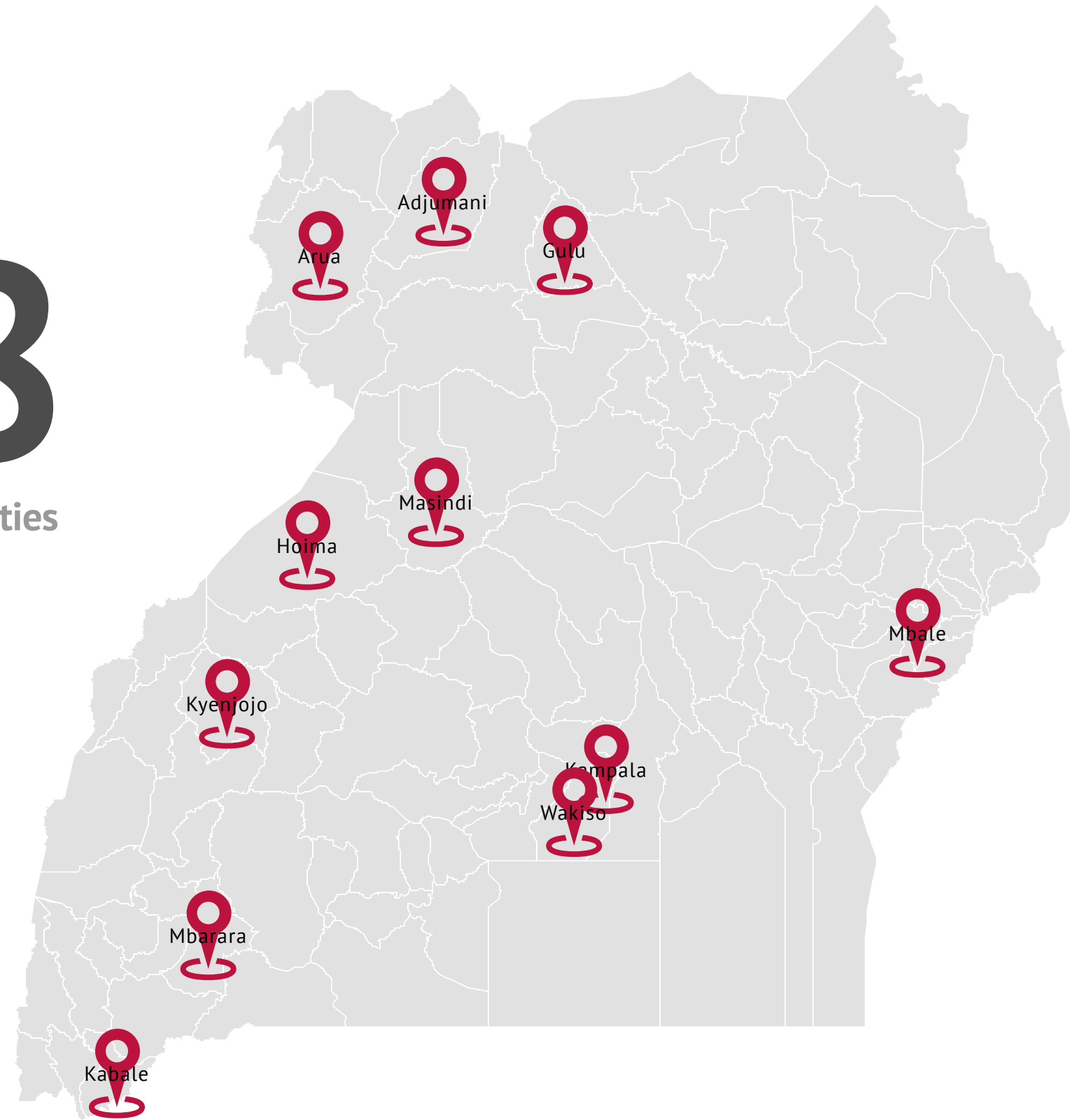
Specifically, the analysis was aimed at;

1. Providing a thorough interpretation that outlines the meaning and understanding of the evidence regarding procurement, public procurement and disclosure laws and fair business practices between the Government and the private sector in Uganda (contractors and consultants).
2. Provide a basis for engagement on crucial observations, red flags and recommendations for engagement between the Government and the Private Sector.
3. Identifying policy intervention areas for disclosure and increasing participation in public procurement processes in the private sector and the general public.

Target Entities

18

Procuring Entities

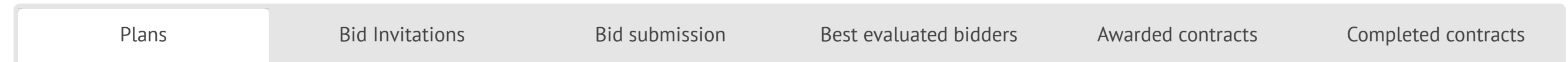


Search

Adjumani District Local Government	DLG
Arua District Local Government	DLG
Gulu District Local Government	DLG
Hoima District Local Government	DLG
Kabale District Local Government	DLG
Kampala Capital City Authority (KCCA)	Other
Kyenjojo District Local Government	DLG
Masindi District Local Government	DLG
Mbale District Local Government	DLG
Mbarara District Local Government	DLG
Ministry of Education and Sports	Ministry
Ministry of Energy and Mineral Development	Ministry
Ministry of Health	Ministry
Ministry of Water and Environment	Ministry
Ministry of Works and Transport	Ministry
National Water and Sewerage Cooperation (NWSC)	Other
Uganda National Roads Authority (UNRA)	Other
Wakiso District Local Government	DLG

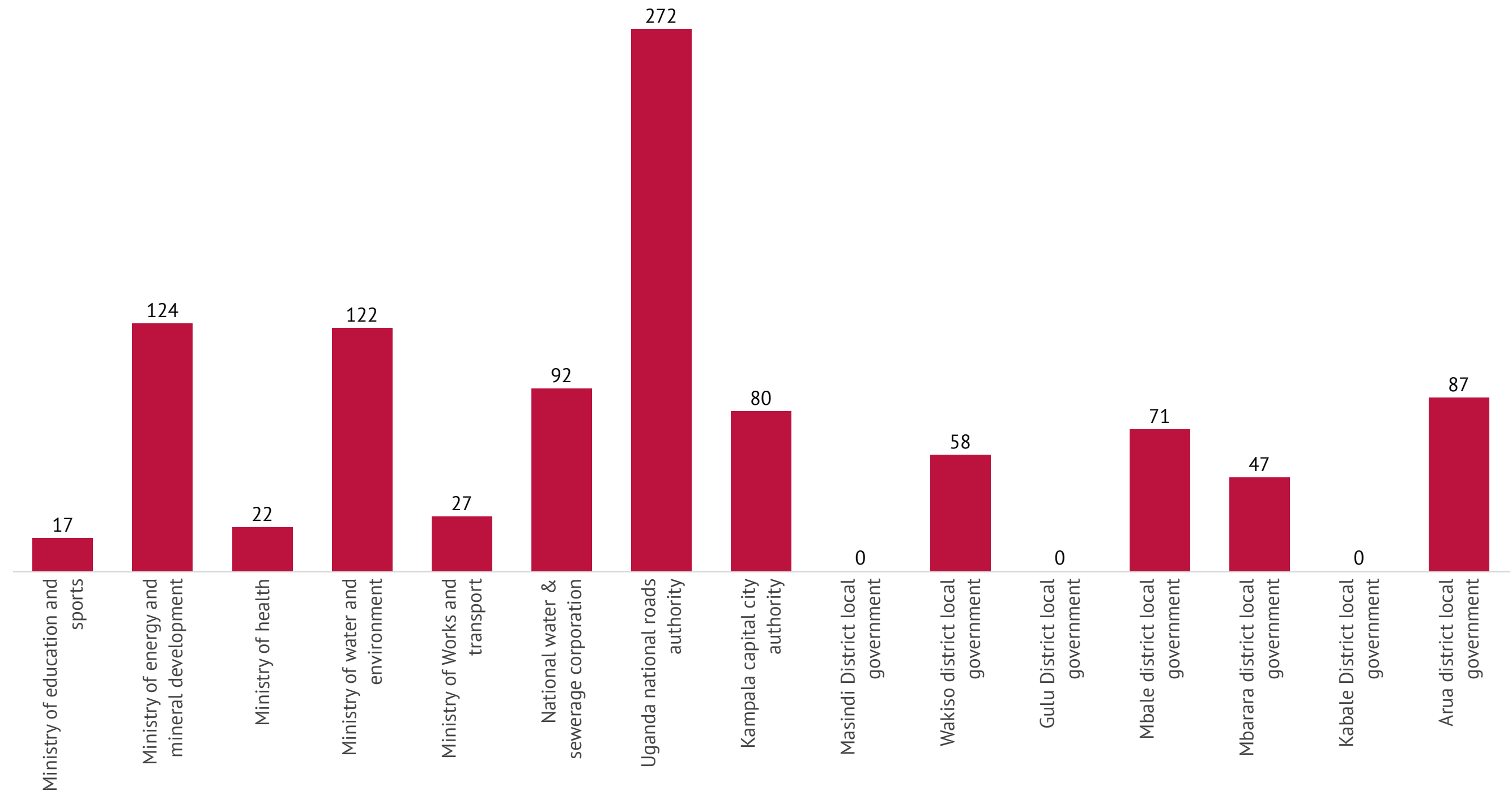
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Summary of data Analysed



While the number of planned projects were high, some entities did not report any completed projects during the period under review.

Given the analysis purpose, only GPP infrastructure data were mined.



 Download data

Methodology

Infrastructure

Data

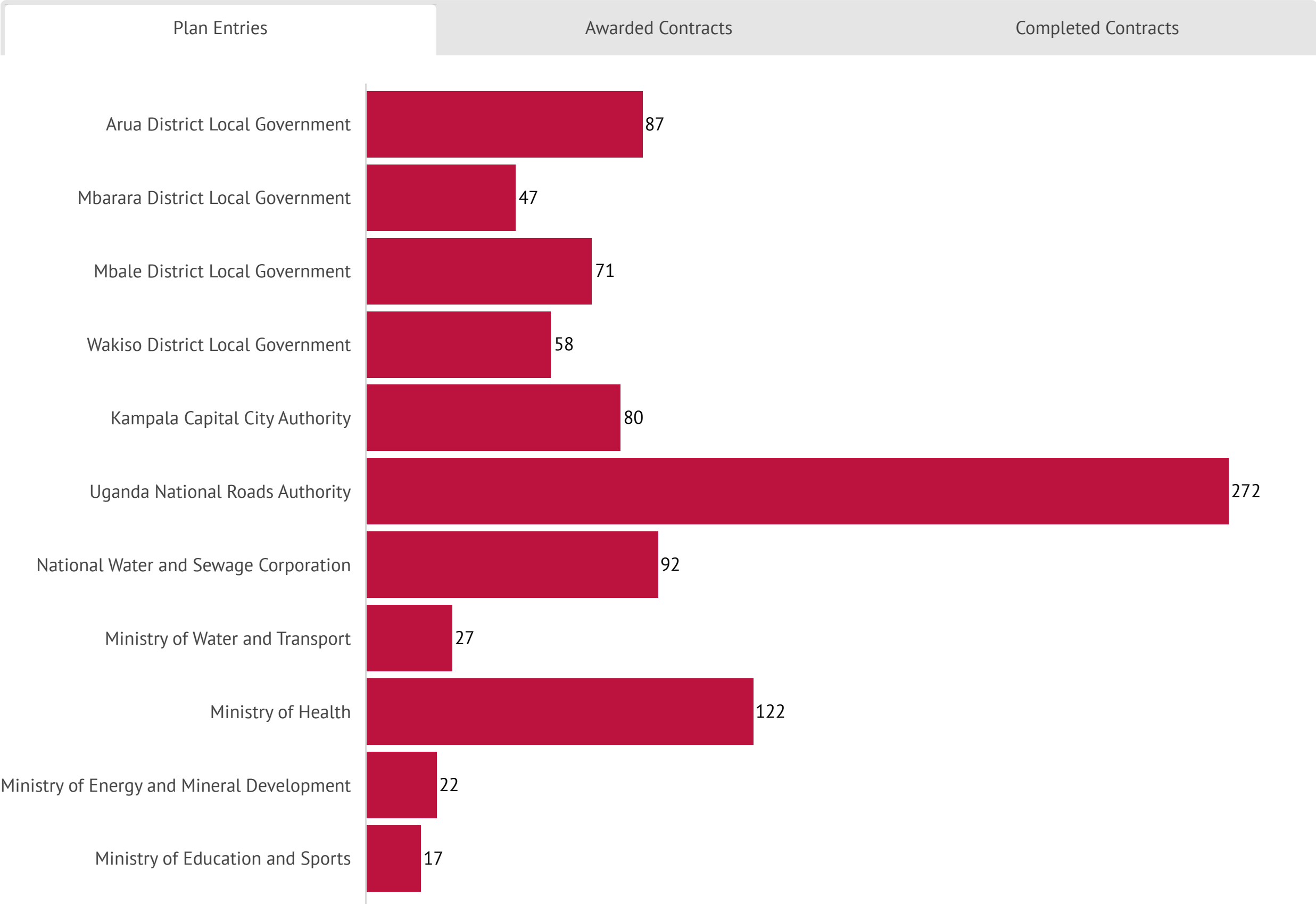
Standard

This analysis used existing infrastructure data disclosed by the respective Procurement and Disposal Entities PDEs in the Government Procurement Portal (GPP). The portal collects reports on all PDE's procurement activities. For this purpose, on behalf of the CoST Uganda Multi-Stakeholder Group (MSG), AFIC requested PPDA for data on infrastructure projects of 18 PDEs for 2018-2020, based on the **CoST Infrastructure Data Standard (ID)**.

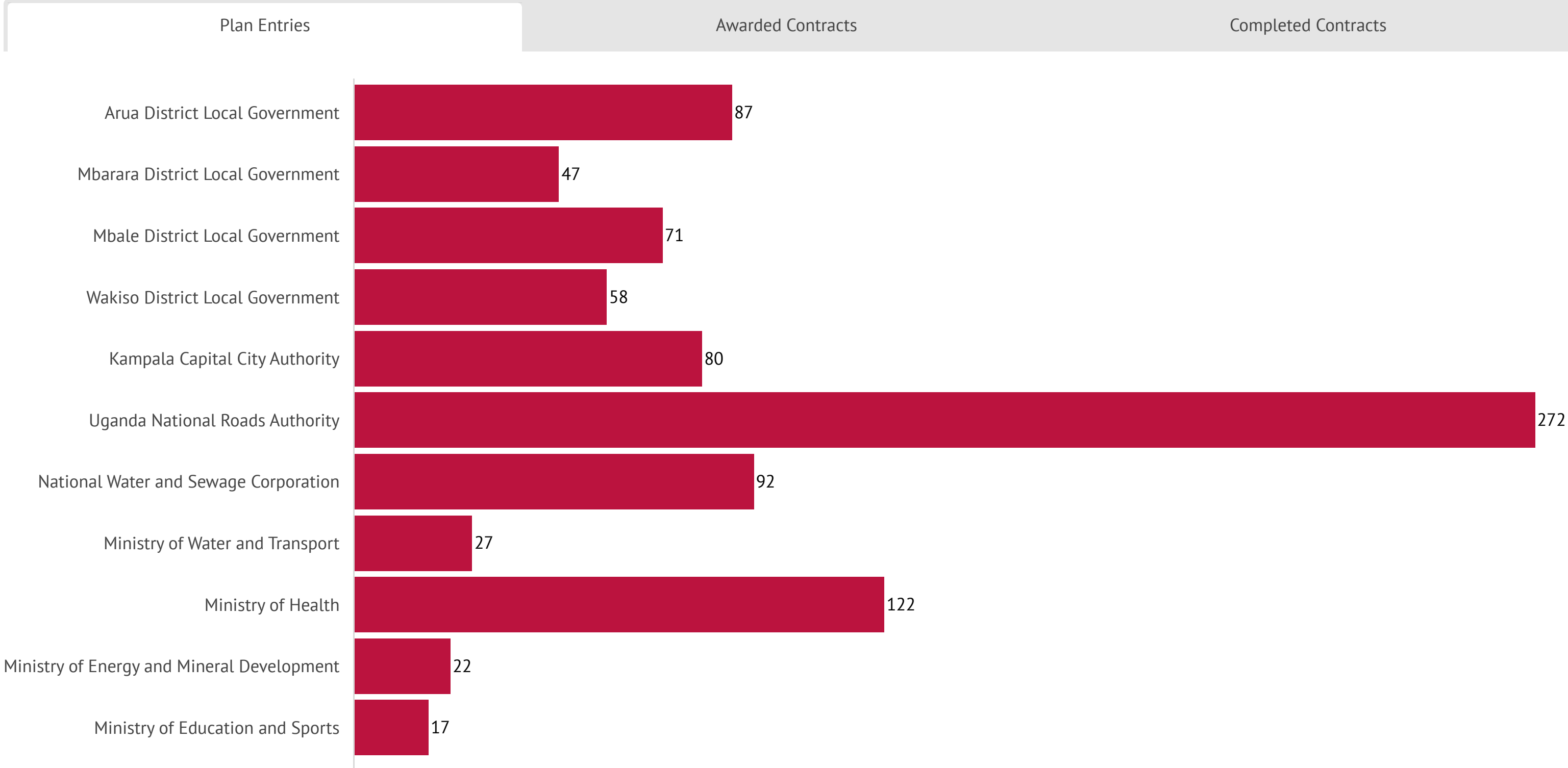
This standard includes 41 proactive disclosure data points and extension OC4IDS data points. Therefore, PDEs must ensure that all publicly funded infrastructure projects promptly disclose the information set out in the 41 data points.

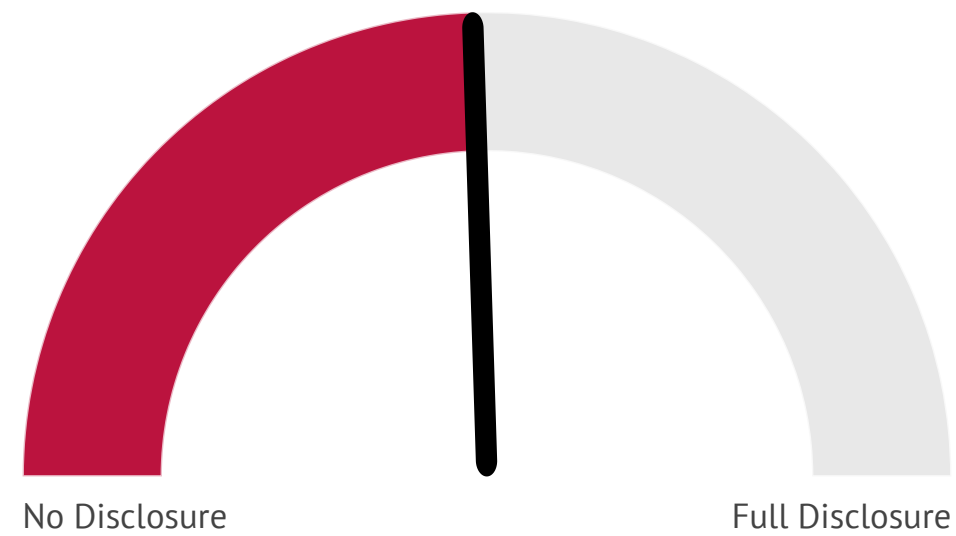
Proactive Disclosure

Entities seem to focus more on procurement planning while paying less attention to planned activities. Yet, on a wider societal level, failure to implement the planned infrastructure projects (roads, water, power, construction, etc.) undermines the achievement of the much sought-after socio-economic transformation of the country.



Proactive Disclosure





No Disclosure

Full Disclosure

● Proactive Disclosure level

49%

Proactive Disclosure

Non-disclosure of over half of 41 proactive disclosure data points undermines transparency in procurement and project delivery.

Project Phase	Data point	Total Projects	Count of projects disclosed Proactively	Percentage of proactive disclosure
Project Identification	Project reference number	555	555	100%
	Project owner	1158	766	66.1%
	Sector, subsector	0	0	0.00%
	Project name	1158	1158	100%
	Project Location	0	0	0.00%
	Purpose	0	0	0.00%
Project Preparation	Project description	555	357	64.3%
	Project Scope (primary output)	180	193	34.8%
	Environmental impact	0	0	0.00%
	Land and settlement impact	0	0	0.00%
	Contact details	394	231	58.65
	Funding sources	1158	1158	100%
	Project Budget	1158	1147	99.1%
	Project budget approval date	0	0	0.00%
Project Completion	Project status (current)	0	0	0.00%
	Completion cost (projected)	7	7	100%
	Completion date (projected)	7	7	100%
	Scope at completion (projected)	0	0	0.00%
	Reasons for project changes	0	0	0.00%
	Reference to audit and evaluation reports	0	0	0.00%
Procurement	Procuring entity	394	394	100%

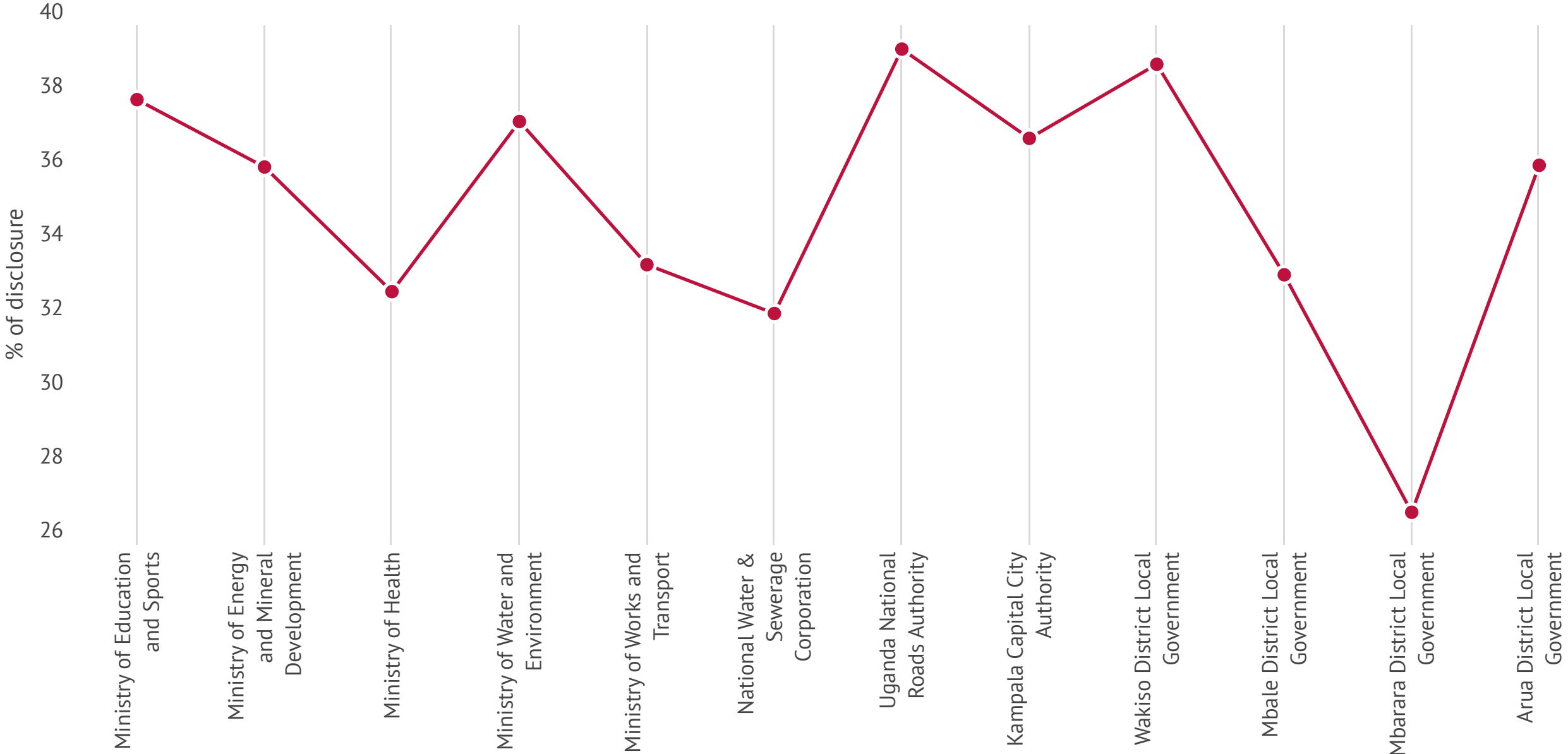
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Proactive Disclosure by PDE

The disclosed by the entities is generally less and therefore insufficient to help inform stakeholders, notably the private sector, to make business decisions.

The least data points disclosed included:

- variations in the price of the contract
- increase in the price of the contract
- variation in the duration of the contract
- variation in the scope of the contract
- reasons for changes in price
- reasons for changes in scope and duration.



 Download data

Time Overruns

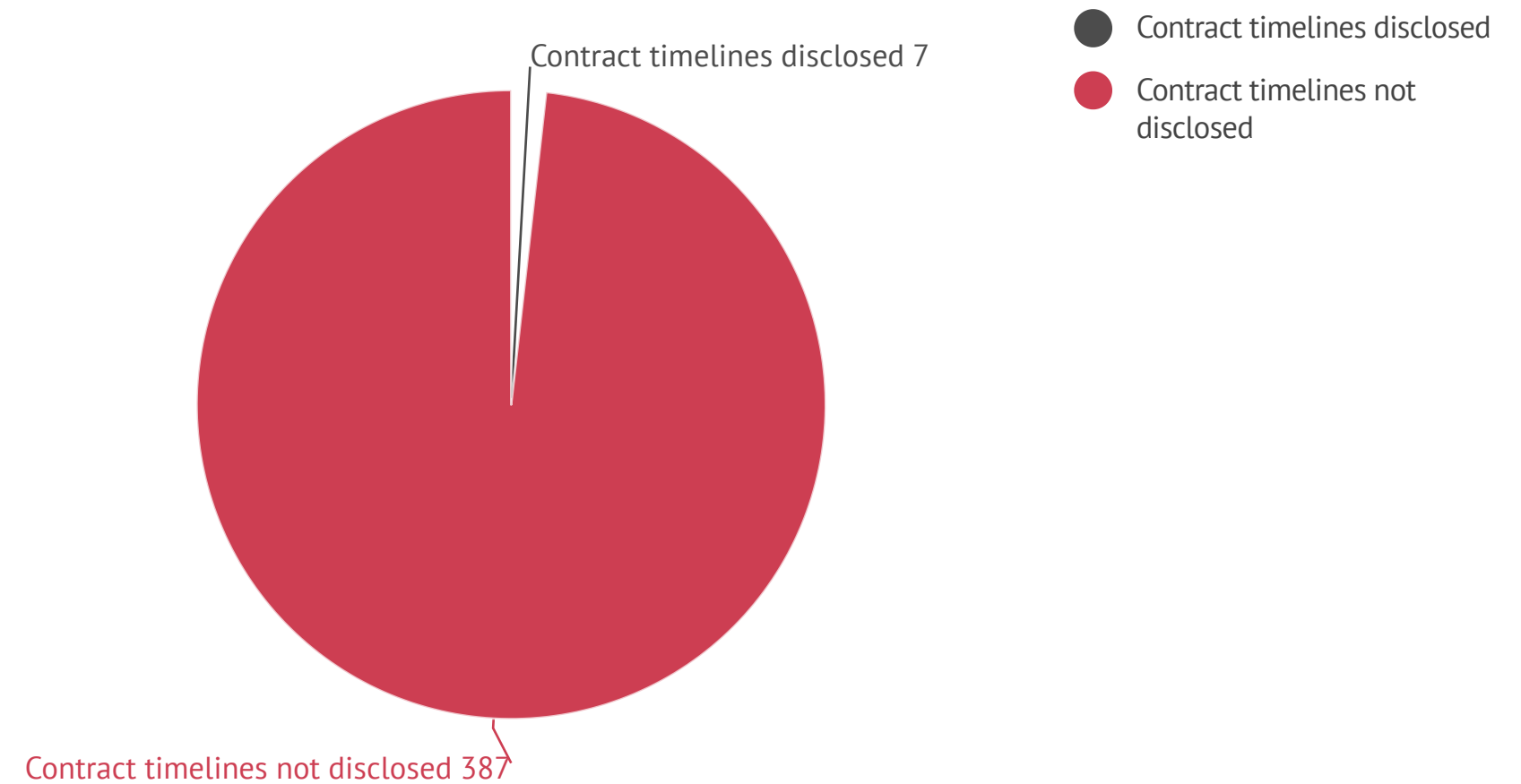


Time overrun is a condition of failure to complete a project within the schedule. This is demonstrated by the difference between the estimated duration of the project and the actual time taken to complete the project.

98% Projects did not disclose project timelines

2 in 10 projects implemented had time overruns

Timeliness of contract completion



Cost Overruns

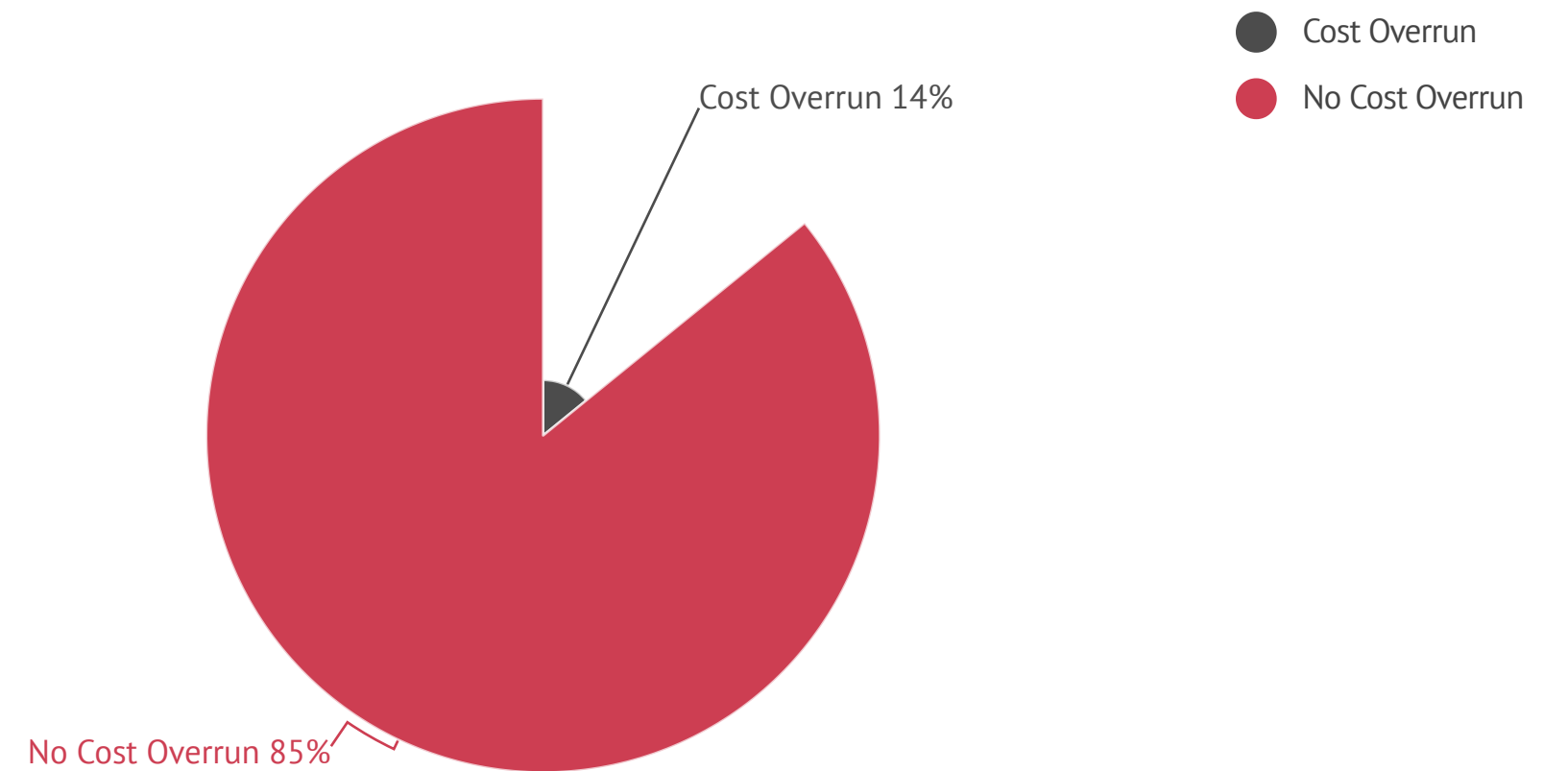


Cost overrun, also known as cost increase or budget overrun, is the amount by which actual expenditure exceeds the planned amount. This is calculated by comparing the final payment of the contract with the amount of the contract. When the final contract payment is higher than the contract value, the phenomenon presents an overrun of costs.

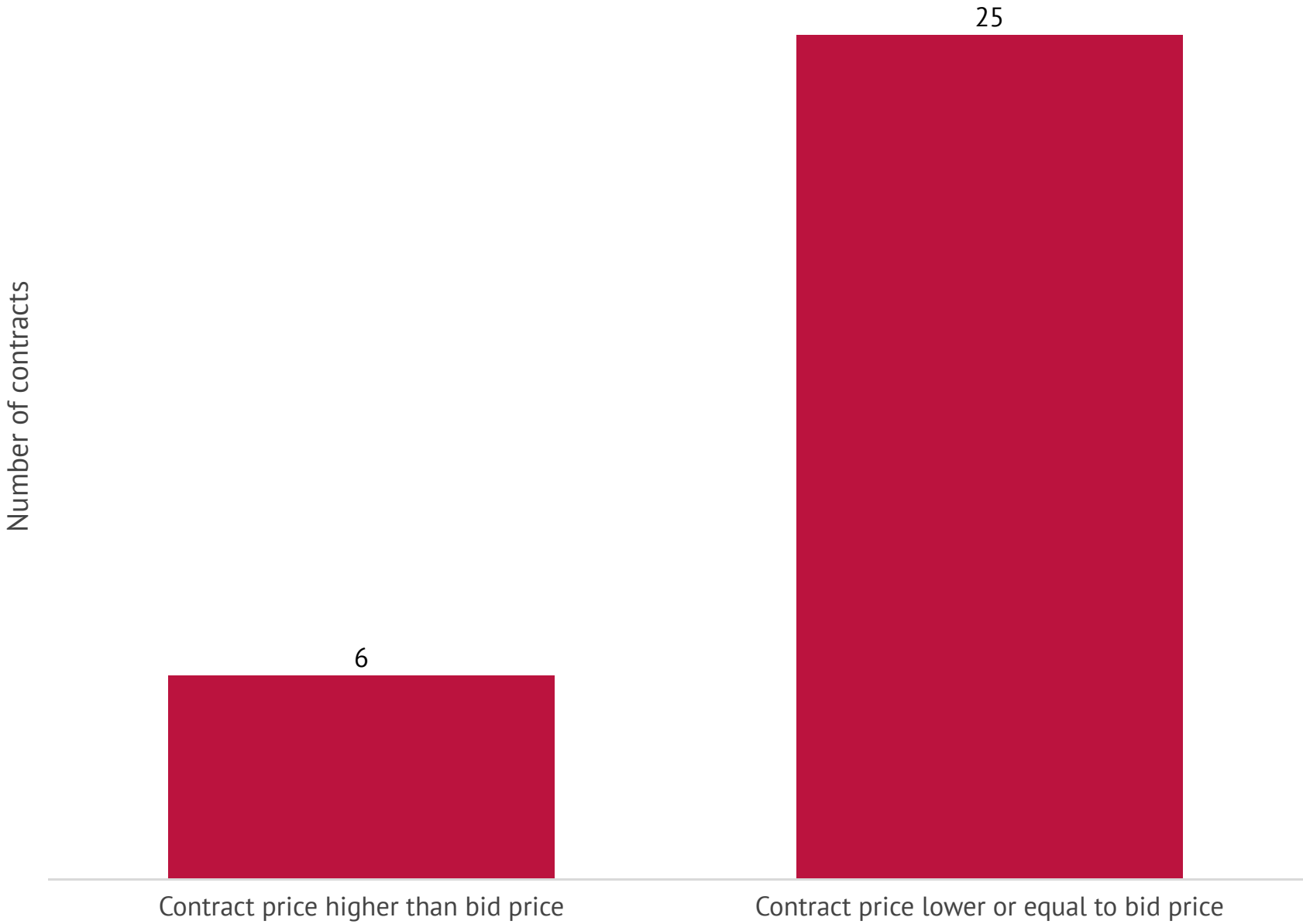
Section 59(2) of the PPDA Act requires PDEs to initiate or continue procurement only once the funding has been confirmed. This provision underlines the need to comply with the funding of projects and budget lines for the involvement of contractors. Delivery of projects within the contract amount enables on-time payments to contractors due to budget limitations.

86%

projects are completed within contract amount



Contract price vs bid price

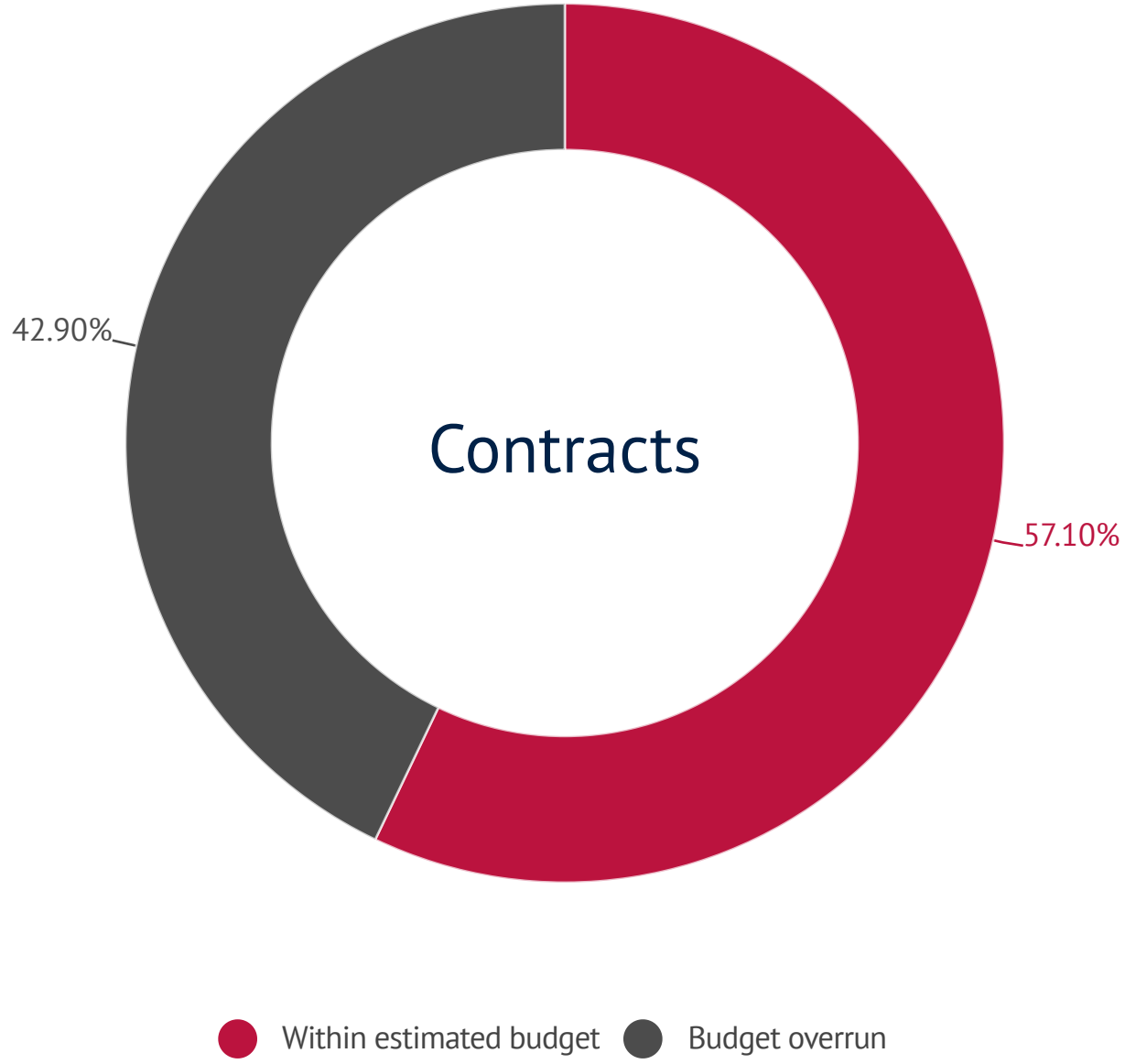


86%

Projects had lower or equal contract prices to bid prices.

This is the ideal contracting condition. A phenomenon where the contract price is higher than the bid price, unless derived from the error correction process provided under the PPDA evaluation procedures, is suspicious and could indicate conflict of interest and the possibility of corruption practices in the procurement process.

Final contract value vs budget



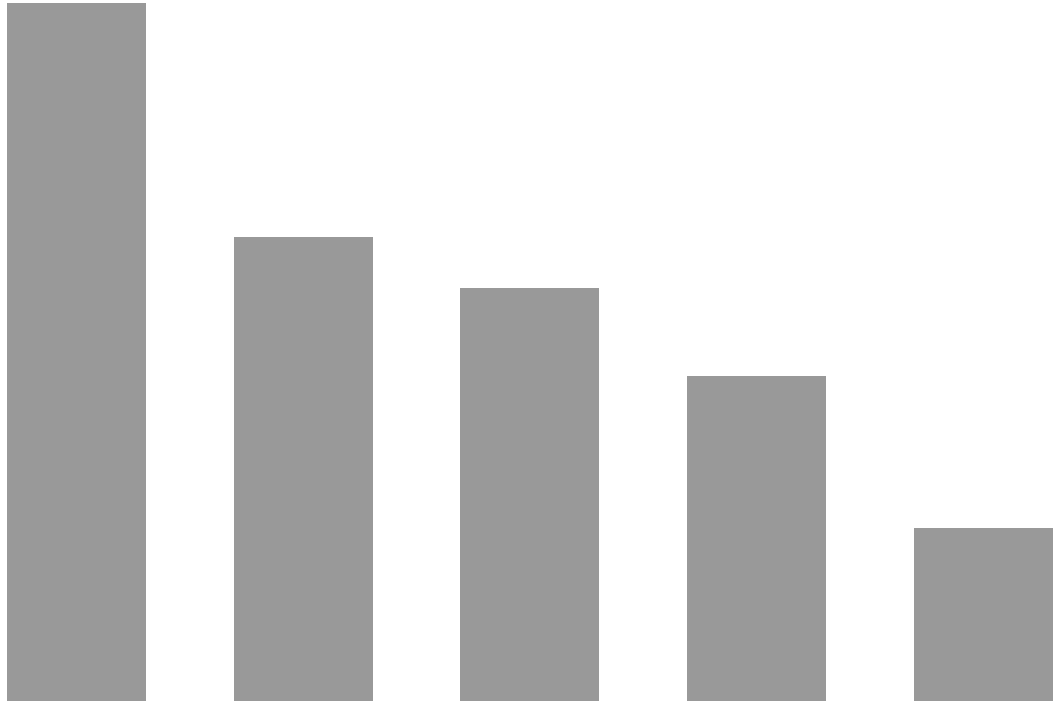
Except in emergencies, all entities are obliged (PPDA Act, s.59) to only initiate or continue a procurement on confirmation that funding will be available over the required period when the contract is made.

This provision underlines the value of the budgeting in the execution of procurement projects. The indicator is calculated by comparing the estimated budget for the projects being implemented and their final actual payment.

Average number of bids per tender

Average number of Bids per tender

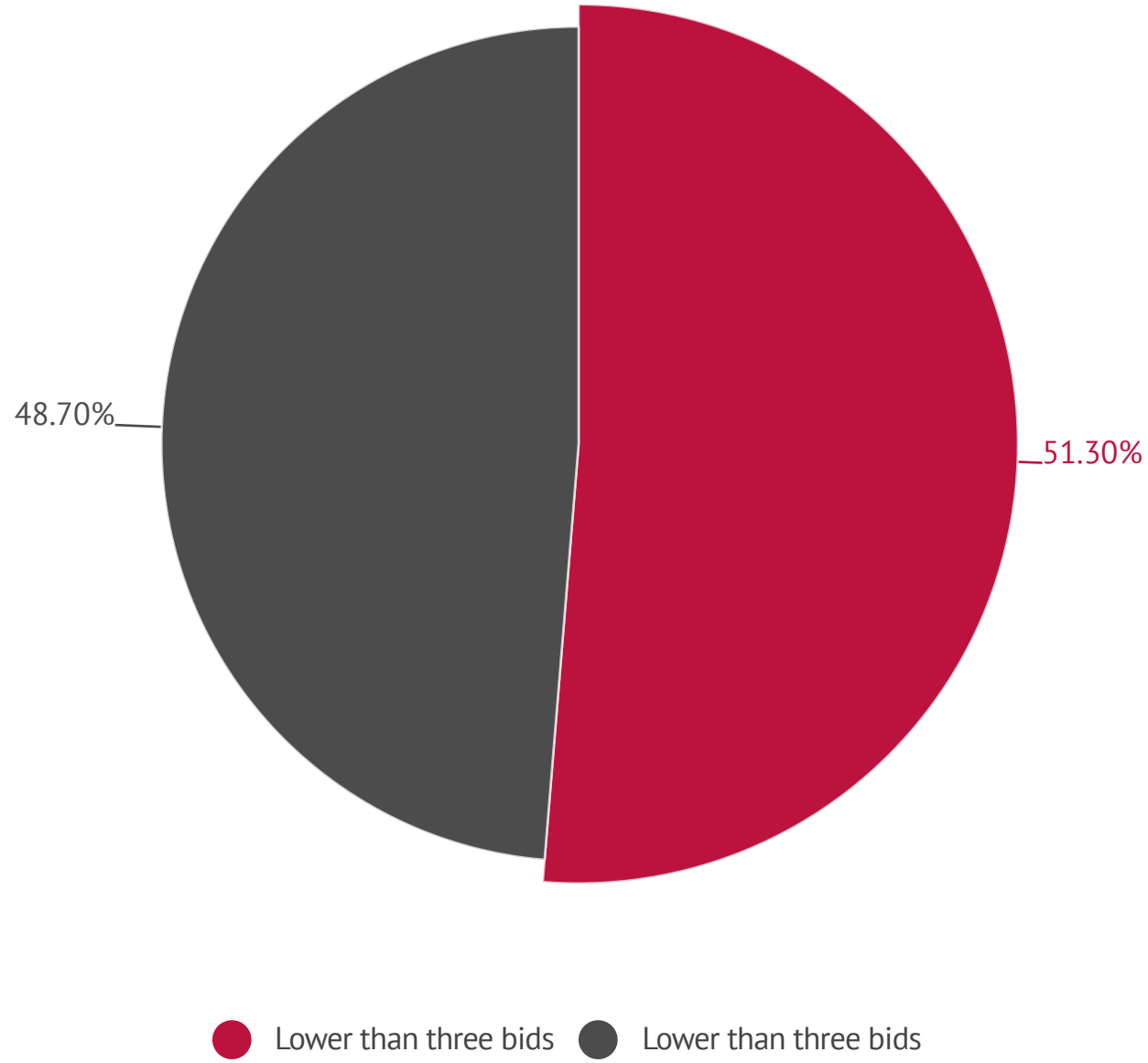
7.3



A responsive bid is one substantially in line with the bid invitation and prescribed all procurement procedures and requirements. 7.3 Bids per tender is considered satisfactory given the lack of minimum bids required for each bid.

Additionally, Reg. 8 Under the PPDA (Evaluation) Regulations (2014), an entity may accept a single bid or a limited number of bids as long as the appropriate procurement method and procedures are in place.

Percentage of projects that have lower than three bidders



51% of awarded contracts had lower than 3 bids

From the results, it is clear not all tenders were equally attractive to the private sector. This situation may result from procuring entities setting high qualification requirements which artificially restrict competition.

Local vs Foreign providers

99%

contract awarded won by local providers

From the foregoing, local companies won almost all tenders. The proportion of those owned and controlled by Ugandans and non-Ugandans is not accurate. There is a need for to further disaggregate data from the point of view of national and resident providers in line with the local content guidelines. This should help design initiatives to promote competition.

Policies such as compulsory subcontracting, advance payment, the reservation of specific contracts should be enforced.

Projects linked with procurement plans

100%

of all awarded contracts were in
procurement plans

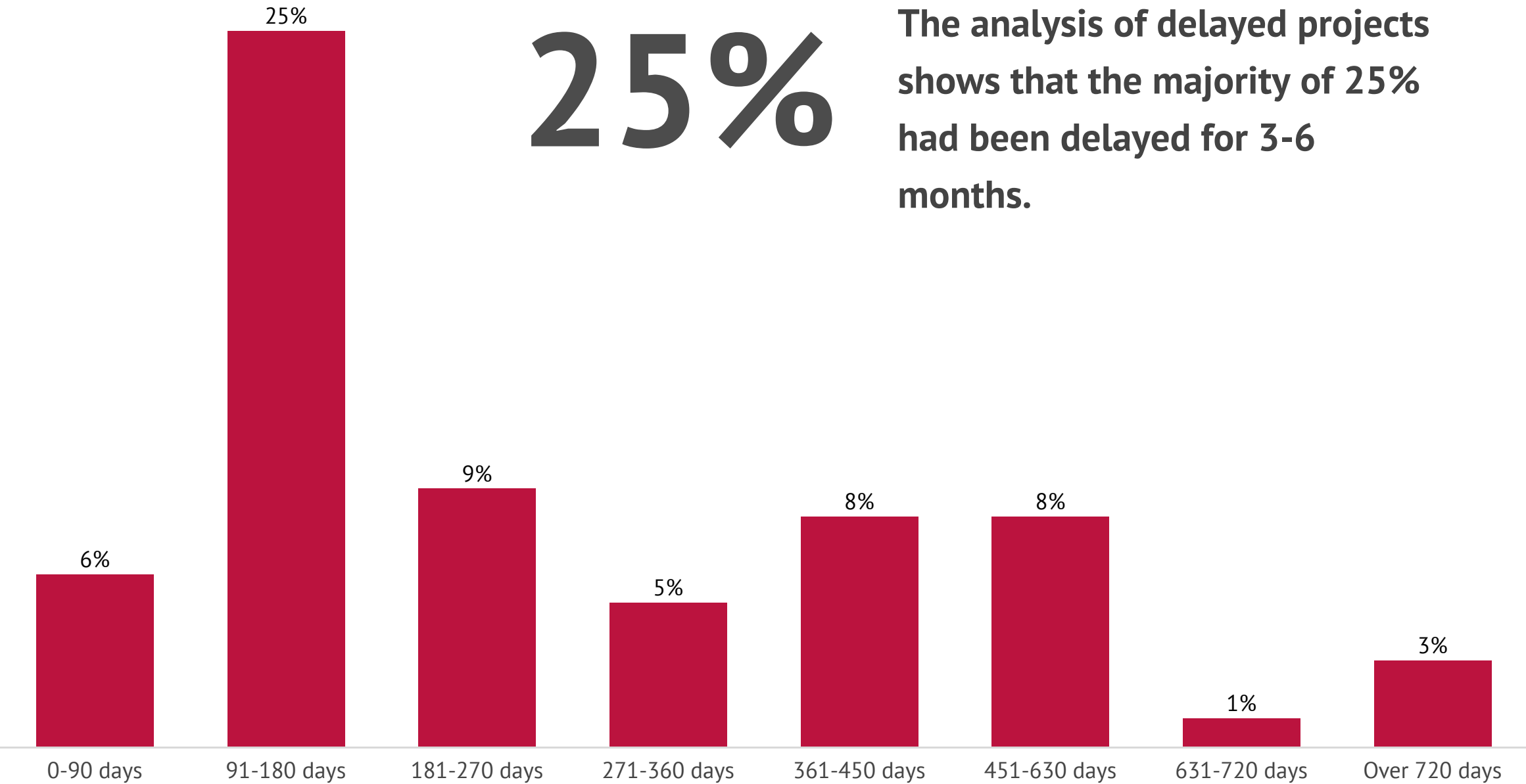
All projects awarded (100%) were in procurement plans. This suggests that procurement authorities have adopted procurement planning.

Understandably, infrastructure projects are inherently high-value procurement and therefore require careful planning and budgeting to facilitate their orderly implementation.

Project delays

Delays in procurement negatively affect government reputation, budget absorption, and undermine service delivery.

In the private sector, delays in procurement directly increase operating costs through interest payments on bid securities and performance bonds, which must be extended whenever a contract is not concluded in time.



25%

The analysis of delayed projects shows that the majority of 25% had been delayed for 3-6 months.

Recommendations to PPDA

- 1** PPDA is encouraged to adopt the Infrastructure Data Standard (IDS) and OC4IDS indicators for the disclosure of project information through the upgrade of the E-GP and the GPP to consider the OC4IDS extension
- 2** PPDA is encouraged to harmonize project, and contract disclosure templates to enhance information sharing on planned projects, implementation status, expected outputs, funding details, and costs.
- 3** PPDA should develop and implement a policy on the management of procurement data to coordinate, facilitate, and monitor data capture, analysis, storage, and archiving and the sharing of data and information among authorized stakeholders.
- 4** PPDA is encouraged to review the current guidelines on reservation schemes to promote Local Content, 2018.
- 5** PPDA should commission a study to establish factors that inhibit the private sector from fully participating in public infrastructure procurement. This could be done in partnership with CoST Uganda MSG.

Recommendations to Ministry of Finance, Planning and Economic Development

- 1** We recommend that they increase funding to ppda for capacity building and performance monitoring.
- 2** Ministry of Finance planning and economic development should fast track the creation of the Construction industry development fund to stimulate the capacity of local firms

Recommendations to Recommendations to the Private Sector Firms

- 1 Local contractors should develop their capacity in effective bidding, project implementation and overall business competitiveness not only locally but also in the region at large
- 2 Uganda National Chamber of Commerce and Private Sector Foundation Uganda should promote awareness for opportunities for international firms and join ventures with local firms.