



*ANNUAL PERFORMANCE
EVALUATION REPORT FOR
FINANCIAL YEAR 2013 / 14*

September 2014



TRANSMITTAL LETTER



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30th September 2014

Hon. Saada Mkuya Salum (MP),
Minister for Finance,
P. O. Box 9111,
DAR ES SALAAM

Honourable Minister,

**RE: SUBMISSION OF ANNUAL PERFORMANCE EVALUATION REPORT
FOR FINANCIAL YEAR 2013/14**

Pursuant to the provisions of section 29 (1) (a) of the Public Procurement Act, Cap 410, I have the honour, on behalf of the Board of Directors of the Public Procurement Regulatory Authority, to submit to you the Annual Performance Evaluation Report of the Authority for the financial year 2013/14. A copy of the report will be submitted to the Controller and Auditor General as required by the same section 29 (1) (b) of the Act.

Section 29 (2) of the Act requires the Minister to lay the report before the National Assembly within two months from the date of receiving it or at the next meeting of the Parliament, whichever comes earlier.

This report enumerates the performance of procuring entities in carrying out procurement processes in compliance with the Act and generally, reports the performance of PPRA in implementing its mandate as provided in the Act and laid out in its five-year Medium Term Strategic Plan (2009/10 - 2013/14). The report highlights a number of achievements that PPRA has recorded during the period under review.

In achieving its set targets, PPRA has continued to face three major challenges namely; inadequate financial resources, shortage of staff and limited office accommodation. The Authority is largely dependent on the Government and development partners for financing. The Authority has faced difficulties in achieving its annual targets due to declining financial support from the Government. Inadequate financing has in particular impacted severely on the Authority's plans to expand its monitoring outreach through employment of adequate number of staff and opening its planned zonal offices. Given the massive financial resources that are spent by the public sector through procurement, it is important that efforts by Government to increase revenue collection should go hand in hand with efforts to enhance procurement oversight institutions, like PPRA, so as to plug loopholes contributing to leakage of public funds.

The Authority wishes to call upon the Government to allocate more resources to enable it increase the scope of procurement audits, capacity building, advisory services to the Government as well as overseeing electronic procurement that is enshrined in the public procurement law. The increased budget will also enable the Authority to open zonal offices and construct a new structure on our plot at Kurasini in Dar es Salaam. It is our belief that construction of own office building will relieve the Government of huge costs of renting office space for the Authority.

Honourable Minister,

Finally, let me express my sincere appreciation to you personally for issuing the Public Procurement Regulations 2013, thereby enabling the operationalization of the newly enacted Public Procurement Act, 2011. It is my belief that the new law will bring about positive results to the Country. In this financial year, we will continue to count on Government support towards strengthening of the Authority so as to achieve the ultimate goal of ensuring that public procurement delivers value for money to the Country.

Honourable Minister, I hereby submit.

Yours sincerely,



Ambass. Dr. Matern Y. C. Lumbanga
BOARD CHAIRMAN
PUBLIC PROCUREMENT REGULATORY AUTHORITY

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ABBREVIATIONS AND ACRONYMS

ACET	Associations of Consulting Engineers of Tanzania
ADB	African Development Bank
ADMM	Advanced Diploma in Materials Management
ADPLM	Advanced Diploma in Procurement and Logistic Management
AO	Accounting Officer
APP	Annual Procurement Plan
AQRB	Architects and Quantity Surveyors Registration Board
BADEA	Arab Bank for Economic Development in Africa
BDS	Bid Data Sheet
BOQs	Bill of Quantities
BOT	Bank of Tanzania
BTC	Belgian Technical Cooperation
CAG	Controller and Auditor General
CAP	Chapter
CBR	Coliforms Bearing Ration
CEO	Chief Executive Officer
CMS	Checking and Monitoring System
COPA	Conditions of Particular Application
CPI	Compliance Performance Indicators
CPSP	Certified Procurement and Supplies Professional
CQ	Competitive Quotations
CRB	Contractors Registration Board
CSOs	Civil Society Organisations
CSP	Certified Supplies Professional
CUIS	Common Use Items and Services
DAWASCO	Dar es Salaam Water Supply and Sewage Corporation
DC	District Council
DED	District Executive Director
DPC	Dump proof course
DPs	Development Partners
DRG	Drawing
EAC	East Africa Community
EC	Evaluation Committee
ERB	Engineers Registration Board
FWA	Framework Agreements
FY	Financial Year
GCC	General Conditions of Contract
GN	Government Notice
GPN	General Procurement Notice
GPSA	Government Procurement Services Agency
GS	Galvanized Steel
HQ	Headquarters
HSSE	Health Security, Safety and Environment

IAU	Internal Audit Unit
ICB	International Competitive Bidding
ICTs	Information and Communication Technologies
IPCs	Interim Payment Certificates
ISP	Institutional Support for Good Governance
ITB	Instruction to Bidders
ITT	Instruction to Tenderers
JNIA	Julius Nyerere International Airport
KMC	Kariakoo Market Corporative
LGAs	Local Government Authorities
LGR	Local Government Regulations
LoA	Letter of Acceptance
MBA	Masters in Business Administration
MC	Municipal Council
MDAs	Ministries, Departments and Agencies
MOF	Ministry of Finance
MOU	Memorandum of Understanding
MPs	Members of Parliament
MSG	Multi Stakeholders Group
MTSP	Medium Term Strategic Plan
MTUWASA	Mtwara Urban Water Supply and Sanitation Authority
MUWASA	Musoma Urban Water Supply and Sanitation Authority
NAO	National Audit Office
NCB	National Competitive Bidding
NGO	Non Governmental Organization
NGSRP	National Strategy for Economic Growth and Poverty Reduction
NHC	National Housing Corporation
NS	National Shopping
NSSF	National Social Security Fund
OFID	OPEC Fund for International Development
OPD	Outpatient Department
PAs	Public Authorities
PCAP	Procurement Capability Assessment Programme
PCCB	Prevention and Combating of Corruption Bureau
PE	Procuring Entity
PFMRP	Public Finance Management Reform Programme
PGD	Postgraduate Diploma
PGDA	Post Graduate Diploma in Accountancy
PMG	PayMaster General
PMIS	Procurement Management Information System
PMO-RALG	Prime Minister's Office-Regional Administration and Local Government
PMU	Procurement Management Unit
PO-PSM	President's Office-Public Service Management
PPA	Public Procurement Act
PPAA	Public Procurement Appeals Authority

PPD	Public Procurement Policy Division
PPDA	Public Procurement and Disposal Authority
PPOA	Public Procurement Oversight Authority
PPP	Public Private Partnership
PPPD	Public Procurement Policy Division
PPR	Public Procurement Regulation
PPRA	Public Procurement Regulatory Authority
PSPTB	Procurement and Supplies Professional and Technician Board
RAS	Regional Administrative Secretariat
RC	Reinforced Concrete
RFP	Request for Proposal
RITA	Registration Insolvency and Trusteeship Agency
RPPA	Rwanda Public Procurement authority
RT	Restricted Tendering
SBD	Standard Bidding Document
SCC	Special Conditions of Contract
SCMP	System for Checking and Monitoring Procurement
SPN	Specific Procurement Notice
SSS	Single Source Selection
TACECA	Tanzania Civil Engineering Contractors Association
TANAPA	Tanzania National Parks Authority
TANESCO	Tanzania Electricity Supply Company
TANROADS	Tanzania National Roads Agency
TASAF	Tanzania Social Action Fund
TB	Tender Board
TBA	Tanzania Building Agency
TCRA	Tanzania Communications Regulatory Authority
TOR	Term of Reference
TPA	Tanzania Ports Authority
TPJ	Tanzania Procurement Journal
TRA	Tanzania Revenue Authority
TSCP	Tanzania Strategic Cities Project
TZS	Tanzanian Shillings
TTCL	Tanzania Telecommunications Company Limited
UDs	User Departments
USAID	United States Agency for International Development
USD	United States Dollars
VETA	Vocational Education and Training Authority
VFM	Volume of Money
VOs	Variation Orders
WBI	World Bank Institute
WC	Water Closet
WMA	Weights and Measures Agency

ACKNOWLEDGMENT

This is the eighth Annual Performance Evaluation Report to be issued by the Public Procurement Regulatory Authority (PPRA) since it became operational in May 2005. During this period, PPRA faced challenges relating to physical, financial and human resources, however, it managed to distinguish itself as a reputable organization that can be trusted by its stakeholders.

The success of PPRA as an organization would not be possible without the support of its major stakeholders. In this regard, the Authority is grateful to Government, in particular the Ministry of Finance under the leadership of Hon. Saada Mkuya (MP) and the two Deputy Ministers namely Hon. Mwigulu Nchemba (MP) and Hon. Adam Malima (MP), together with the Permanent Secretary, Dr. Servacius Likwelile and his three deputies namely; Prof. Adolph Mkenda, Ms. Elizabeth Nyambibo and Ms. Dorothy Mwanyika. The Authority would also like to thank other leaders who served in various capacities within the Ministry in the financial year 2013/14.

The Authority would also like to extend its appreciation to the Public Procurement Policy Division and the Internal Auditor General's Division, both within the Ministry of Finance, for their constant support in ensuring attainment of the Authority's objectives. Similar appreciation is extended to the office of the Treasury Registrar, the Public Procurement Appeals Authority, the Procurement and Supplies Professionals and Technicians Board as well as the Government Procurement Services Agency.

The Authority is grateful to the Parliament of Tanzania, particularly its two committees namely; the Economic Affairs, Industries and Trade Committee and the Public Accounts Committee for their oversight role, which has contributed towards improving the performance of PPRA in the financial year 2013/14.

The Authority recognises that the war against embezzlement of public funds through public procurement would be difficult without the collaboration amongst institutions of accountability and has therefore continued to implement memoranda of understanding with the Prevention and Combating of Corruption Bureau as well as the National Audit Office. The Authority wishes to appreciate the support provided by these two institutions in combating malpractices in public procurement.

Special thanks are extended to the African Development Bank and PFMRF basket fund partners for their financial support, which, together with the Government subvention, constitute PPRA's reliable sources of funding. The Authority also wishes to thank the Government of the Kingdom of Belgium for financing a project for Enhancement of Procurement Capacity of Local Government Authorities and the United States Agency for International Development for their financial support towards increasing transparency in public procurement processes.

During the year under review, PPRA would not have achieved its objectives without the much needed cooperation of procuring entities. The Authority highly appreciates the effort that many of them are putting to ensure that they comply with the procurement law. The Authority would also wish to convey our gratitude to the general public, business community, higher learning institutions, auditors, civil society organisations and media for their contributions towards improving the public procurement system.

Last, but by no means least, special thanks should go to PPRA staff who worked tirelessly with the Board of Directors and Management to ensure efficient attainment of organizational objectives for the year 2013/14.

EXECUTIVE SUMMARY

About PPRA

The Public Procurement Regulatory Authority (PPRA) is established by the Public Procurement Act, Cap 410 (PPA) and charged with the responsibility of regulating and overseeing implementation of the Act by Procuring Entities (PEs) and other stakeholders. The Act stipulates in detail the objectives, functions and powers of PPRA. The mandate of PPRA is to ensure that procurement processes in the public sector are open, fair, and transparent, and that they deliver better value for money outcomes to the public.

This is the eighth Annual Performance Evaluation Report of PPRA since it became operational nine years ago. The report highlights important milestones achieved by the Authority in the Financial Year (FY) 2013/14. It is important to note that this report covers activities accomplished under PPA 2004 which was in operational until 13th December, 2013 when it was repealed by Act No.21 of 2011. It also covered activities implemented as of 13th December, 2013 when PPA 2011 became operational after promulgation of the Public Procurement Regulations through the Government Notice No.466 of 2013.

The core functions of the Authority are provided under Section 9 of PPA 2011 can be summarized into six categories as follows:

- a) To offer advisory services on public procurement issues to public bodies and any other person;
- b) To monitor and enforce compliance with PPA;
- c) To issue standard bidding documents and guidelines for the better carrying out of procurement activities;
- d) To implement measures aimed at building procurement capacity in the country;
- e) To store and disseminate information on procurement opportunities and tender awards;
- f) To determine, develop, introduce, maintain and update related system to support public procurement by means of information and communication technologies including the use of public electronic procurement.

The Board of Directors is the governing body of the Authority whose day-to-day activities are accomplished by the Chief Executive who is assisted by five directors and two heads of independent units. The organization structure of the Authority consists of the following five departments and two independent units:

- a) Capacity Building and Advisory Services;
- b) Monitoring and Compliance;
- c) Legal and Public Affairs;
- d) Information Systems;
- e) Corporate Services;
- f) Internal Audit Unit; and
- g) Procurement Management Unit.

Major Achievements for Financial Year 2013/14

In FY 2013/14, PPRA managed to accomplish its goals as provided in its Medium Term Strategic Plan (MTSP). Some of the major achievements are as highlighted below:

Strengthening the Authority

- (i) The Authority continued to implement its Medium Term Strategic Plan (MTSP) 2009/10 – 2013/14 through respective budget and action plan. In addition, the Authority conducted monitoring and evaluation exercise of MTSP for the period ended 30th June, 2014.
- (ii) The Authority continued to implement its Staff Development Plan (SDP), whereby sponsorship was provided for staff to attend short- and long-term training through ADB USAID projects' funding. A total of 33 staff attended short courses and 3 attended long term training to address the Authority's training needs.
- (iii) As an initial stage in developing its own office building, the Authority carried out a feasibility study on the best way of making use of its property located at Kurasini. A proposal has been made which takes into account the need to demolish the existing building and construction a new building office. Also, the Authority was granted an office space in Dodoma by the Ministry of Finance which is intended to be used as PPRA's Central Zone Office.

Capacity building

- (iv) Tailor made training was conducted to a total of eight hundred and forty seven (847) participants from 66 PEs, thus exceeding the target of 22 PEs for the year under review. The training followed requests from PEs to address the weaknesses observed during procurement audits.
- (v) Two dissemination workshops for boards of directors and heads of public authorities and agencies were conducted. The theme of both workshops was "Implementations of Public Procurement Act: Lessons Learnt and Challenges." The first workshop for board members was conducted from 25th to 26th June 2013 in Arusha and attended by 82 Board of Directors, 44 Accounting officers and 42 staff from Public Entities.
- (vi) Dissemination of PPA 2011 and its Regulations was carried out to 261 staff from 43 MDAs and 9 LGAs. A total of 22 participants attended in Mwanza, 28 in Arusha, 38 in Mbeya 38 and 173 in Morogoro.
- (vii) An Annual Procurement Governance Workshop was conducted with a theme "Towards Implementations of Public Procurement Act 2011 and its Regulations of 2013". The Workshop attracted 336 participants including chairpersons and secretaries of tender boards, representatives of user departments and internal audits units throughout the country. The workshop was designed as a platform for improving procurement practices through sharing of experience and discussing challenges in the implementation of public procurement within procuring entities.

Advisory services

- (viii) Conducted capability review assessment of two PEs namely, Tanzania Ports Authority (TPA) and Tanzania Revenue Authority (TRA). Capacity gaps contributing to inefficiencies in the procurement processes were identified and improvement measures recommended. In particular, recommendations were provided to improve the setup of procurement governance organs, efficiency in the procurement processes and internal controls.
- (ix) General advisory services were provided on various issues relating to the application of PPA and its regulations, the use of SBDs as well as guidelines issued by the Authority.

Enforcement of Compliance in public procurement

- (x) In administrative review issues, Section 81 of the repealed PPA 2004 empowered the Authority to make administrative review of procurement complaints submitted by bidders. However, after coming into operation of PPA 2011 on 13th December 2013, the Authority is no longer involved in administrative review of procurement complaints. By virtue of Section 96 and 97 of the PPA 2011, the responsibility to review procurement complaints has been vested in accounting officers and the Public Procurement Appeals Authority (PPAA).

During the review period, fourteen (14) applications for retrospective approvals were dealt with of which PMG was advised on nine (9) applications as follows:

- (i) To grant retrospective approval to two (2) applications from the Ministry of Land and Human Settlement Development and Same District Council respectively with a total value of TZS 799,654,000.
- (ii) To disapprove five (5) applications from TANESCO, Mzumbe University and Medical Stores Department (MSD) with a total value of TZS 5,226,831,297.00 and USD 1,260,000.
- (iii) To reject two (2) applications from the Tanzania Building Agency (TBA) and Ministry of Home Affairs (MoHA) with a value of GBP 2,191,014.55 and Tshs.183,600,000.00 as local charges due to failure by the applicants to submit data to support the applications. The application from TBA was in respect of a tender for procurement of household furniture for members of the Constitutional Review Commission and that from MoHA was in respect of a tender for procurement of 85 Land Rovers.

Two (2) applications from MSD and one (1) from the Tanzania Ports Authority with a value of USD 3,654,332.24 and TZS 37,453,754,873.00 respectively, were under investigation. Two (2) applications were still pending awaiting submission of supporting documents from applicants.

- (xi) Received, investigated and prepared reports on three cases of allegations or complaints on mis-procurement on project for construction of a library complex at Institute of Accountancy Arusha; process for selecting a consultant and contractor for the Geita water supply project; and emergency procurement of equipment and container stacking space at dar es salaam port.
- (xii) As part of collaborative work between the Authority and the Prevention and Combating of Corruption Bureau (PCCB), the Authority continued to collaborate with PCCB as per the signed MoU. During the year under review, the Authority collaborated with PCCB in handling corruption cases related to public procurement.

Introduction of e-Procurement in Tanzania and PMIS

- (xiv) The Authority engaged with key stakeholders including eGA that is responsible for e-Government services, and PEs earmarked for piloting e-procurement namely MSD and GPSA. Accordingly, the agreed approach is to implement a unified solution of e-procurement in accordance with PPA 2011 and Regulations made under it.
- (xv) The Board of directors of the Authority was exposed to key issues necessary for implementation of e-procurement through a benchmarking visits carried out in India. The visit was very useful to the Board given its new mandate under PPA 2011 to oversee implementation of full-fledged e-procurement system in Tanzania. Some members of Management also visited Korea, together with other stakeholders to learn Korea's e-procurement system.
- (xvi) A Procurement Management Information System (PMIS), which is an early stage of e-Procurement, was rolled out through training conducted to 330 staff from 191 PEs making a total number of PEs registered to use the system to be 364.

Systems for sharing and dissemination of information

- (xvii) The weekly TPJ editions with approximately 765,000 copies were published and circulated countrywide, carrying information which include general procurement related news and events, tender advertisements, awarded contracts and articles on public procurement related issues;
- (xviii) As a continuation of education program prepared and aired in the last review period, four additional TV programmes were under preparation to educate the public on improvements made in public procurement through the enactment of PPA 2011. Also, five radio jingles/ advertisements on the new tools developed by PPRA to improve procurement performance and fight against corruption in procurement, were developed.
- (xix) A total of 79 books on various issues including procurement were purchased and kept in the library. The authority has also embarked on an inter-loan library whereby one can exchange or lend certain information for users whenever such information is not available in the library. Libraries of other entities such as CRB, IFM, TACEA and Banks have provided PPRA with their publications.
- (xx) The website and tender portal was updated with procurement information such as latest news on various procurement-related events as well as Fifty Five (55) General Procurement Notices (GPNs), 1563 Specific Procurement Notice (SPN) and 1861 Tenders awards.
- (xxi) A total of 4300 tender alerts was pushed to 1253 subscribers under the Mobile Tender Alert Service, which enable subscribed potential tenderers to receive early information on new procurement opportunities from PEs through their mobile phones;

Others activities

- (xxii) The United States Agency for International Development (USAID) and the United Republic of Tanzania (URT) entered into an agreement in September, 2013 to implement a four-year project for strengthening the role of PPRA as an Oversight Institution in Tanzania. The project is geared towards enhancing accountability by empowering PPRA to deliver on its Medium Term Strategic Plan (MTSP) as well as capacity strengthening of civil society for increased understanding of the procurement process and the importance of playing a watchdog role

and in holding the government to account for the proper use of public resources. In this year the project supported two staff on long term training and a Board and Management study visit;

- (xxiii) The Authority has continued to enhance its collaboration with other oversight bodies in the country and other international bodies. During the year under review, PPRA submitted its Annual Performance Evaluation Report for FY 2012/13 to the Controller and Auditor General (CAG) and also participated in various workshops organized by the National Audit Office of Tanzania (NAOT). Similarly, the Authority has been submitting reports to PCCB on suspected cases of corruption; and
- (xxiv) The Authority has managed to win the support of the public through whistle blowers who have been providing tip-offs on malpractices in public procurement. On several occasions, the Authority has acted on whistle blowers' information and managed to unearth massive embezzlement of public funds.

Performance of procuring entities

Volume of Procurement in Public Sector

As for the previous years, the Authority has continued to collect information on awarded contracts by PEs. PEs response in submitting contracts award information has been dropping from 80% of the total number of PEs in the FY 2011/12 to 67% and 41% in the FY 2012/13 and FY 2013/14 respectively. Many PEs have failed to comply with the requirement to submit information on awarded contracts despite all the efforts made by the Authority to request for the same. During the period under review, only 189 (41%) PEs submitted contract award information compared to 265 (67%) during FY 2012/13.

Analysis of the submitted information indicated that 54,267 contracts amounting to Tshs. 4.21 trillion were awarded by 189 PEs during the FY 2013/14 compared to Tshs. 4.88 trillion awarded by 265 PEs during the FY 2012/13 and Tshs. 4.32 trillion awarded by 319 PEs during the FY 2011/12. The values of the awarded contracts represent a considerable proportion of the total government budgets of Tshs 13.52 trillion, Tshs.15.19 trillion, Tshs.18.25 trillion for the FYs 2011/12, 2012/13, 2013/14 respectively.

Analysis of the budget information shows that although the total budget for the 189 PEs was Tshs. 9.74 trillion, only Tshs 7.54 trillion which is equivalent to 77.4% was received /collected by PEs. Out of the received budget amount, Tshs. 4.21 trillion which is equivalent to 55.8% of the disbursed amount was spent through procurement

Compliance of PEs with PPA and its Regulations

As part of its monitoring activities, the Authority carried out procurement audits in seventy six procuring entities. On the basis of the performance criteria established by the Authority, the outcome of the audits indicated an average level of compliance of 65% slightly above the last year's compliance level of 64.3%. The recorded average compliance level is below the targeted compliance level of 72% which was set for the FY 2013/14. Only 28% of the audited PEs complied above the target of 72%. MDAs have made a remarkable improvement in compliance from 66% to 71% when compared to last year's procurement audit results, but Public Authorities and Local Government Authorities have slightly improved from 67% and 60% recorded last year to 68% and 62%, respectively.

The assessment of the individual performance areas indicated that the performance was above the targeted level of compliance on two performance areas namely: institutional setup and performance with a score of 74%; and tender processing with a score of 76%. However, the performance was below the targeted level of compliance on: preparation and implementation of procurement plans (69%); contracts management and implementation (63%); management of procurement records (53%); and implementation of systems prepared by PPRA (23%). The audit results suggests that although capacity building efforts and monitoring are still needed in all the seven areas, more concerted effort among the stakeholders is needed to address the identified capacity gaps in the four performance areas in order to improve compliance and ultimately to enhance efficiency, effective competition, fairness and value for money in public procurement.

Out of the 76 audited PEs, 45 were selected for value for money audits in addition to the compliance audit. A total of 205 construction projects with a total value of Tshs. 62.5 billion were sampled for VfM audit. The selected projects were assessed on the basis of five VfM indicators namely: planning, design and tender documentation [20%]; procurement process [10%]; works supervision and contract administration [20%]; quality and quantity of executed works [40%], and; project completion and closure [10%].

The overall performance of the 205 audited projects was 60.2% signifying in general terms that, funds earmarked for selected projects were fairly spent. The assessment of the specific performance areas indicated the following results: planning, design and tender documentation (71.9%) rated as fair performance; procurement process (73.4%) rated as fair performance; works supervision and contract administration (49.1%) rated as unsatisfactory performance; project completion and closure (40.6%) rated as unsatisfactory performance, and; quality and quantity of executed works (63.1%) rated as fair performance.

Out of the 205 audited projects, 33 projects equivalent to 16.1% of the audited projects with a total value of Tshs. 18,509,242,969 were assessed to have satisfactory performance (above 75%) signifying that projects objectives were likely to be achieved (or have been achieved) and VfM was likely to be realized. One hundred and twenty (120) projects equivalent to 58.5% of the audited projects with a total value of Tshs. 32,001,653,231.65 were assessed to have fair performance but with significant weaknesses which if not properly addressed, the projects were likely to achieve partially some of the intended objectives and thus VfM was unlikely to be realized in full. PEs with the projects under this category were required to address the significant number of weaknesses observed in order to achieve the project objectives.

Fifty two (52) projects equivalent to 25.4% of the audited projects were assessed to have unsatisfactory performance suggesting that most of the project objectives as well as VfM outcomes were unlikely to be achieved (or have not been achieved). Risk management was not effective or was not in place. The audit results suggest that Tshs. 12,033,649,156.89 allocated for the 52 projects (equivalent to 19.2% of the total value of audited projects) was not properly spent.

Major Challenges

During the year under review, the Authority faced the following challenges:-

(i) Operation of the Authority

The Authority has continued to experience insufficient budget allocation over a number of years and thus failed to carry out its strategic interventions on procurement reforms. The Authority has also not been able to implement fully its Medium Term Strategic Plan 2009/2010- 2013/14 as expected as it has not been able to populate its organization structure, open its zonal offices, move to a permanent office as well as address capacity building needs.

(ii) Procurement Sector

The major challenges that were faced during the year under review were :-

- a) The Annual Performance Evaluation Report (APER) has not yet received the required audience and coverage at appropriate levels and time despite the useful information contained in the report. The information in the report is a tool that can assist PEs to improve procurement processes in their organizations and decision makers in making sound decision in improving the procurement system in the country and allocating adequate resources for oversight function.
- b) Misconception that the procurement law is a bottleneck that contributes to delays in project implementation instead of considering it as means to achieving transparency and accountability in the use of public funds.
- c) Low understanding of the new law, PPA, 2011 and the Public Procurement Regulations of 2013.
- d) Some PEs failed to comply with the requirement for timely submission to the Authority, information about approved budget, disbursed amount and awarded procurement contracts, as well as other procurement data, thus limiting the Authority's ability to complete analysis and publish the relevant statistics on time.
- e) Little knowledge by bidders on the system for procurement of common use items (CUIS) to allow them prepare responsive bids.
- f) Slow pace of PEs to utilize systems and tools, including PMIS, developed and rolled out by the Authority to facilitate their operation and reporting.
- g) Non-existence of necessary environment for operation of e-Procurement has delayed implementation of the system in Tanzania. The prerequisite for e-procurement include establishment of Public Key Infrastructure and enactment of laws to address cyber security. There is also a low level of understanding among stakeholders of what exactly e-procurement is and the key issues on its implementation basing on best practices.

Way Forward

To overcome the above challenges, the following measures will be taken:-

- i.) To enhance IGF collection efforts including engaging a debt collector and disseminating the new law and regulations to PEs so that they become aware of the mandate given by PPRA to charge on services they provide to them.
- ii.) To continue promoting PPRA's activities to the public and its importance in ensuring value for money in public procurement.
- iii.) To implement recruitment permit granted by PO-PSM and request the Government for additional financial support to match increasing staff compliment and expansion of operations in FY 2014/15.
- iv.) To continue disseminating PPA, 2011 and its regulations including procurement implementation tools to Key stakeholders
- v.) To conduct more workshops on PMIS to cover all entities that have not attended the workshop and enforce its use, through the regular audit exercises conducted by PPRA.
- vi.) To consult with all key e-procurement stakeholders including Ministry of Communication, Science and Technology, e-Government Agency, GPSA, MSD and the economic operators so ensure that all key prerequisites are put in place and there is a general understanding on the approach to adopt e-Procurement, in line with the existing legal framework.

Prospects and Work Plan for year 2014/15

In FY 2014/15, the Authority will continue to consolidate all the achievements that have been made so far and shall ensure that all programmes and systems that have been developed are properly implemented and/or rolled out to PEs.

The following are major activities that will be undertaken in FY 2014/2015:-

- a) Implementing various strategies and tools that have been developed; and monitor their effectiveness in improving procurement practices in the country. This includes implementation of PCBS and SCMP, PMIS, and the anti-corruption strategy. In particular, the Authority shall:-
 - i.) Carry out procurement audits to 105 PEs to determine levels of compliance with PPA and public procurement regulations;
 - ii.) Carry out procurement capability review assessment for two PEs;
 - iii.) Carry out investigations on cases of mis-procurement and advise PMG on retrospective approvals as presented by PEs;
 - iv.) Revise and issue standard bidding documents and other procurement implementation tools in line with PPA 2011;

- v.) Preparing an action plan for implementing PPA 2011 and its Regulations in order to provide a road map and agenda for procurement reforms to be undertaken by the Government and our development partners between 2014 and 2018;
- vi.) Disseminate PPA 2011 and its regulations to all key stakeholders;
- vii.) To undertake research and survey on procurement-related matters;
- viii.) Continue rolling out PMIS to PES and consider further improvement to the system that will provide a solution for record keeping which is a serious challenge in most of the audited PEs;
- b) The Authority will also finalise formulation of its next Medium Term Strategic Plan (MTSP 2) and start implementing it with consideration to the following important activities:-
 - i.) Carry out a public education and awareness on value for money public procurement and fighting against corruption in public procurement;
 - ii.) Prepare, print and circulate TPJ including improvements to the tender portal and marketing the mobile tender alert service to enable more users to join and get information on tender opportunities in real time;
 - iii.) Finalize the conduct of feasibility study for development of PPRA offices at Kurasini which will be used as a basis for soliciting financial support from development partners;
 - iv.) Open two zonal offices as per approved PPRA organization structure and renovate the existing building at Kurasini plot that will be used as the Authority's Head Office;
 - v.) Continue with efforts to have sustainable sources of income that will enable PPRA to carry out its mandates;
 - vi.) To engage with stakeholders towards implementation of e-Procurement system in Tanzania.
 - vii.) Continue to monitor closely the performance of commercial operators that are awarded public contracts and where they fail to perform, to take appropriate action as provided in the Act;
 - i.) Working closely with Prime Minister's Office Regional Administration and Local Governments (PMO-RALG) to improve procurement performance of LGAs through the implementation of "Enhancement of Procurement Capacity of Local Government Authorities Project (EPC-LGP)";

1. THE REPORT

This is the eighth Annual Performance Evaluation Report of the Public Procurement Regulatory Authority (PPRA) since it became operational on 1st May 2005. The report enumerates various interventions that have been undertaken by the Authority in Financial Year (FY) 2013/14 to improve the public procurement system in Tanzania so as to enable the Country achieve its socio-economic objectives.

It is important to note that this report covers activities accomplished under PPA 2004 which was in operational until 13th December, 2013 when it was repealed by Act No.21 of 2011. It also covered activities implemented as of 13th December, 2013 when PPA 2011 became operational after promulgation of the Public Procurement Regulations through the Government Notice No.466 of 2013.

The report in part 3 and 4 narrates achievements made in line with PPRA's Medium Term Strategic Plan (MTSP) in monitoring and ensuring compliance with PPA, building procurement capacity in the country, developing and disseminating various procurement tools, and rolling out the system of sharing procurement information. It also covers implementation of various systems and strategies developed by the Authority such as the Anti-corruption Strategy in Public Procurement, Procurement Management Information System (PMIS) and planned introduction of e-Procurement.

Part 5 of the report provides a detailed overview of the performance of Procuring Entities (PEs) in the award of various procurement contracts and in complying with the Public Procurement Act (PPA), Cap 410 as well as its Regulations.

2. REGULATORY AND INSTITUTIONAL FRAMEWORK OF PUBLIC PROCUREMENT IN TANZANIA

Public procurement in Tanzania is governed by the Public Procurement Act (PPA) Cap 410 of the Laws of Tanzania. The Act puts in place a decentralized procurement system and provides mandates to each Procuring Entity (PE) to carry out procurement functions within the approved budget and be accountable for all procurement decisions they make. The Act further provides for the establishment of policy, regulatory and operational bodies with their objectives and mandates, public procurement principles, procurement methods and processes as well as prohibitive actions in public procurement such as fraud and corruption. It also sets out public procurement controls/audit mechanisms and a complaints resolution system.

During the review period, in order to take care of transitional issues under the repealed PPA 2004, PPRA issued a circular pursuant to Sections 107 and 108 of PPA 2011 to clarify how issues initiated under the repealed law would be finalized. According to the said circular, all issues which were initiated under PPA 2004 but were still pending by 13th December 2013 were to be finalized by such Act.

To facilitate implementation of the Act, a set of regulations have been issued and categorized into general provisions, which are applicable to all types of procurement and specific provisions applicable to specific procurement. It is however unfortunate that the regulations which govern establishment and proceedings of tender boards in LGAs had not been issued until the end of the review period.

In line with the issued Regulations, PPRA has issued trial versions of Standard Bidding Documents (SBDs) and other procurement guidelines and procedural forms in line with PPA 2011 for use by both

PEs and bidders participating in public procurement. However, to take care of transitional issues, in the Circular, PEs had been advised to continue using SBDs issued under the repealed law until new versions have been issued. SBDs form part and parcel of public procurement implementation tools in the Country.

Institutional wise, the Act separates clearly between the functions of an accounting officer, tender board, procurement management unit, as well as user department and evaluation committee and makes them accountable for their individual procurement decisions and actions. Some of the major improvements introduced under PPA 2011 and its Regulations are:-

- i.) More transparency and accountability in public procurement processes.
- ii.) More powers, functions and autonomy to PPRA in its regulatory functions (e.g. powers to suspend procurement process prior to contract award).
- iii.) Policy functions in public procurement introduced
- iv.) PPAA given more mandates and autonomy
- v.) Emergency procurement defined and procedures for handling the same broadly articulated.
- vi.) Fourteen-day cool-off period has been introduced to notify bidders of the intention to award the contract giving details of the winning bid and reasons for non-selection of those who did not win.
- vii.) Covers procurement under PPP projects
- viii.) Procurement planning to be integrated with the budget preparation process and any procurement exceeding the budget to get prior approval of the "budget approving authority.
- ix.) Mandatory for PEs to procure common use items through GPSA under framework agreement.
- x.) Procurement of medicines and medical supplies under framework agreement introduced
- xi.) Direct reporting of PMU to head of PE and must be allocated a budget
- xii.) Procurement complaint review process changed to two tier (head of PE- 14 days, and PPAA- 45 days). Head of PEs are allowed to form a complaint review panel to advise him on appropriate decision to make.
- xiii.) Stringent penalties for non-compliance
- xiv.) LGAs councilors involved in the tender approval process through the committee responsible for finance.

3. BACKGROUND INFORMATION ABOUT PPRA

3.1 *Establishment and Objectives*

The Authority is established under Section 7 of PPA with powers necessary or expedient to carry out its functions. The objectives of the Authority are:-

- a) To ensure the application of fair, competitive, transparent, non-discriminatory and value for money procurement standards and practices;
- b) To set standards for the public procurement systems in the United Republic of Tanzania,
- c) To monitor compliance of PEs; and
- d) To build, in collaboration with the Public Procurement Division and other relevant professional bodies, procurement capacity in the United Republic of Tanzania.

The vision of PPRA is: To become a world-class model, effective and sustainable public procurement oversight body.

The mission of PPRA is: To foster and promote value for money in public procurement for national development.

The motto of the PPRA is: Promoting Value for Money in Public Procurement

Figure 3 1: Vision, Mission and Motto of PPRA

3.2 *Functions and Powers of the Authority*

The core functions of the Authority are provided under Section 9 of the Act and can be summarized into six categories as follows:

- g) To offer advisory services on public procurement issues to public bodies and any other person;
- h) To monitor and enforce compliance with PPA;
- i) To issue standard bidding documents and guidelines for the better carrying out of procurement activities;
- j) To implement measures aimed at building procurement capacity in the country;
- k) To store and disseminate information on procurement opportunities and tender awards;
- l) To determine, develop, introduce, maintain and update related system to support public procurement by means of information and communication technologies including the use of public electronic procurement.

The Authority is given powers to conduct investigation on its own initiatives or as a result of representation made to it by any person, to terminate procurement process for breaching the Act as well powers to require submission of information, to summon any person who can furnish information relating to an investigation or on any representation made to it.

The Public Procurement Act mandates PPRA to:-

- *Carry out investigations for all alleged mis-procurements;*
- *Call for any document or information regarding any procurement;*
- *Terminate a procurement process where there is breach of the Act; and recommend disciplinary actions for those in breach.*

Figure 3 2: Some of the mandates of PPRA under PPA 2011

3.3 Organisation structure

3.3.1 Board of Directors

The Board of Directors of PPRA is a governing body consisting of a Chairman who is appointed by the President and six non-executive members appointed by the Minister for Finance. During the period under review, the Board had the following composition: -

- a) *Ambassador Dr. Matern Y.C. Lumbanga - Chairman*
- b) *Hon. Justice Thomas B. Mihayo (rtd) - Member*
- c) *Dr. Edmund B. Mndolwa - Member*
- d) *Hon. Mussa A. Zungu (MP) - Member*
- e) *Mr. George D. Yambesi - Member*
- f) *Dr. Leornard M. Chamuriho - Member*
- g) *Eng. Omary A. Chambo - Member*
- h) *Dr. Laurent Shirima - CEO/Secretary*

BOARD OF DIRECTORS



Ambassador Dr. Matern Lumbanga
Chairman



Justice (rtd.) Thomas Mihayo



Eng. Omar Chambo



Hon. Mussa Zungu (*MP*)



Dr. Edmund Mndolwa



Dr. Leonard Chamuriho



Mr. George Yembesi



Dr. Laurent Shirima
CEO Secretary to the Board

Figure 3-3: Photos of members of PPRA's Board of Directors

3.3.2 Management

The Management of PPRA is responsible for day-to-day operations of the Authority and comprises the Chief Executive Officer and seven heads of departments and units namely; Capacity Building and Advisory Services, Monitoring and Compliance, Legal and Public Affairs, Information Systems, Corporate Services, Internal Audit, and Procurement Management. During the period under review, PPRA's management consisted of the following members:

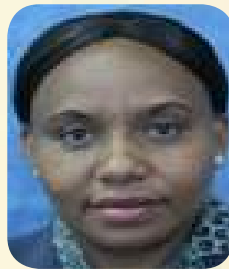
MANAGEMENT



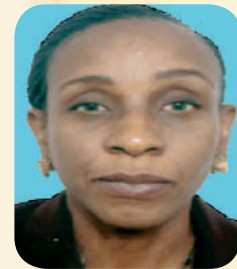
Dr. Laurent Shirima - *Chief Executive Officer*



Eng. Ayubu Kasuwi
*Director,
Monitoring and Compliance*



Ms. Bertha Soka
Director, Legal and Public Affairs



Ms. Hannah Mwakalinga
Director, Corporate Services



Mr. Peter Shilla
Director, Information Systems



Eng Awadhi Suluo - *Acting Director,
Capacity Building and Advisory Services*



Mr. Christopher Mwakibinga
Chief Internal Auditor



Mr. Robert Kitalala
*Head,
Procurement Management Unit*

Figure 3-4: Photos of PPRA's members of Management

3.3.3 Staffing and Organization chart

The organization chart of the Authority is shown in Figure 3.3. According to the approved manning levels, the Authority's staff complement is supposed to be 152. However, due to resource constraints during the review period, the Authority operated with a staff complement of 49. As a result, the Authority did not open its zonal offices as indicated in the organization chart, thus limiting its ability to carry out its mandated functions. However, efforts are now underway to ensure operationalization of at least two zonal offices during FY 2014/15.

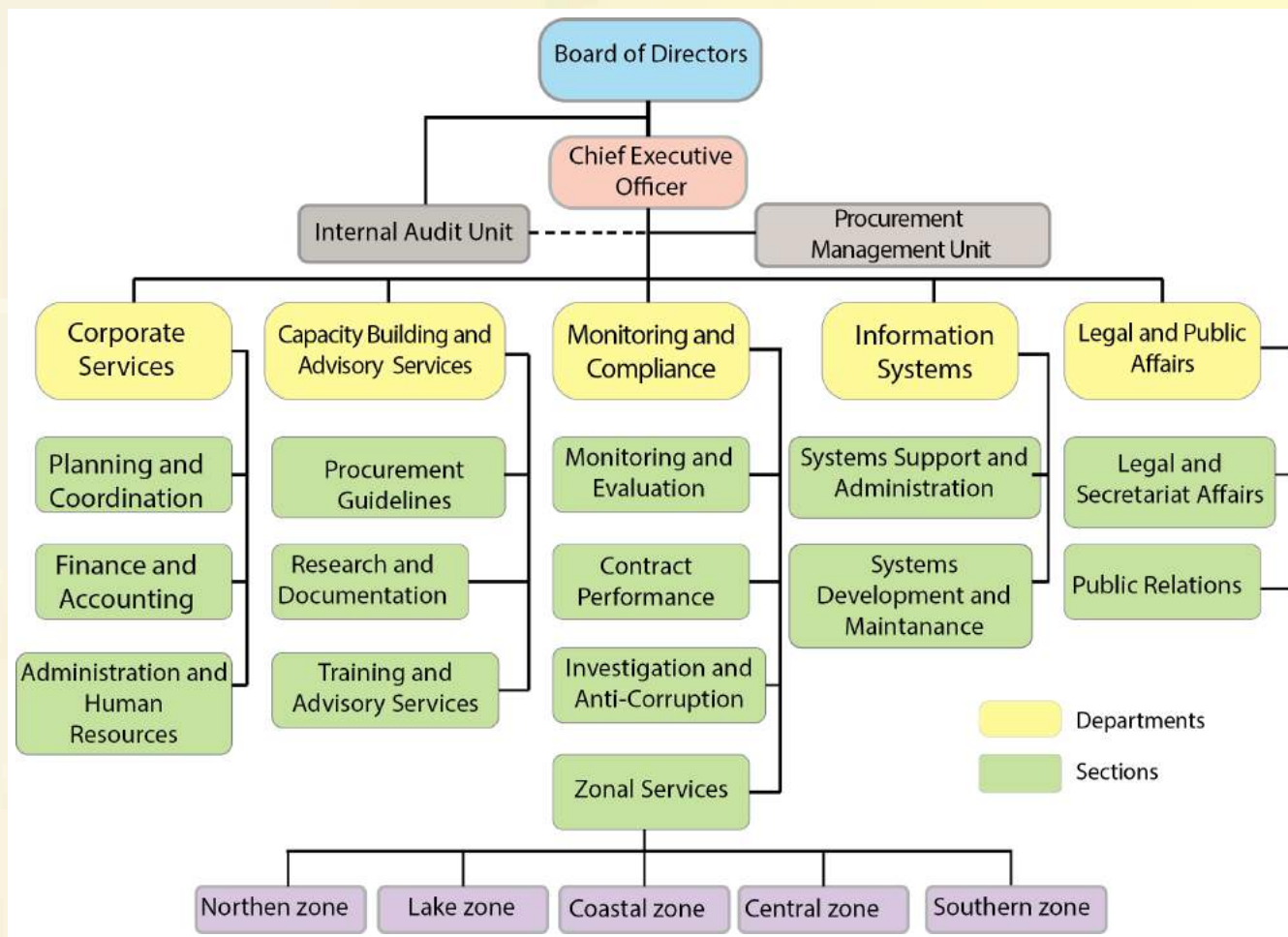


Figure 3-3: Organisation structure of PPRA

3.3.4 Establishment of zonal offices

The Authority has a plan to open zonal offices in order to widen its monitoring reach to PEs in the country. In order to maintain the expected workload for the zonal offices by considering the approved staff levels, it has been decided to distribute the procuring entities in five zones, and not four as previously planned, as shown in Figure 3-4.

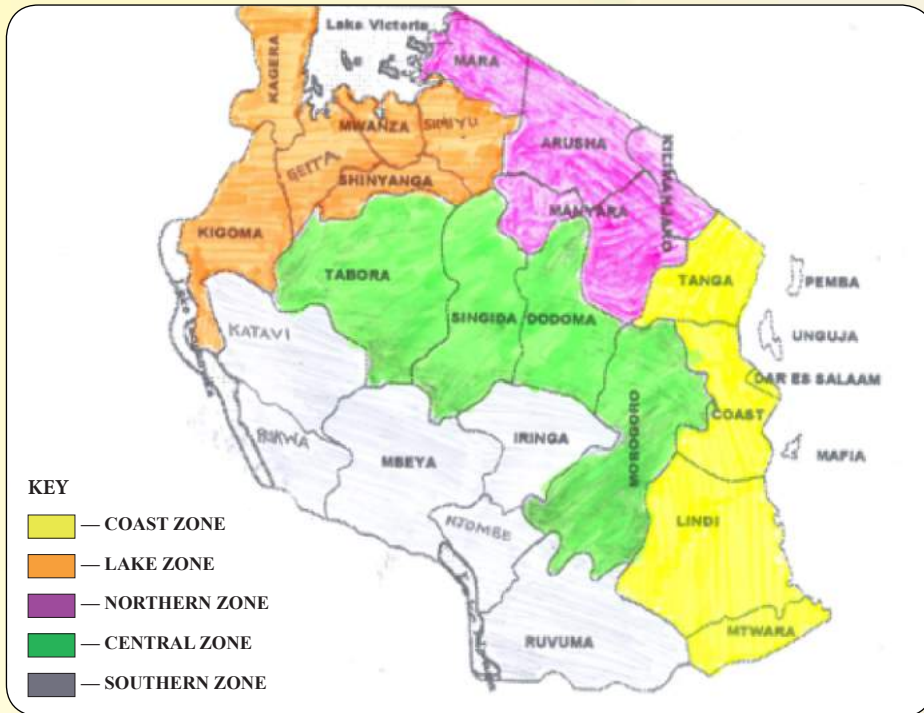


Figure 3-4: Proposed location of zones and zonal offices

A complete list of PEs for the five zones is shown in Table 3-1 below:-

Table 3 - 1: DIstribution of regions in each proposed zone

Zone	Region (No. of PEs)	Names of PEs
Costal Zone (47 PEs) - [Office - Dar es salaam]	Dar es salaam (5)	RAS - DSM, Ilala Municipal Council, Temeke Municipal Council, Kinondoni Municipal Council, DSM City Council
	Coast (12)	Kibaha Education Centre, Tanzania Automotive Technology Centre- Nyumbu, Taasisi ya Sanaa na Utamaduni Bagamoyo, Agency for Educational Management, RAS -Pwani, Mafia District Council, Kisarawe District Council, Kibaha District Council, Kibaha Town Council, Mkuranga District Council, Rufiji District Council, Bagamoyo District Council
	Lindi (8)	UWASA -Lindi, RAS -Lindi, Nachingwea District Council, Lindi District Council, Lindi Town Council, Liwale District Council, Kilwa District Council, Ruangwa District Council
	Mtwara (10)	Tanzania Cashewnut Board, UWASA -Mtwara, RAS -Mtwara, Masasi District Council, Mtwara District Council, Mtwara Mikindani Municipal Council, Tandahimba District Council, Newala District Council, Nanyumbu District Council, Mamlaka ya Mji Mdogo wa Masasi
	Tanga (12)	UWASA -Tanga, Institute of Judicial Administration (IJA), RAS - Tanga, Korogwe District Council, Korogwe Town Council, Kilindi District Council, Tanga City Council, Pangani District Council, Lushoto District Council, Handeni District Council, Muheza District Council, Mkinga District Council
Lake Zone (49 PEs) - [Office - Mwanza]	Mwanza (9)	UWASA -Mwanza, RAS -Mwanza, Mwanza City Council, Magu District Council, Ukerewe District Council, Misungwi District Council, Sengerema District Council, Ilemela District Council, Kwimba District Council
	Kagera (10)	UWASA -Bukoba, RAS -Kagera, Biharamulo District Council, Karagwe District Council, Bukoba Municipal Council, Bukoba District Council, Ngara District Council, Muleba District Council, Misenyi District Council, Kyerwa District Council
	Kigoma (9)	UWASA -Kigoma, RAS -Kigoma, Kasulu District Council, Kibondo District Council, Kigoma Town Council, Kigoma District Council, Buhigwe District Council, Kakonko District Council, Uvinza District Council
	Geita (6)	RAS -Geita, Chato District Council, Geita District Council, Bukombe District Council, Nyang'hwale District Council, Mbogwe District Council
	Simiyu (6)	RAS -Simiyu, Meatu District Council, Bariadi District Council, Itilima District Council, Maswa District Council, Busega District Council
	Shinyanga (9)	UWASA -Shinyanga, KahamaShinyanga Water Supply and Sewage Authority (KASHWASA), Kahama Urban Water Supply and Sanitation Authority (KUWASA), RAS -Shinyanga, Kahama District Council, Kishapu District Council, Shinyanga Municipal Council, Shinyanga District Council, Kahama Town Council

Zone	Region (No. of PEs)	Names of PEs
Northern Zone (51 PEs) - [Office - Arusha]	Arusha (20)	Institute of Accountancy Arusha (IAA), Tanzania Atomic Energy Commission (TAEC), Tanzania National Parks (TANAPA), Tropical Pesticides Research Institute, Tanzania Engineering and Manufacturing Design (TEMDO), Tanzania Wildlife Research Institute, Arusha International Conferences Centre (AICC), Arusha Technical college, Centre for Agricultural Mechanization and Rural Technology (CAMARTEC), The Nelson Mandela-African Institute of Science and Technology (NM-AIST-Arusha), UWASA - Arusha, Ngorongoro Conservation Area Authority ,RAS -Arusha, Meru District, Karatu District Council, Arusha Municipal Council, Monduli District Council, Ngorongoro District Council, Longido District Council, Arusha District Council
	Kilimanjaro (14)	Moshi University College of Cooperative and Business Studies, College of African Wildlife Management, Mweka, Kilimanjaro Christian Medical Centre (KCMC), Tanzania Coffee Board, Kilimanjaro Airports Development Company Limited (KADCO), UWASA - Moshi, RAS - Kilimanjaro, Rombo District Council, Moshi Municipal Council, Moshi District Council, Hai District Council, Mwangi District Council, Same District Council, Siha District Council
	Manyara (8)	UWASA -Babati, RAS -Manyara, Babati District Council, Babati Town Council, Hanang District Council, Kiteto District Council, Mbulu District Council, Simanjiro District Council
	Mara (9)	UWASA -Musoma, RAS - Mara, Serengeti District Council, Musoma Municipal Council, Bunda District Council, Musoma District Council, Tarime District Council, Royra District Council, Butiama District Council
Central Zone (47 Pes) - [Office - Dodoma]	Tabora (9)	UWASA -Tabora, RAS -Tabora, Tabora District Council, Nzega District Council, Sikonge District Council, Urambo District Council, Igunga District Council, Tabora Municipal Council, Kaliua District Council
	Singida (8)	UWASA -Singida, RAS -Singida, Singida Municipal Council, Singida District Council, Manyoni District Council, Iramba District Council, Ikungi District Council, Mkalama District Council
	Dodoma (16)	Institute of Rural Development Planning, University of Dodoma, Local Government Training Institute, Local Authorities Pensions Fund(LAPF), Capital Development Authority (CDA), UWASA - Dodoma, Geological Survey of Tanzania, Cooperative Audit and Supervision Corporation (COASCO, RAS - Dodoma, Chamwino District Council, Dodoma Municipal Council, Kondoa District Council, Kongwa District Council, Mpwapwa District Council, Bahi District Council, Chemba District Council
	Morogoro (14)	Sokoine University of Agriculture(SUA), Mzumbe University, Mzinga Corporation Sole, Tanzania Forest Research Institute, Tanzania Tree Seed Agency, UWASA -Morogoro, RAS - Morogoro, Kilombero District Council, Kilosa District Council, Morogoro Municipal Council, Morogoro District Council, Mvomero District Council, Ulanga District Council, Gairo District Council

<i>Zone</i>	<i>Region (No. of PEs)</i>	<i>Names of PEs</i>
Southern Zone (44 PEs) - [Office - Mbeya]	Iringa (7)	Mkwawa University of Education, UWASA –Iringa, RAS – Iringa, Iringa Municipal Council, Iringa District Council, Kilolo District Council, Mufindi District Council
	Rukwa (7)	UWASA – Sumbawanga, RAS – Rukwa, Sumbawanga District Council, Sumbawanga Municipal Council, Mpanda District Council, Nkasi District Council, Kalambo District Council
	Mbeya (12)	Mbeya Institute of Technology, UWASA –Mbeya, RAS –Mbeya, Mbeya City Council, Mbeya District Council, Rungwe District Council, Ileje District Council, Mbozi District Council, Kyela District Council, Chunya District Council, Mbarali District Council, Momba District Council
	Ruvuma (8)	UWASA –Songea, RAS – Ruvuma, Songea District Council, Songea Municipal Council, Mbinga District Council, Namtumbo District Council, Tunduru District Council, Nyasa District Council
	Njombe (6)	RAS –Njombe, Makete District Council, Ludewa District Council Njombe District Council, Njombe Town Council, Wanging’ombe District Council
	Katavi (4)	RAS –Katavi, Mpanda District Council, Mlele District Council, Mpanda Town Council

4. PERFORMANCE REVIEW OF THE AUTHORITY

4.1 Introduction

For FY 2013/14, the Authority had set out to implement measures aimed at improving procurement performance in the country. The measures included:

- (a) Ensuring that the Authority is strengthened to perform its regulatory functions and achieve its objectives as set out in PPA, Cap 410 and its Medium Term Strategic Plan;
- (b) Ensuring that proper procurement implementation guidelines are developed and disseminated;
- (c) Enhancing capacity of procuring entities and economic operators to implement PPA, Cap 410;
- (d) Implementing the system for checking and monitoring procurement including the procurement anti-corruption strategy;
- (e) Implementing the system of procurement of common use items and services;
- (f) Implementing the procurement system of collecting, storing and sharing procurement information.
- (g) Implementing the Public Procurement Act, 2011 and its regulations.

In addition to the above measures, the Authority has been able to participate in various international and regional forums aimed at fostering collaboration and sharing experiences with other similar organizations in the world. Again, this year has seen an increased scope of the Authority's activities due to increased knowledge and demand of its services by various stakeholders.

During FY 2013/14, the Authority continued to depend on the Government as a major source of funding, together with the PFMRP Basket as well as the ADB grant which finances the second phase of the Institutional Support Project for Good Governance (ISP II) and the Enhancement of Procurement Capacity of Local Government Authorities Project (EPC-LGAP) under the financing of the Kingdom of Belgium through the Belgian Technical Cooperation (BTC). During the year under review, the Authority started undertaking another donor-funded project known as the Strengthening the Role of PPRA to Enhance its Oversight Function Activity under the financing of the United States Agency International Development (USAID).

4.2 Strengthening of PPRA

The Authority has continued to strengthen itself to effectively and efficiently discharge its mandates under the Public Procurement Act, Cap. 410. During the year under review the following measures were taken to strengthen the Authority:-

4.2.1 Implementation of Medium Term Strategic Plan

During the FY 2012/13 the Authority continued to implement its Medium Term Strategic Plan (MTSP) 2009/10 - 2013/14 through respective Budget and Action Plan. Equally, the Authority conducted Monitoring and Evaluation exercise of this Plan for the period ended 30th June, 2014.

In line with the articulated vision and mission of the Authority, the MTSP is designed to address the following critical strategic issues:

- (a) Linking of public procurement management to national economic growth and poverty reduction objectives;
- (b) Linking of public procurement management to national anti –corruption drive;
- (c) Increasing PEs’ compliance with the PPA 2004, Regulations and the Authority tools;
- (d) Increasing PE and Bidders’ proactive demand for and responsiveness to the Authority services;
- (e) Harmonization and rationalization of the National Public Procurement, Legal and Regulatory Regime;
- (f) Harmonization and rationalization of and advocacy for the procurement complaints handling system;
- (g) Professionalization of the procurement function;
- (h) Deepening citizenry appreciation of the value for money in public procurement;
- (i) Improving the Authority’s operational and outreach capacity;
- (j) Ensuring the Authority financial capacity and sustainability; and
- (k) Fostering the Authority networking and partnering

The strategy has been in place for the last four years and during that period, a lot has been achieved as shown in Table 4-1 below. For the whole period of implementing the Plan, the Authority has been operating with inadequate financial and human resources.

Table 4-1: Major achievements of PPRA against MTSP

<i>Strategic issue</i>	<i>Major Achievements</i>
To strengthen linkage between public procurement system and national economic growth and poverty reduction;	441 out of 453 PEs have been trained on how to align Procurement Plan with institutional and National Strategy for Economic Growth and Poverty Reduction (NSGRP)
To strengthen linkage between public procurement management and the national anti –corruption drive;	Red flag system has been established and is being implemented by to monitor and control corruption in public procurement; Anti corruption strategy has been developed and implemented in collaboration with PCCB; PCCB officials have been trained on PPA, 2004 and its Regulations; PPA, 2004 and its Regulations have been revised to ensure more transparency and accountability during the implementation of procurement and execution of contracts.

<i>Strategic issue</i>	<i>Major Achievements</i>
<p>To strengthen Procuring Entities (PEs) compliance with the PPA 2004, Regulations and PPRA tools;</p>	<p>445 PEs have established Tender Boards (TB) and 417 PEs have Procurement Management Unit (PMU) but not adequately staffed as required by the Law; The System for Checking and Monitoring Procurement (SCMP) is being implemented in 178 PEs. All PEs have already been trained on the implementation of the system; DMC The system for commonly used items has been established and database accessible through PPRA and GPSA websites; About 518 government leaders and politicians, including 17 cabinet Ministers, 24 Regional Commissioners, 25 Regional Administrative Secretaries and 133 District Commissioners, and 150 TB chairpersons and members of Finance and Planning committees of LGAs; were sensitized on PPA, 2004 and its Regulations and amendments of the PPA, 168 CEOs and members of Board of Directors trained on PPA 2011 Procurement Management Information Systems (PMIS) to facilitate online reporting was established and rolled out to 364 PEs through training of 961 staff from PEs. Feasibility study on implementation of e-procurement in Tanzania was carried out in 2010 and gaps were identified in areas of legal framework, ICTs, infrastructure etc. In addressing the gaps, PPA 2011 and Regulations that came into effect in December 2013, has recognized e-procurement as acceptable method for conducting procurement to enhance transparency, efficiency and effectiveness. In addition, engagement with stakeholders is underway towards designing and phased implementation of a unified e-procurement solution for all entities.</p>
<p>To strengthen PE and Bidders' proactive demand for and responsive to PPRA service;</p>	<p>Advocacy programme was prepared and sensitization seminars were conducted to Chairpersons of Board of Directors Public Education and Awareness Programme was prepared and implemented through local TVs</p>
<p>Professionalization of the procurement function</p>	<p>The Authority promoted speedy establishment of PSPTB in 2008; The Authority supported the development of National Procurement Training Policy/Strategy by preparing training standards and submitted to the Ministry of Finance.</p>
<p>To strengthen PPRA Operational and Outreach Capacity;</p>	<p>All PEs have been audited at least once; Value for money (performance) audits have been conducted in 344 construction projects in 83 PEs; Client Service Charter was prepared; PMIS is reviewed regularly to accommodate new requirements to support submission of APP, checklists and profiles of PMU staff and TB members; Business Continuity Management and Plan have been developed and progressively implemented; and Organization Structure and Scheme of Service were reviewed to match with the increased work-load and services.</p>

<i>Strategic issue</i>	<i>Major Achievements</i>
To enhance networking and partnering	PPRA has participated in 19 international forums as reported in APER 2009/10, 2010/11, 2011/12 and 2012/13

The Authority will, in the FY 2014/15, review and develop another MTSP to draw up new strategies and plans to guide its operations for the next five years beginning FY 2014/15.

4.2.2 Authority's Manpower

PPRA has for the last seven years continued to experience a shortage of staff. In FY 2013/14, PPRA planned to increase its staffing level from 49 to 142 but could not be granted a permit to recruit only 50 Staff. The recruitment exercise was being coordinated by the Public Service recruitment secretariat (PSRS) until July, 2014 and therefore the new staff will be engaged from FY 2014/15. The Authority also requested from PO-PSM a permit for replacement of four positions left by staff in FY 2013/14 and recruitment of 49 more staff in FY 2014/15.

4.2.3 Staff Development

During the year under review, PPRA continued to implement its Staff Development Plan (SDP), whereby sponsorship was provided for staff to attend short and long term training through Government subvention and ADB funds under Phase II of the Institutional Support Project for Good Governance and USAID funded project as shown in Table 4-2. Under the said sponsorship, staff also attended various seminars, workshops and conferences within and outside the country as part of continuing professional development. Training attended mainly focused on PPRA's training needs and objectives as provided in SDP.

Table 4-2: Long and short-term training attended by staff

<i>S/N</i>	<i>Courses</i>	<i>No. of staff</i>		<i>Total</i>
		<i>Male</i>	<i>Female</i>	
1	Diploma	1	1	2
2	Bachelor's degree	0	1	1
3	Post-graduate diploma	0	1	1
4	Professional level IV-Certified Procurement and Supplies Profession	1	0	1
5	Master's degree	4	2	6
6	Short courses	16	15	31

4.2.4 Development of office premises

PPRA has continued with its efforts to solicit funds for development of own offices on its plot located at Kurasini. The plot has an old three-storey building shown in **Error! Reference source not found.**, which needs major refurbishment before it can be occupied. PPRA plans was to use Tshs.750 million allocated by the Government to renovate the existing building but this was not possible as only 21% of total allocation from local funds was received due to financial constraints. A consultant who was hired to carry out a feasibility study in FY2012/13 came up with a revised proposal to develop the whole

plot rather than refurbishing the existing building as a temporarily accommodate PPRA office while phased construction of the new office is taking place. Implementation of this proposal is however subject to obtaining resources from available property developers or investors.

In the same vein, PPRA also planned to open two zonal offices using TZS 197.5 million set aside in the budget for FY 2013/14 in Dar es Salaam and Dodoma. However, refurbishment of an office space provided by GPSA for the Coastal Zone Office was not completed as planned during this year under review. The Authority secured an office space in the Government Sub-treasury Building in Dodoma from June, 2014 to be used for the central zone.



Photo 4-1: Existing building at PPRA plot in Kurasini, Dar es salaam



Photo 4-2: Architectural impression of the proposed structure of PPRA offices at Kurasini plot, Dar es salaam

4.3 Capacity Building of Procuring Entities

4.3.1 Tailor-made Training to Procuring entities on PPA, Principles and Practices

The Authority has been receiving request from various procuring entities to design, prepare and conduct tailor-made training to suit their requirements. The objective of these tailor made training has been to equip staff of PEs with knowledge and skill on Public Procurement Act (PPA), regulations, standard bidding documents as well as other guidelines for proper implementation of their procurement functions. Furthermore, tailor-made training conducted by PPRA are meant to bridge capacity gaps observed during normal procurement operations, value-for-money audits, investigation, complaint reviews and provision of advisory services. There are also PEs that requested these training as part of their internal capacity programs.



Photo 4-3: A working session during one of the tailor-made trainings

During the financial year 2013/14, the Authority planned to conduct forty four (44) tailor-made training programs. During the implementation period, the Authority managed to achieve its target by conducting a total of forty four (44) training requests from PEs. Out of these entities, two were LGAs, three (3) Government Agencies, one (1) Ministry, nineteen (19) Authorities and nineteen (19) Parastatals organizations. A total of eight hundred and forty seven (847) participants attended the training.

4.3.2 Dissemination of PPA 2011 and Regulations to 50 LGAs and 50 MDAs

4.3.2.1 To disseminate PPA 2011 and Regulations to 50 LGAs and 50 MDAs

The Public Procurement Regulatory Authority (PPRA) has organized a series of dissemination workshops on Public Procurement Act, 2011 and Regulations, 2013 to MDA's and LGA's. The workshops were intended to equip participants with necessary knowledge on their role in ensuring compliance with Public Procurement Act, 2011 and its Regulations 2013 as well as to inform them on the new developments in public procurement. During this financial year, all procuring entities were invited to send their participants to four identified centres. The total number of participants who attended these workshops was 261 who came from 52 MDAs and LGAs.



Photo 4-4: Group photo of participants and PPRA facilitators at Arusha Centre

4.3.2.2 To disseminate PPA 2011 and Regulations to Board of Directors and Heads of 50 Public Authorities countrywide

PPRA organized dissemination workshop on Public Procurement Act, 2011 and Regulations, 2013 to Chief Executives of Parastatals Organizations, Independent Departments and Agencies as well as their Board of Directors. The workshop which was held at Arusha International Conference Centre from 8th to 10th July 2014 with a theme: Implementations of Public Procurement Act: Lessons Learnt and Challenges.

The workshop were intended to equip the targeted groups with the necessary knowledge on their role in ensuring compliance with Public Procurement Act, 2011 and its Regulations as well as to inform them on the new developments in public procurement. It was further intended to be a platform for improving procurement practices through sharing of experience as well as a forum for discussing challenges in the implementation of public procurement within procuring entities.

The workshop was attended by a total of 168 participants from various institutions and was facilitated by PPRA, Procurement Supplies Professionals and Technician Board (PSPTB); Government Assets Management Department (DGAM); National Audit Office (NAO); Tanzania National Roads Agency (TANROADS); Government Procurement Services Agency (GPSA); Electrical, Mechanical and Electronics Services Agency (TEMESA); Public Procurement Appeals Authority (PPAA) and Attorney General Chamber (AG).



Photo 4-5: Group photo of Board of Directors with Finance Minister Saada Mkuya

4.3.2.3 Dissemination of PPA 2011 and its Regulations to PPRA Board of Directors

PPRA organized workshop on the Public Procurement Act No. 7 of 2011 (PPA 2011) and its Regulations to its members of the Board of Directors in an effort to ensure members were quite conversant with all important provisions of the procurement law.

The workshop on PPA 2011 and its Regulations was held in Dar es Salaam on 3rd and 4th April, 2014. According to the chairperson of the Board, Dr. Ambassador Matern Lumbanga the training was vital and timely because the Board has the obligation to implement responsibilities vested in it under PPA 2011. This is brought to the fore the need to understand the provisions of the law to enable the Board discharge its oversight responsibilities efficiently and effectively.



Photo 4-6: Board of Directors of PPRA in a group photo during a workshop on PPA 2011

During the workshop, the Board was taken through new issues that have been introduced in PPA 2011 and its Regulations, including powers of PPRA to cancel procurement process before contract award, establishment of PPAA as an autonomous body, clear stipulation of circumstances which warrant emergency procurement as well as a requirement to integrate procurement and budget processes and challenges that procurement stakeholders are experiencing in implementation of PPA 2011 and its Regulations.

The Board also observed the challenge of implementing the requirement to have all contacts with the value of TZS. 50 million vetted by the Attorney General and approval of emergency procurement by the Government Procurement Services Agency, overlapping responsibilities among the entities established in the Act to carry out various procurement functions as well as limitation on the scope of investigation by PPRA.

At the end of the workshop, which was facilitated by the former Chief Executive Officer of PPRA, Dr. Ramadhan Mlinga, the Board resolved that all challenges that needed immediate attention would be brought to the attention of appropriate authorities for their interventions.

4.3.2.4 Procurement Governance Workshop

PPRA organized the second Annual Governance Workshop 2014 which was held at Arusha International Conference Centre from 25th to 27th June 2014 with the theme: **Towards Implementations of Public Procurement Act 2011 and its Regulations 2013**. The workshop was designed to attract chairpersons and secretaries of tender boards, representatives of user departments and heads of internal audits units from all procuring entities.

The workshop was also intended to be a platform for improving procurement practices through sharing of experience as well as well as forum for discussing challenges in the implementation of public procurement within procuring entities. Furthermore, the workshop was intended to impart knowledge and skills on PPA 2011 and its Regulations 2013 for the purpose of assisting participants in implementations of their procurement functions.



Photo 4-7: Group section of participants who attended Annual Governance Workshop

The workshop was attended by a total of 336 participants. Out of this figure, there were 37 Chairpersons of tender boards, 77 Secretaries of tender boards, 107 Representatives of user departments and 57 Internal Auditors, 1 Accounting officer, 30 PMU staff and 27 Tender board Members.

At the end of the plenary sessions, the following resolutions were adopted:

- a) PSPTB should ensure that they collaborate with other tertiary training institutions to ensure they develop curriculum which will produce graduates who meet international standards;
- b) The government should revise the public procurement Act 2011 and Regulations 2013 on time to remove ambiguities and improve clarity on areas which are silent;
- c) Procuring entities should ensure they build capacity of internal auditors to monitor public procurement activities;
- d) AG Chamber should ensure that vetting of procurement contracts with value of Tshs. 50mil and above is conducted efficiently in order to minimize time and cost;
- e) TEMESA and GPSA should ensure that they extend their services to district level;
- f) GPSA should ensure that they revise their procedures for prequalification of bidders for procurement of common use items and services in order to avoid incompetent service providers ;
- g) The Government should ensure that it establish and maintain an up dated electronic Government Assets Register;
- h) PE should be accurate in assessing their requirements and ensure there is no delays in implementation so as to avoid unnecessary overstocking which ultimately ends with more dormant, obsolete or expired assets;
- i) PPRA should ensure they conduct capacity building programs to build capacity of PEs on the use of ICT based systems;
- j) Ministry of Communication, science and technology and eGA to ensure that there is necessary ICT infrastructure and security framework in the country to facilitate implementations of e-procurement;
- k) PEs should ensure that they acquire adequate bandwidth to support operation of PMIS, and if necessary request support from eGA;

4.4 Provision of Advisory Services and Guidelines

4.4.1 General Advisory Services

The Authority is mandated to offer advisory Services to all PEs and other stakeholders of procurement in the country. During the FY 2013/14, the Authority continued with provision of advisory services on the application of PPA, use of SBDs, the use of various Guidelines issued by the Authority, Cap 410 and its Regulations, and on various applications for retrospective approvals.

The trend in the provision of advisory services during FY 2013/2014 shows that there has been a decreasing trend in the request for advisory services compared to last financial year, reflecting improvement in awareness and understanding of PPA in carrying out procurement.

Areas where there are repeated enquiries by PEs include request for advice on variations of contracts; request for procurement of services and maintenance of government motor vehicles; procedure for establishment of tender boards; request for approval of a different version of a contract document; request for advice on engagement of deleted Contractors to continue implementing ongoing projects; request for advice on delegation of procurement functions of procuring entity; request for advice on procedures for CUIS; and request for application of registration of companies for preferential schemes.

4.4.2 Review of Applications for Retrospective Approvals

The Authority in collaboration with the Government Assets Management Department of the Ministry of Finance and the Technical Audit Unit in the Internal Auditor General continued to advise the Paymaster General (PMG) on applications for retrospective approval as mandated by under PPA. The applications received before 13th December, 2013 were dealt with in accordance with PPA 2004 and those received thereafter, were handled under PPA 2011.

Following the enactment of PPA 2011, procedures for handling applications for retrospective approval on emergency procurement have been put in two categories; the first category is where prior approval of GPSA should be obtained and second, is where an application for approval from GPSA is impractically impossible, in which case, an accounting officer may proceed with an emergency procurement and immediate after signing a procurement contract, submit a request for retrospective approval to PMG.

During the review period, fourteen (14) applications for retrospective approvals shown in **Annex 4-1** were dealt with of which PMG was advised on nine (9) applications as follows:

- (i) To grant retrospective approval to two (2) applications from the Ministry of Land and Human Settlement Development and Same District Council with a total value of TZS 799,654,000.
- (ii) To disapprove five (5) applications from TANESCO, Mzumbe University and Medical Stores Department (MSD) with a total value of TZS 5,226,831,297.00 and USD USD 1,260,000.
- (iii) To reject two (2) applications from the Tanzania Building Agency (TBA) and Ministry of Home Affairs (MoHA) with a value of GBP 2,191,014.55 and Tshs.183,600,000.00 as local charges due to failure by the applicants to submit data to support the application. The application from TBA was in respect of a tender for procurement of household furniture for members of the Constitutional Review Commission and that from MoHA was in respect of a tender for procurement of 85 Land Rover.

Two (2) applications from MSD and one (1) from the Tanzania Ports Authority with a value of USD 3,654,332.24 and TZS 37,453,754,873.00 respectively, were under investigation. Two (2) applications were still pending awaiting submission of supporting documents from the applicants.

The number of applications for retrospective approval to PMG has decreased compared to the last financial year following the operationalisation of PPA 2011. This has been due to clear stipulation in PPA 2011 of the procedure for procurement under emergency circumstances and delineation of cases of emergency and non-emergency procurement. However, most of the applications handled under the repealed law were observed to have almost the same weaknesses reported in previous years, which included:-

- a) Poor planning of procurement which in some cases resulted in emergency procurement;
- b) Lack of justifiable basis for emergency procurement;
- c) Lack of justifiable basis in using of single source method;
- d) Necessary approvals in the procurement process were not obtained;
- e) Interferences of procurement functions between accounting officers and tender boards;
- f) Mismanagement of procurement undertakings; and
- g) Failure to pay suppliers or service providers on time.

The challenges which have been experienced in implementing the provisions on emergency procurement under PPA 2011 include lack of knowledge of such provisions as some PEs were still not conversant with the provisions in the new law. As part of the efforts to address the challenge, PPRA has continued disseminating the Act and its regulations to PEs.

4.4.3 Procurement Capability Assessment

4.4.3.1 Purpose

As part of its function of building procurement capacity in the country, the Authority has developed a Procurement Capability Assessment Programme (PCAP) to facilitate public entities to, amongst others:-

- Improve their procurement capabilities in order to support delivery of better public services;
- Increase the cost effectiveness of procurement; and
- Establish appropriate procurement policies and best practice in order to ensure fair and efficient procurement practices.

The assessment helps procuring entities to identify where capacity gaps exist and where continuous improvements can be implemented. In particular, the assessment assists procuring entities to improve their procurement governance structures, procurement processes, and internal controls. Ultimately these contribute to improved performance by attaining the best standards that are appropriate to the scale and complexity of their businesses.

4.4.3.2 Assessment of two entities

During the year under review, the Authority was contracted by the Tanzania Ports Authority (TPA) and the Tanzania Revenue Authority (TRA) to conduct procurement capability assessment in order to identify capacity gaps and provide recommendations. The results of such assessment are shown in Table 1 below, while more details are provided in **Annex 4-2**.

Table 4-3: PCA results for TPA and TRA

Tanzania Ports Authority		
Attribute	Key findings	Recommendations
Capacity and efficiency of TB, Delegated TBs, PMU and Delegated PMU in managing procurement	<ul style="list-style-type: none"> The TB at headquarter is extremely overloaded; PMU is understaffed, weak in capacity and inefficient; Poor coordination between PMU and user departments 	<ul style="list-style-type: none"> Re-establish the headquarter and delegated TBs and review the thresholds for delegation; Review staffing and performance of PMUs and equip them with necessary skills and tools; Improve the working relationship and impart appropriate skills to enhance coordination between PMU and user departments
Effectiveness of procurement planning	<ul style="list-style-type: none"> Inadequate knowledge of preparing annual procurement plan; Inaccurate assessment of the requirements by User Departments; Procurement plans were not updated to accommodate necessary changes. 	<ul style="list-style-type: none"> PMUs should ensure that APPs are realistic and comprehensive and that implementation adhere to the approved plans; Ensure effective participation of user departments at all levels (planning to implementation) and integration of the planning process with budgeting process; Update APP to reflect changed circumstances and details of actual implementation
Management of the procurement cycle	<ul style="list-style-type: none"> Delays within the PMU in processing requirements from user departments due unclear specifications or statement of requirements; Unnecessarily too long period given to tenderers mainly due to extensions arising from requests for clarifications; Delays in the processes for evaluation of tenders, review of tender evaluation reports, communication of award decisions and signing of contracts 	<ul style="list-style-type: none"> Prepare appropriate and realistic procurement plans in order to avoid unnecessary emergencies and ad-hoc procurements; Establish a quality control system that will ensure that specifications/statement of requirements are checked and approved within the User Departments before they are submitted to PMU; The composition of PMU staff should include experienced technical staff to assist in dealing with technical matters such as reviewing specifications, reviewing tender evaluation reports, preparing contract documents; Develop the necessary capacity in all operational and decision making levels to improve effectiveness and efficiency
Adequacy of contracts management	<ul style="list-style-type: none"> Poorly performing inspection and acceptance regime for goods and services; Delays in payment of suppliers, providers and contractors; Weak contract administration and monitoring of contract implementation 	<ul style="list-style-type: none"> Ensure the appointment of appropriate inspection and acceptance committees; Build capacity in contract management including contract administration; Use the various tools issued by PPRA to ensure adequate record keeping

Tanzania Ports Authority		
Attribute	Key findings	Recommendations
Adequacy of internal controls in relation to procurement function	<ul style="list-style-type: none"> Knowledge gaps in contract administration among the staff in PMUs, UD's and Internal Audit unit 	<ul style="list-style-type: none"> Enhance the capacity of internal audit unit to monitor and advise on procurement activities, including contract management

Tanzania Revenue Authority		
Attribute	Key findings	Recommendations
Capacity and efficiency of TB, Delegated TBs, PMU and Delegated PMU in managing procurement	<ul style="list-style-type: none"> TRA headquarter's tender board handle excessive workloads resulting from unplanned procurements; All delegated tender boards had less than the required number of members; There are inefficiencies within PMU (at the headquarters and delegated PMUs) contributing to the delays in the procurement process Inadequate assessment of the requirements during the planning stage, leading to emergency procurement and time lags during implementation 	<ul style="list-style-type: none"> Increase thresholds for delegated TB so as to off load some of the transactions handled by the TRA & TRA HQs TB; Restructure the TBs by merging TRA HQ TB and the Revenue Departments TBs into the TRA TB (Central TB); TRA should revisit its organisation structure and separate PMU from DHRA. PMUs to report to the respective delegated Accounting Officers and the Central PMU to the Commissioner General (Accounting Officer); Build the capacity at all levels involved in procurement planning, appropriate application of procurement methods, tender evaluation, records management, preparation of tender and contract documents, and contract management
Effectiveness of procurement planning	<ul style="list-style-type: none"> Inadequate knowledge of preparing annual procurement plan; Inaccurate assessment of the requirements by User Departments; Unplanned activities arising from requests from the government for TRA to undertake projects that were not initially in TRA's plans. 	<ul style="list-style-type: none"> PMUs should ensure that APPs are realistic and comprehensive and that implementation adhere to the approved plans; Ensure effective participation of user departments at all levels (planning to implementation) and integration of the planning process with budgeting process; Update APP to reflect changed circumstances and details of actual implementation

Tanzania Revenue Authority		
Attribute	Key findings	Recommendations
Management of the procurement cycle	<ul style="list-style-type: none"> Delays within the PMU in processing requirements from user departments due unclear specifications or statement of requirements; Delays by TBs especially at head office (TRA TB and TRA HQs TB) as a result of difficulties in convening the meetings caused by busy schedules of TB members; Delays in the processes for evaluation of tenders, review of tender evaluation reports, communication of award decisions and signing of contracts 	<ul style="list-style-type: none"> Prepare appropriate and realistic procurement plans in order to avoid unnecessary emergencies and ad-hoc procurements; Increase the staffing levels commensurate with the workload handled by each PMU; The composition of PMU staff should include experienced technical staff to assist in dealing with technical matters such as reviewing specifications, reviewing tender evaluation reports, preparing contract documents; Develop the necessary capacity in all operational and decision making levels to improve effectiveness and efficiency, including a review of the composition of TBs; Establish an appropriate records management system in order to save time taken to retrieve documents
Adequacy of contracts management	<ul style="list-style-type: none"> Poorly performing inspection and acceptance regime for goods and services; Poor record keeping; Weak contract administration and monitoring of contract implementation 	<ul style="list-style-type: none"> Ensure the appointment of appropriate inspection and acceptance committees; Use the various tools issued by PPRA to ensure adequate record keeping; Build capacity in contract management including contract administration;
Adequacy of internal controls in relation to procurement function	<ul style="list-style-type: none"> Lack of segregation of duties, when implementing procurement activities; Limited capacity of internal audit unit to undertake procurement audits and prepare reports that highlights areas of weaknesses and propose actions to strengthen controls 	<ul style="list-style-type: none"> Strengthen the capacity of internal audit unit to monitor and advise on procurement activities, including contract management

4.4.4 Review of STDs and other Implementation Tools

During FY 2013/14 the Authority revised Standard Tendering Documents and other Procurement Implementation Tools in order to align them with the Public Procurement Act, 2011 and Regulations, 2013. A total of eighty four (84) Standard Bidding Documents and other implementations tools were developed.

4.4.5 Action Research under Enhancement of Procurement Capacity of Local Government Authorities Project-(EPC-LGAP)

The Authority has received from the Belgium Government and the Government of Tanzania, a five years support towards Enhancement of Procurement Capacity for Local Government Authority (EPC-LGA) Project. As part of the support, the project covers LGAs in four regions in Tanzania mainland, which include Dodoma, Tanga, Coast and Kigoma. One of the activities of the project is to conduct Action Research designed to be undertaken in two LGAs from each of the above four regions.

The beneficiary LGAs are Kondoa and Chamwino District Councils from Dodoma Region; Mkuranga and Bagamoyo District Councils from Coast Region; Muheza and Korogwe District Councils from Tanga Region and; Kasulu and Kigoma District Councils from Kigoma Region.

The main objective of Action Research is to enable selected LGAs to define a point of doing right things in procurement management; to identify the key gaps; establish the causes; prepare an improvement plan and implement the improvement plan and performance measurement framework for sustainable achievements and outcomes throughout.

4.4.6 Updating database on average prices for goods, services and common activities in construction works

Under PPA 2004, PPRA was mandated to undertake research and surveys nationally and internationally on procurement matters. In accomplishing this objective, on 6th November, 2013 the Authority engaged a consultant to survey and update database on average price for goods, services and common activities in construction works. The contract is yet to be completed.

However, under PPA 2011 which came into operation fourteen days after this contract was signed, this activity has been transferred to Government Procurement Regulatory Authority (GPSA).

4.5 Enforcement of Compliance in Public Procurement

4.5.1 System for Checking and Monitoring Procurement Activities (SCMP)

PPRA prepared a system for checking and monitoring to monitor the public procurement procedures. The system was also developed to be used by procuring entities (PEs) to monitor the compliance of their procurement activities with PPA. Under this system each PE is required to prepare Annual Procurement Plan to guide them in their procurement undertakings during that financial year. The system also requires PEs to prepare and submit monthly progress reports for ongoing procurements showing clearly tenders in process and those which have been awarded. A comprehensive report is required for all awarded tenders showing clearly the whole process from advertisement, award and contract implementation stages.

4.5.1.1 Annual Procurement Plans received from PEs

During the FY 2013/2014 a total of one hundred and seventy eight (178) PEs submitted Annual Procurement Plans (APPs) as required by the procurement law. Out of the submitted APPs, one hundred and sixteen (116) APPs equivalent to 65% were received in the form of hard copies while the remaining sixty two (62) APPs equivalent to 35% were received through Procurement Management Information

System (PMIS). Many PEs are still not complying with this important requirement as only 39% of the total number of PEs (465) complied. List of PE's which submitted APPs is shown in **Annex 4-3**.

4.5.1.2 Advertisement of tender in the Procurement Journal

Procuring entities are required to submit to the Authority invitations to tenders to be published in the Authority's journal and website. During the FY 2013/2014 a total of two thousand two hundred and one (2,201) tender notices were collected, reviewed and posted into the Authority's website and Journal. Out of these, eight hundred and eighty four (884) which represent 40.2% of the submitted tender notices were for procurement of works; six hundred and sixty six (666) representing 30.3% of all tender notices were for procurement of goods; three hundred and thirty (330) representing 17.9% of all tender notices were for procurement of consultancy services; three hundred and seven (307) representing 13.9% of the submitted tender notices were for procurement of non-consultancy services and fourteen (14) representing 0.64% of the submitted tender notices were for disposal of assets.

4.5.1.3 Submission of monthly and quarterly procurement

During the financial year 2013/14 the Authority received monthly and quarterly procurement reports from 42 PEs only. Many PEs are not complying with this important requirement and therefore hindering the Authority to monitor procurement activities within PEs. The list of PEs which submitted monthly and quarterly reports are shown in **Annex 4-4**.

4.5.2 Administrative Review of Procurement Complaints

Section 81 of the repealed PPA 2004 empowered the Authority to make administrative review of procurement complaints submitted by bidders. However, following the repeal of PPA, 2004 by PPA 2011 which came into operation on 13th December, 2013, the Authority is no longer involved in administrative review of complaints. By virtue of Section 96 and 97 of the PPA 2011, procurement complaints are now dealt with by accounting officers and finally by the Public Procurement Appeals Authority. During the reporting period, the Authority received eleven (11) applications for administrative review whereby:

- a) Six (6) were reviewed and decisions delivered by the Authority in accordance with section 81 of PPA, 2004;
- b) Five (5) were referred to PPAA because the procurement contracts were already in force; and

The reviewed applications for administrative review were in respect of the following tenders:-

- a) *Tender No. AE/001/2010-11/HQ/C/97 for consultancy services for supervision of upgrading of Uyoovu-Bwanga-Bihalamulo Road (112KM) to bitumen standard, Lot 2: Bwanga-Bihalamulo Section (67 KM);*
- b) *Tender no. PA/004/2012-2013/HQ/W/05 lot 3A for pre-qualification for sub contractors of air conditioning installations for the proposed construction of Mzizima Towers on Plot No. 2163/2 along Kisutu Street, India Street and Maktaba Street, Dar Es Salaam;*
- c) *Tender for lease of butchery shops at Nansio Ukerewe market;*
- d) *Tender no. ME-ON/2008-2009/W/02 Chalinze water supply project -phase II - package F & H. The Complaints Review Committee rejected the complaint for lack of merit;*
- e) *Tender no. PA/108/2013-14/C/NO. 06 for the proposed construction of fence around residential house no. 121 at Shangani East Mtwara;*

- f) Tender No. PA038/HQ/2012/W/3AV for air conditioning and ventilation for the proposed college of informatics and virtual education for University of Dodoma (It Laboratories Building);
- g) Tender No. AE/023/2013-14/MWZ/NC/001 for provision of safety and security services at TRA Regional Office;
- h) Tender no. PA/036/2012-13/C/03 for provision of consultancy services for tourism marketing representative in India;
- i) Tender no. LGA/048/213/2014/02 for publication and printing of various documents for Mwanga District council for 2013/2014;
- j) Tender no. LGA/036/G/WS/13/14/01 for the supply of assorted HDPE and GS pipes;
- k) Tender No. PA/044/2012/2013/NC/01 FOR provision of pre-shipment verification of conformity to standard services for used motor vehicles for Tanzania Bureau of Standards;

It was observed that grounds for administrative review were mainly centered on dissatisfaction by bidders on decisions of accounting officer to reject their tenders, requirement for bid security, evaluation criteria used to evaluate tenders, award decisions as well the reasons for disqualification of bids.

The Authority also maintains a Register of procurement complaints it reviews as well as appeal decisions by PPAA. The reviewed tenders mentioned above and those reviewed by PPAA as shown in **Annex 4-5** were maintained in the Register during the review period:

Out of thirty nine (39) complaints and appeal decisions by PPAA received and registered, fifteen (15) were on non consultancy services, twelve (12) on goods, nine (09) on works and three (03) on consultancy services. The trend indicates that most of the submitted complaints were on non consultancy services and goods. It has been further observed that twenty one (21) complaints were against decisions on tenders by parastatal organizations, agencies and corporations and seven (7) against decisions on tenders by local government authorities.

As was the case in last year, review of complaints has revealed serious breaches of the procurement law including failure by Heads of PEs to issue tender documents which meets the requirements PPA. In twenty eight (28) PPAA rulings/decisions brought to the attention of the Authority, PPAA had ordered the procurement process to start afresh and compensate the aggrieved bidders on fifteen (15) cases.

Details of the administrative review cases handled by the Authority and appeal cases handled by PPAA are shown in **Annexes 4.5 and 4.6** respectively.

4.5.3 Investigations on allegations, complaints and reported cases of mis-procurement

4.5.3.1 Purpose

Section 10 of PPA 2011 gives the Authority mandate to conduct investigation into, amongst others, tender procedures relating to contracts awarded by the public bodies, the award of any public contract and the implementation of the terms of any public contract. The investigation may be prompted by any of the circumstances pursuant to Section 11 of the Act, but are mostly on allegations, complaints and reported cases of mis-procurement.

During the year under review, the Authority conducted three (3) investigations, the summary of which is given below, while the details are presented in **Annex 4-7**.

4.5.3.2 Investigation into the Project for Construction of a Library Complex at the Institute of Accountancy Arusha

Objectives	To determine the validity of the increased construction costs and also whether the Public Procurement Act and Regulations were adhered to in the procurement process.
Scope of the procurement	During its implementation, the project costs gradually increased from Tshs. 2,898,519,144.00 to Tshs. 6,879,362,004.41 for the construction works and from Tshs. 54,687,600.00 to Tshs. 471,651,762.40 for the consultancy services. Therefore, the Ministry of Finance vide letter with Ref. No. JA.260/276/01 of 12 th May 2014 instructed PPRA to audit the project in order to determine the validity of the increased project cost. The instruction followed the directive by the Parliamentary Committee for Economic Affairs, Industry and Trade to the Ministry to submit a report on the validity of the increased project cost
Key Findings	<ul style="list-style-type: none"> a) To a large extent the procurement process for the contractor as well as selection of the consultant adhered to the Public Procurement Act and Procurement Regulations, except when entering into the contract some formalities, relating to negotiations, communication of award and signing of contract were not followed; b) Records indicated that the cost increase for the works contract was caused by variations, additional works, re-measurements, interest on delayed payments, and claims. As for the consultancy services, the cost increase was due to increased scope of services and increased supervision time due to prolonged construction period; c) The difference between the Project Manager's and Auditors' valuations is due to irregularities observed by the Auditors in the Project Manager's valuation/ assessment of variations and additional works, applying discount to the re-measurements, claims for losses and expenses, interest charges due to delayed payments, and deduction of liquidated damages. Among the major issues are: d) Variation orders/ additional works - Tshs. 1,361,657,832.84 e) Claims for losses and expenses - Tshs. 1,443,071,627.08 f) Interest charges on delayed payments - Tshs. 907,911,044.12 g) Project Manager did not deduct liquidated damages from the Contractor's payments due to delayed completion of works; h) Errors with respect to Consultant's fee notes i) Unjustified reimbursable costs and miscellaneous expenses claims by the consultant j) Unjustified modification of contract price from Tshs 54,687,600 to Tshs. 416,964,162.40

	<ul style="list-style-type: none"> k) Retrospective approvals by tender board for all the revised financial proposals contrary to the provisions of the PPA and Regulations l) The project under investigation was supposed to be phased on the basis of yearly budgeted amount for the project
Recommendations	<ul style="list-style-type: none"> a) Training on the PPA and Contracts Management; b) Ensure in future, appropriate procurement plan is prepared depending on the approved budget and expected flow of funds from the Ministry of Finance; c) In order to avoid further cost increase, it was recommended to close the project with immediate effect and complete the final accounts; d) The malpractices by the consultant should be reported to the competent authorities; e) The accounting officer should take appropriate disciplinary actions for those who were involved or colluded with the consultant (DMC check!)

1.5.3.3 Investigation into the Process for selecting a Consultant and Contractor for the Geita Water Supply Project

Objectives	To determine whether the selection of the project consultant and contractor complied with the requirements of PPA and its regulations. Further, the investigation was intended to determine whether there was an effective competition as the two contractors who submitted bids for the subsequent contract were actually working in a joint venture for the initial phase of the project.
Scope of the procurement	Construction of intake, raw water transmission main, treatment plant, pumping station, transmission main line and main storage tank financed by the Geita Gold Mine Ltd (GGML), following an MOU with Government. Capacity: 4,800,000 litres per day. Government was to finance the distribution lines from the main storage tank to customers. The Government signed an agreement with GGML on 31 st May 2014 to finance the distribution line in which GGML contributed USD 1 million while the Government committed to contribute USD 400,000. It was agreed that the USD 400,000 should have been utilized by 30 th August 2014 and the USD 1 million from GGML to be utilized by 31 st December 2014. The GGML offer was conditional of the Government's contribution. Procurement under such joint financing was to be conducted by Geita Urban Water and Sanitation Authority (GEUWASA). The procurement was contracted out to the Regional Administrative Secretariat because GEUWASA did not have a tender board.

Key Findings	<ul style="list-style-type: none"> • The contracting out of the procurement function did not follow the procedure set out in the Act and Regulations; • The use of single source selection method was justified under the circumstances that prevailed in relation to the second phase of the project, however, the procedure for conducting the single source selection of the consultant was not properly followed; • The use of restricted method for procurement of works did not comply with the requirement of the Regulation 152 of G.N. No. 446 of 2013, thus there are doubts that the way it was conducted would assure an effective competition; • The requirement of the bidding documents were not fulfilled, as the selected contractors were of a class that would not qualify for the contract under this investigation; • The bidding documents were not properly prepared
Recommendations	<ul style="list-style-type: none"> • GEUWASA and RAS should enter into a proper contracting out agreement in compliance with the Act and its Regulations; • The procurement proceedings should be cancelled and a fresh process should be commenced in compliance with the provisions of the Act and Regulations; • The PMU and TB of the entity that has been contracted out the procurement function should carry out the process with due regard to the Act and its Regulations.

1.5.3.4 Investigation for Emergency Procurement of Equipment and Container Stacking Space to Mitigate Congestion at Dar es Salaam Port (Tshs 37,453,754,873)

Objectives	<p>To establish, among other issues, the price of new cranes, if the cranes including other equipments were actually delivered. Further, the serial numbers of the supplied cranes and other equipments was to be checked to establish if they were supplied new or used. The investigation was triggered by the application for retrospective approval of an emergency procurement.</p>
Scope of the procurement	<p>Emergency Procurement of Equipment and Container Stacking Space to Mitigate Congestion at Dar es Salaam Port (Tshs 37,453,754,873)</p>
Key Findings	<ul style="list-style-type: none"> • The Investigation conducted at TPA by an individual consultant in August, 2013 revealed that there were no documentary evidence (records) in the tender file to establish among other issues, the price of the equipment, if the equipment were actually delivered, and whether the supplied equipment were new; • On the basis of the above information and in the absence of the required records/documents, PPRA could not establish whether the equipment were delivered, inspected and whether they were new or used; • On 12th February, 2014 TPA through letter with Ref. No. SU/3/1/39 of 11th February, 2014 informed the Authority that the procurement method used in this procurement was single source direct from the manufacturers hence the requested documents were not applicable.

<p>Recommendations</p>	<p>TPA to furnish the required records/documents, in order for PPRA to establish whether the equipment were delivered, inspected and whether they were new or used</p>
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4.6 Sharing and dissemination of Procurement Information

4.6.1 Tanzania Procurement Journal



Figure 4-1: A snapshot front page of TPJ

The procurement law provides for the establishment of a journal as a tool for disseminating public procurement information to stakeholders. Accordingly, The Tanzania Procurement Journal (TPJ), currently published as a pullout in the Daily Newspaper, was introduced by the Authority in July 2010. During the review period, all weekly TPJ editions with approximately 765,000 copies were circulated countrywide, carrying information which include general procurement related news and events, tender advertisements, awarded contracts and articles on public procurement related issues.

Following the enactment of PPA 2011, all PEs are mandatorily required to publish with TPJ their general procurement notices, specific tender notices and contract awards information. To ensure compliance with the law, PPRA has issued circular to disseminate PEs on the provisions of PPA 2011 which provide for such requirement. Furthermore, the process to re-design TPJ in line with requirements under PPA 2011 was initiated.

4.6.2 Public Procurement Education programme

The Authority has developed a public education programme to publicize and promote the Authority's activities to the general public. As a continuation of education program prepared and aired in the last year, the Authority started preparation of four additional TV programmes to educate the public on improvements made in public procurement through the enactment of PPA 2011. Also, as part of dissemination of procurement issues, five radio jingles/advertisements on the new tools developed by PPRA to improve procurement performance and fight against corruption in procurement, were developed. The Authority was in the process to finalise negotiations with some radio stations to air the advertisements.

4.6.3 Improvement of Documentation Centre

Among the functions of the Authority is to undertake research and surveys nationally and internationally on procurement matters and to undertake any activity that may be necessary for the execution of its functions. In accomplishing this, the Authority has established documentation centre for the purpose

of storing procurement related documents, publications, articles etc for reference by stakeholders. It has been the practice of PPRA to equip documentation centre with requisite documents and facilities depending on the availability of the funds.

For this financial year, the Authority managed to plan to purchase 240 books from Amazon after receiving funds from African Development Bank (AfDB). Out of the requested books, the Authority managed to acquire 79 books of different titles related to procurement. Furthermore, through AfDB fund has been made available to modernize the centre by automating library services.

4.6.4 Roll out of Procurement Management Information System (PMIS)

PMIS, a web-based system, was developed to facilitate online submission of information to PPRA from PEs such as APP and monthly and quarterly reports. As a strategy for rolling out the system, during review period four workshops were conducted in Morogoro, Mwanza, Arusha and Mbeya where 330 participants attended and were taken through all features of the system. Accordingly, the status of roll out is shown on Table 4-3 below.

Table 4-4: Status of PMIS implementation

<i>Description</i>	<i>2007/ 08</i>	<i>2008 /09</i>	<i>2009/ 10</i>	<i>2010/ 11</i>	<i>2011/ 12</i>	<i>2012/ 13</i>	<i>2013/ 14</i>	<i>Total</i>
No. of PE attended training(group training)	11	171	69	56	19	0	191	517
No. of officers attended training (group training)	14	358	122	102	35	0	330	961
No.of PEs Visited	0	51	4	0	91	0	0	146
No.of Active PEs	16	36	36	65	65	89	65	372
No.of PEs Registered	11	123	69	60	29	52	20	364
No.of PEs Users Registered	14	305	122	85	53	52	102	733
No. of PEs attended tailor made training					5	2	3	10
No.of officers attended tailor- made training					23	4	13	40

Generally, there are challenges for users to adopt the system, which is attributed by a number of factors including lack of necessary ICT skills and poor Internet infrastructure. Accordingly, only 20-30% of the trained PEs effectively use the system.



Figure 4-2: A snapshot of PMIS home page

In order to address the challenges, some of measures to be taken in 2014/15 include conducting more workshops to cover all PEs as well as reviewing the system to accommodate user feedbacks as well as new requirement following coming into force of PPA 2011 in December 2013.

4.6.5 Website – A one-stop point for information on public procurement

The PPRA website – www.ppra.go.tz and its associated tenders portal – <http://tender.ppra.go.tz>, which provide useful procurement information were maintained in terms of updating it with contents and ensuring it is available all the time.

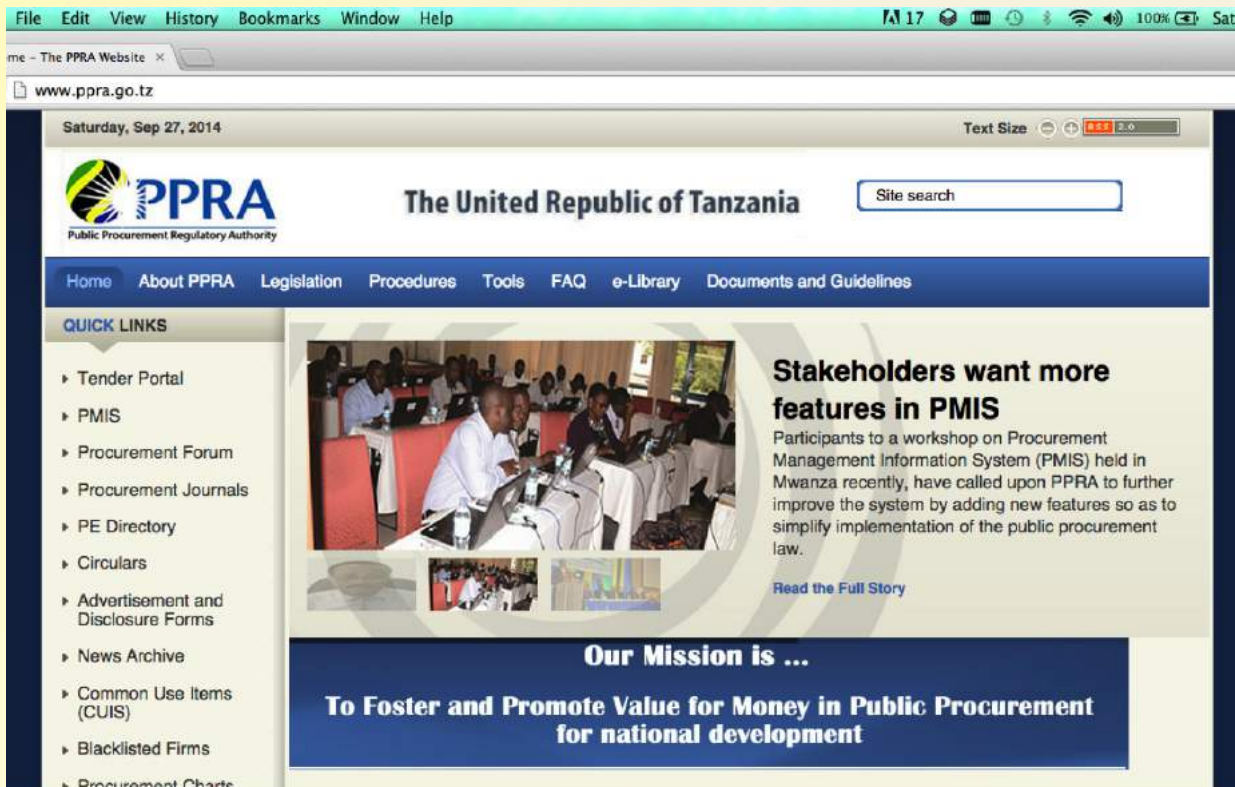


Figure 4-3: A Snapshot of home page of PPRA website

Some of the important procurement information posted on the tenders portal during review period includes 55 GPNs, 1563 SPNs and 1861 tender awards, as shown in Table 4-5.

Table 4-5: Statistics of tender information posted on website

Description	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Total
GPN	5	19	9	44	48	38	55	218
SPN	305	649	780	1481	1488	1366	1563	7632
Tender awards	312	329	1482	1195	597	382	1861	6158

4.6.6 Establishment and Operation of Mobile Tender Alert Service

In 2012, the Authority established a Tender Alert Service to enable subscribers receive early alerts on new procurement opportunities on their mobile phone. The service makes use of a short code 15332 to subscribe to it, and since it became operational, the number of subscribers to it reached 1253 as of June 2014.



PPRA
Public Procurement Regulatory Authority

Get SMS Tender Alerts and Updates on your mobile

Tender Categories;
Goods, Works, Consultancy,
Non Consultancy, Disposal

Steps To Register

- Send "PPRA TenderCategory" to **15332**
e.g. "PPRA Works" to **15332**
- You will receive a welcome message

NB: You can subscribe to more than one category

Each Subscription Costs TShs 1,500
Each SMS Alert Cost TShs 150

Figure 4-4: Steps to subscribe to Mobile Tender Alert Service

4.6.7 Tanzania Public Procurement Forum – an online discussion platform

The forum was established to provide a platform for stakeholders to exchange information and experience on public procurement for the purpose of learning and improving practices. The discussion focuses on all areas of public procurement and during review period, 643 registered users made 195 posts when discussing various procurement issues as shown on Table xx

Table 4-6: Online forum statistics

Description	2009/10	2010/11	2011/12	2012/13	2013/14	Total
Posts	257	263	196	119	195	1030
Number of topics	71	57	57	39	61	285
Number of users	104	199	121	113	106	643

4.7 Implementation of E-procurement System in Tanzania

4.7.1 Background and current status

In 2010, the Authority, recognizing the need for the country to embrace ICTs to support public procurement systems by enhancing transparency, efficiency and effectiveness, carried out a feasibility study, focusing on determining country's readiness to implement e-Procurement system. The study identified various gaps in the areas of legal framework and policy; institutional framework; procurement processes; ICT resources and People's readiness.

Some of the interventions that has been taken to address the gaps identified in the study using inputs from PPRA includes:-

- PPA was revised to mandate PPRA to establish e-procurement system in the country;
- Regulations of 2013, made under PPA 2011, provides for procedures for conducting e-procurement in the country;

Accordingly, during all its 2013/14 workshops on Procurement Management Information System (PMIS), sensitized participants from Procurement Management Units of PE on the planned introduction of e-procurement system in Tanzania. The Board of Directors of PPRA was also exposed to key issues on implementation of e-procurement through a benchmarking visit carried out in India.

4.7.2 Proposed e-procurement system

During the review period, the Authority continued to engage with key stakeholders including eGA, MSD, GPSA and POPSM for the purpose of establishing a unified solution for e-Procurement systems across all organization rather than silo systems, but starting with selected pilot entities namely MSD and GPSA. Under the envisaged unified system, which is supported by PPA and Regulations under it, all modules for e-procurement system are to be centrally managed and visible to PPRA in order to ensure compliance to both procurement procedures and security-related standards. The concept diagram of the system is as shown on Figure 4-5.

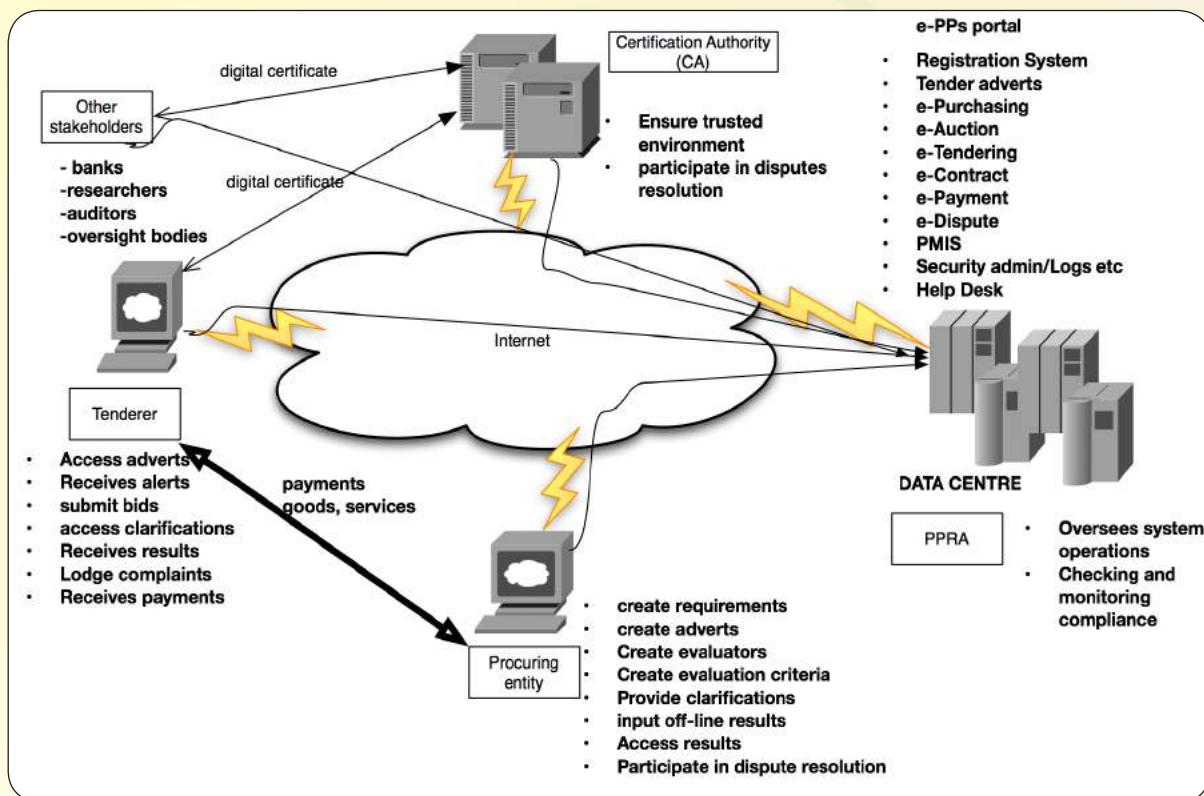


Figure 4-5: e-Procurement - Conceptual model

In 2014/15, PPRA will continue to engage with all relevant stakeholders and learn from countries that have successfully implemented e-procurement so as to ensure smooth implementation of the system.

4.7.3 Challenges of implementing e-procurement

The major challenges in implementing e-Procurement in Tanzania, which were also identified during the 2010 feasibility study, relate to the inducement of necessary trust and confidence in the cyber space (Internet) for carrying out online transactions through the use of digital signatures. Currently, the necessary infrastructure – termed Public Key Infrastructure (PKI) and its supporting laws, is not in place. By its ICTs nature, this falls under the Ministry responsible for Communications and Technologies.

Although it may not be immediately necessary due to the planned phased implementation of e-Procurement, other laws that require amendment to allow online transactions/payments and electronic contracting include Sale of Goods Act and Law of contract.

Other challenges relates to investment requirement to establish e-procurement system which includes:-

- Establishing a state-of-art data centre for hosting the system;
- Designing and development of e-procurement applications;
- Change management and training of users and administrators of the system from PPRA, all public bodies (purchasers) and economic operators (potential suppliers of goods and services).

In order to address the challenges, PPRA will continue to makes cases for funding this important reform from various sources so that the system implementation takes off by 2016.

4.8 *Other Interventions aimed at improving the Procurement System*

4.8.1 Registration for Preference Scheme

Public Procurement Act provides tenderer who wishes to be granted preference to apply for registration with the Authority. In accomplishing this activity, the Authority has prepared and posted to the website and Tanzania Procurement Journal the application form for the purpose of registration. For the financial year 2013/2014, ten (10) bidders have applied for registration for preference schemes and have provisionally been registered after coming into operation of the PPA, 2011 and its regulations of 2013.

In order to avoid duplication of efforts and where a particular group of tenderers are registered by a statutory body, the Authority is obliged to liaise with such statutory body like ERB, CRB, PSPTB, AQRB etc to obtain necessary information required to establish eligibility for the preference scheme. Based on these requirements, all contractors and consultant who have been granted by their relevant statutory bodies are automatically qualified for registration for the purpose of preference scheme.

4.8.2 Review of the restricted items for defense and security related procurement

Public Procurement Act provides defense and national security organs to manage their procurement and disposal on the basis of a dual list, covering items subject to open and restricted procurement or disposal methods respectively. It also provide these organs to agree annually with the Authority on the category of items to be included in the restricted list and on restricted procurement methods which applies to each category of item on the restricted list.

During the FY 2013/2014, PPRA received the list of restricted items from the Ministry of Home Affairs that covers procurement from Tanzania Police Force, Tanzania Prisons Department and Immigration Departments. Furthermore, the Ministry of Defence which included Tanzania Peoples Defence Force, Tanzania Prison Department submitted their restricted list of items. According to the procedure, both submission was reviewed and agreed with the authority to be included in the list of restricted items.

4.8.3 Registration of Suppliers and Service Providers

The procurement market is normally influenced by the quantity and quality of economic operators including suppliers and service providers. While consultants and contractors in some sectors are well regulated through registration boards, the same is missing in the case of suppliers and most service providers. The Authority has, during FY 2012/13, continued to register suppliers and service providers doing business with the public sector and post the same to its website.

Application for registration can be done using forms which are available and downloadable from the PPRA website. The applicants fill in the forms and submit either online or through postal services. Cumulatively, only 324 suppliers and service providers have been registered since the system for registration was introduced. During the period under review, 101 suppliers and service providers have registered and the list is available on the PPRA website.

4.9 International Collaboration

4.9.1 Commonwealth Public Procurement Network

The executive committee of the Commonwealth Public Procurement Network (CPPN) held its meeting in Windhoek Namibia from 12th to 13th March 2014, which was attended by the PPRA's Chief Executive Officer. The main agenda was to address the issue of funding and sustainability of the CPPN secretariat. The Government of the Republic of Namibia offered to host the secretariat at its Ministry of Finance, following the resolution made during the 7th October 2012 meeting held in Dar es Salaam. At the end of the March 2014 meeting a draft Memorandum of Understanding between the Namibian Government and CPPN was agreed upon.

4.9.2 Participation in the 6th East African Procurement Forum in Uganda

The East Africa Public Procurement Forum (EAPPF) is a meeting which gathers each year, since 2008, participants from Burundi, Kenya, Rwanda, Tanzania and Uganda. The forum targeted participation from policy and decision makers, development partners, procurement practitioners, procurement professionals, academia, contractors, representatives from various professional bodies, researchers, the private sector and business community.

The objective of the forum is to serve as a framework that helps participants learn and benchmark with each other on their respective public procurement systems including policies and enforcement measures. During 2013, the 6th EAPPF was held from 20th to 22nd November 2013 at the Common Wealth Speke Resort, Munyonyo. The event was hosted by the Public Procurement and Disposal of Public Assets Authority, (PPDA) Uganda with the theme "**Achieving Value for Money in Public Procurement.**" The Tanzania delegation comprised of twenty seven 27 delegates from Public institutions as well as private sectors as follows NSSF(4), Babati District Council (1), BOT (2) PPRA (9), ERB(1), GPSA(2), TCRA (1), PASAT (1), TCRA(1), PPAA(1), TACECA (1).



Photo 4-8: A group photo of participants to EAPPF 2013

In 2013, the forum introduced as part of its program, recognition of the best procuring and disposing entities for their outstanding achievements. The “Procuring Entity of the Year Award” ceremony was held to recognize the efforts of the best procuring and disposing entities in the East African Community region and to encourage better performance. Selection of the best performing entities was based on an assessment criteria developed and administered by the respective procurement regulatory authorities of the countries of Burundi, Rwanda, Tanzania and Uganda. The best performing entities from each country was awarded with certificates of recognition. Two procuring entities from Tanzania which was awarded the certificates were National Social Security Fund and Babati District Council who was best performed entities in Central Government and Local Government authority respectively.



Photo 4-9: Group section of participants during award ceremony

The forum was concluded by making resolutions in key areas as follows:-

Economy and Efficiency

- (i) Review the laws to make them simpler, focus on value for money and results as opposed to processes, reduce lead times and unnecessary cumbersome procedures.
- (ii) Adopt the practice of group procurements for commonly used items by MDAs in order to benefit from economies of scale.
- (iii) Procurement regulators should establish an integrated procurement management system linked to other government agencies such as tax bodies and registrar of companies etc to ease the pre and post qualification of providers.

Competition and Value for Money

The Governments should implement the following to support SMEs:

- (i) Address the challenges faced by SMEs in partnership with other relevant stakeholders;
- (ii) Set thresholds for which only SMEs are eligible to bid;
- (iii) Sensitize SMEs on procurement matters to enhance their effective participation in public procurement;
- (iv) Implement deliberate policies aimed at mainstreaming SMEs in public procurement e.g. taking advantage of provisions on reservation schemes in the procurement laws.
- (v) Simplify pre-qualification requirements for SMEs.

Accountability and Value for Money

- (i) Ensure that mechanisms put in place for sanctioning of non compliant actors are enforceable
- (ii) Market surveys should be conducted by procurement Entities to ensure that prices at which contracts are awarded are in line with the prevailing market prices
- (iii) Increase CSOs access to information and involvement in contract monitoring.
- (iv) The Governments should devise mechanisms for dealing with political interference in procurements.

Policy

- (i) Develop and harmonize procurement policies in all EAC member states.
- (ii) The procurement Authorities and the Governments should ensure that procurement units are appropriately staffed, the cadre are supervised, trained, appropriately remunerated and motivated;
- (iii) Procurement Authorities to work together with policy organs and professional bodies to promote their respective mandates.
- (iv) Establish an effective monitoring and evaluation mechanism of the procurement framework to determine capacity gaps at individual, entity and country levels.

Professionalism

- (i) Strengthen/establish the procurement professional associations to ensure professionalism of the procurement cadre and enforce ethical codes of conduct.
- (ii) Position the procurement function strategically in order to involve the procurement cadre in strategic decision making processes

International Trends

- (i) Enshrine best practices from other regions in our procurement laws
- (ii) Adopt the use of e-procurement in a phased approach to improve efficiency and reduce opportunities for corrupt tendencies.
- (iii) Develop appropriate legislation and use existing standards in the implementation of e-procurement.
- (iv) In PPP contracts, allocate risks well between the public and private parties.

Institutional Framework

- (i) Lobby respective national Governments on the submission to the EAC Council of Ministers for the establishment of an institutional arrangement for Procurement in the region.
- (ii) Fast track harmonization of procurement procedures and regulations in the East African Community
- (iii) iii. Increase funding to regulatory Authorities to enable them to effectively perform their functions. Harmonize standards for goods and services procured in the EAC member states to increase competition and reduce costs of procurement.
- (iv) Enhance independence of regulatory authorities

Hosting of 7th EAPF

- (v) The 7th session of the East African Procurement Forum shall be hosted by the Government of Kenya and in particular the Public Procurement Oversight Authority

4.9.3 Benchmarking study visits

4.9.3.1 Study visit on Good Governance and Accountability in USA

A study visit of the Board of Directors of PPRA to the United States of America was part of the PPRA's objectives to enhance the oversight function of the Board due to increased responsibilities and mandates under the PPA 2011. The study tour was arranged for the Board under the USAID-funded Capacity Development for Partners of Accountability (CDPA) Program. The program was designed and managed by Kilimanjaro International (KI) and took place in Washington, DC and New York City. The purpose of the CDPA intervention is to build capacities of institutions of accountability of the United Republic of Tanzania so as to enable them achieve sustainable and significant impact as advocates in their respective sectors as well as enhancing their oversight functions.

The programme involved training on strategic planning and performance management, public service management in a globalizing world and the concept of accountability, transparency and oversight in public procurement. The study tour also involved visiting and sharing of experiences with officials and experts of the Federal departments and agencies. The Federal offices visited were the General Accountability Office, Department of State, Department of Defense, USAID office and the Millennium Challenge Cooperation. The Authority has prepared an action plan for implementation of the lessons learnt from the study tour.



PPRA Board during a visit to General Accountability Office (GAO) in USA

4.9.3.2 Study visit on electronic Procurement

Following enactment of PPA 2011 which mandates PPRA to establish e-Procurement system in the country, the Authority carried a benchmarking study visit in India from 11 to 15 November 2013. Its comprised of PPRA's members of Board of Directors and Management, with an objectives of mainly learning the roles of the government in e-Procurement, particularly in handling security issues in cyber space.



Photo 4-10: PPRA Board and Management members at the office of Tanzania High Commission in India during study visit

Accordingly, the visit covered public institutions that use e-procurement so as to learn of their experiences and challenges they face in the course of using the system. Delegates also visited one firm that provides of e-procurement solutions to the Government to learn of the functionalities of various e-procurement modules implemented in India, including e-tendering, e-purchasing and e-auction,

The delegates had an opportunity to meet with India's Controller of Certifying Authorities – under the Ministry responsible for Information and Communications Technologies (ICTs), as well as one Certifying Authority.

The study visit to India is one of the efforts by PPRA to learn of other country's experiences as part of preparations for establishing e-procurement system in Tanzania in line with the new Public Procurement Act, 2011.

4.10 Projects coordinated by the Authority

4.10.1 Institutional Support Project for Good Governance II

4.10.1.1 Background

The Government of the United Republic of Tanzania through the Ministry of Finance has received a loan from the African Development Fund to finance the Institutional Support Project for Good Governance II. The project was signed on 12th October 2010 between the government of the United Republic of Tanzania and the African Development Bank and is financed to the amount of a loan from ADF to the amount of UA 5.200 and UA 0.260 as counterpart funds from the government of Tanzania making a total of amount of Unit of Account (UA) 5.460 Million.

The Ministry of Finance is the borrower and Executive Agency on behalf of the United Republic of Tanzania while the Public Procurement Regulatory Authority is the implementing agent. The project has four beneficiary institutions namely Ministry of Finance (MOF), Prevention and Combating of Corruption Bureau (PCCB), the National Audit Office (NAO) and the Public Procurement Regulatory Authority (PPRA). The project consists of the Project Steering Committee consisting of representatives from all beneficiaries to the project and is vested with the overall supervision and guidance under the chairmanship of the Chief Executive Officer of PPRA. On the day to day activities the Project Implementation Unit perform all the duties of the project under the supervision of the Chief Executive Officer of PPRA.

In compliance with the Protocol of Agreement between the United Republic of Tanzania and the African Development Fund signed on 12th October, 2010, the Implementing Agent is supposed to prepare quarterly report and submit to the Bank. The implementing agent now submits this report for the quarter ending 30th June 2014

4.10.1.2 Overall Achievements of the Project

The main objective of the project is to build enhanced capacity, accountability and integrity in the management of public resources. This is in line with the overall Tanzania government sector goal to improve transparency and accountability in public financial management. The project is administered in Tanzania mainland and in Zanzibar. There are three components namely:

- Improving Budget Credibility and Transparency
- Enhancing Economic Policy Management
- Improving the Budget Credibility and Transparency.

This sub objective is divided into two components namely improved tracking, monitoring and VFM audit whose main player is the National Audit Office, and Improved VFM procurement whose main player is the Public Procurement Regulatory Authority

4.10.1.3 Improved tracking, monitoring and VFM audit

The main player for this objective is the National Audit Office. The target was to have the AFROSAI – rating improved from level 1 to level 3 by 2013 and to improve the proportion of unqualified opinion from 86% in 2008/09 to at least 95% by 2013/14. NAO has managed to achieve the target of improving the AFROSAI –rating from Level 1 to level 3 in October 2013. NAO is striving to move from Level 3 to Level 4. In respect of Audit opinion, Audit by the National Audit Office revealed that, for the MDAs for the 2009/10, 2010/11 and 2011/12 is respectively 71%, 85% and 94.7%. For LGAs is respectively 49%, 54% and 78% while for the public bodies is respectively 75%, 84% and 62%.

In achieving the above stated objective, the National Audit Office, the project has implemented the activities on training of staff using consultants to 200 officers on Audit of Financial Statement, Training of nine officers on Procurement and IT auditing, training of 200 officers in IPSAS, ISSA and IFRS and Training of 200 officers on Risk based audit. The National Audit Office also conducted training to 60 Chairperson of parliamentary committee for three days in Bagamoyo on the role of CAG and improving the interrogative skills of MPs. The staffs of the National Audit Offices were also sponsored on short term training abroad in different discipline including project management, environmental audit, forensic audit, quality assurance and performance auditing in Road Works.

One zonal office located at Kilimanjaro was opened in 2013 and was furnished by the funds from the project. Offices for Dodoma and Rukwa are in final stage of construction and Mara and Iringa construction is expected to start soon.

After the National Audit has implemented the above mentioned activities, they were able to conduct a total of 47 special audits up to June 2013 against the target of 3 special audits. This was possible using the trained staff and the 40 laptops and video cameras that were purchased using the project funds. The cameras are used by Auditor to take evidence especially for the Value for Money Audit. Also the Laptops are used for TeamMate in analyzing the risk areas during the Risk Based Auditing. This has enabled NAO to achieve the above stated objective.

4.10.1.4 Improved VFM procurement

The main player is the Public Procurement Regulatory Authority. The target was to improve the Public Procurement Compliance rate from 50% in 2008/09 to 80% by 2012/13. The performance of PEs in procurement audit for the financial years 2009/10, 2010/2011, 2011/12 and 2012/13 is respectively 73%, 75%, 74% and 64%. The decline in 2012/13 is due to using new performance indicators. In terms of Value for Money audit in projects the performance of PEs for the year 2010/11 indicates 61 of audited project has average of above 75%, 59 has average of 50%-75% and 16 has average of below 50%. For the year 2011/12 the performance of PEs for the audited projects is 63 of project has average of above 75%, 49 of projects has average of 50%-75% and 7 of projects has average of below 50%. For the year 2012/13

the performance of PEs is 47 of projects has an average of 75%, 109 of project has an average of 50-75% which is fair and 51 of projects has an average of below 50%

In achieving the above objective, the Authority developed 14 education programmes and four TV spots to educate the public on public procurement issues. The Authority aired the programmes twice a week in three TV stations of wider coverage in Tanzania from March to October 2013. The TV stations were TBC1, Star TV and ITV. The Authority also developed and 4 TV spots/adverts on procurement issues and aired in the same TV stations. A total of 405 minutes of airtime were provided at pre-news hours (20:00pm) every day from March to October, 2013. Four talk shows on various procurement issues and challenges were prepared and aired in the same TV stations during the same duration of March to October, 2013.

The Authority is also in the process of preparing four additional TV programmes following the coming into operation of the Public Procurement Act of 2011. The programme is expected to educate the public about improvements that have been brought under the new law. In line with improvements on the procurement law, five radio jingles/adverts on new tools developed by PPRA to improve procurement performance and fight against corruption in procurement have been developed. The Authority has identified four Radio stations namely Radio Free Africa, Radio one, Clouds FM, and TBC Taifa to air the radio jingles following a no objection that has been granted by the African Development Bank. Audit results for the 2010/12 and 2012/13 financial years were published through press releases and newspapers.

Participated in the 50 years of Independence anniversary of Tanganyika in December 2011 where PPRA exhibited its activities, achievements as well as challenges and way forward. Participated in a live TV program known as KIPIMA JOTO where the public was educated on public procurement issues. The program is conducted in an interactive manner with the audience.

On e-procurement preparation, inputs were provided to Ministry of Finance, resulting into formulation of Regulations on e-Procurement which was issued in December, 2013. During the year under review, 9 Board and Management members visited India to learn experiences on issues pertinent to e-procurement implementation including Security framework, e-procurement application etc, and also preparation of detailed e-Procurement requirement to be implemented in 2014/15 were made.

On the implementation of the system for Procurement Management Information System, about 333 out of 448 PEs have been connected to PMIS. The number is expected to increase significantly due to the ongoing PMIS Training in Mwanza, Mbeya, Arusha and Morogoro

The documentation centre has been equipped with 219 books that have been procured. The E-Library software procurement is in progress.

The Tanzania Procurement Journal (TPJ) is published every Tuesday as a pull out in the Daily News which means that a total of 168 editions of the TPJ were issued for the period May 2011 to June 2014. During the reporting period a total of 2,520,000 copies of TPJ were published with information on procurement related news and events, tender advertisements, contract awards, articles on public procurement related issues, etc. The activity will continue until the end of the project.

Enhancing economic policy management, the project will accomplish main three main issues

This sub objective is divided into two components namely improved budget credibility the main player being the PFMRP secretariat of the Ministry of Finance, Improved external resource mobilization where the Ministry of Finance external finance department and Policy Analysis Division play key roles and improved business environment where Prevention and Combating of Corruption Bureau play an important role

4.10.1.5 Improved budget credibility

The main player being the PFMRP secretariat of the Ministry of Finance. The target was to ensure the PEFA (PI-26) on scope, nature and follow up on external scrutiny of audit rating to improve from “C” in 2008 to “B” by 2013. The Ministry of Finance has reported that, the PEFA assessment Report score PI-26 in 2009 was “B+” while in 2013 the score was “C+”. Strengthening is in progress in terms of MDAs following up on audit recommendations. The 2010 score of ‘B’ for dimension (iii) on the extent of follow-up by MDAs on audit recommendations was overrated.

Another target was to ensure that the expenditure overrun deviation declines from 13% in 2009 to less than 11% by 2013. After the Ministry has implemented the project activities, the Comparison of aggregate actual primary expenditure against the original budget shows negative deviations of 2 percent in 2009/10, 8.8 percent in 2010/11 and 5.5 percent in 2011/12 respectively. The deviations result from domestic revenue shortfalls in 2009/10-2010/11, projected revenue shortfalls for 2011/12, which led GoT to cut non-priority Recurrent expenditures, and slower than expected implementation of development projects, partly because of delays in releases of funds.

Another target was to establish the Internal Audit Department and to develop the Internal Audit Manual which were all established and developed although using different sources of funds. Capacity building of staff was done in the form of short term training in the areas of Gender Response Budgeting, Management Skills, Advanced Negotiation Skills, Monitoring and Evaluation.

The Technical Advisor for Monitoring and Evaluation of the PFMRP Secretariat was engaged. The Technical Auditor was engaged on part time basis after observing that the preparation of PFMRP Monitoring and Evaluation Operational Manual was prepared by the Ministry using different financing.

4.10.1.6 Improved external resource mobilization

The main player is the External Finance Department and Policy Analysis Division of the Ministry of Finance. The target was to ensure the reliance on budget support through development partners reduced from about 32% in 2009 to 25% by 2013. The Ministry of Finance has managed to ensure that the Reliance on External aid dependency ratio in the National Budget is 20.79% in 2011/12 and 17.04% in 2012/13.

Capacity building of staff was done in the form of short term training in the areas of impact of international economic trends and appropriate policy response, Debt and Loan Negotiation Skill and Training in Macroeconomic and Fiscal Issues.

4.10.1.7 Improved business environment

The main player is the Prevention and Combating of Corruption Bureau. The target was the Performance on contact enforcement measured by number of days to settle a business dispute. The target was

to reduce number of days to settle disputes from 462 (2010) to 350 by 2013. Another target was the Cost as % of claim reduced from 14.3% (2009) to 10% in 2013. The activities of PCCB especially the Preparation of the prevention and investigation manual and the Diagnostic Survey on Corruption in Road infrastructure which constituted a decisive role on this target were delayed in its implementation and the consultants are now in the field doing the assignment. PCCB will report back when these two activities are implemented.

The Prevention and Combating of Corruption Bureau has however conducted Professional training on asset tracking and recovering took place at Royal Village Hotel in Dodoma from 8th to 19th April 2013 where 117 participants attended and were trained. This is an important training especially in fighting against money laundering. PCCB has also conducted an Assessment of Grand Corruption and is a Diagnostic Survey on Road Infrastructure and also doing the preparation of Prevention and Investigation Manual on Corruption in Public Procurement.

Capacity Building in the form of short term training was also done in 2013/14 in the areas of Leadership course, Research Methods and Data, Project Monitoring and Evaluation, Employee Engagement and Organisational Performance Development and Management of Human Resources and Procurement and Contract Management.

4.10.2 USAID Strengthening of the Authority

4.10.2.1 Introduction

The United States Agency for International Development (USAID) and the United Republic of Tanzania (URT) entered into an agreement in September, 2013 to implement a four-year project for strengthen the role of Public Procurement Regulatory Authority (PPRA) as an Oversight Institution in Tanzania. The project is geared towards enhancing accountability by empowering the oversight body to deliver on its Medium Term Strategic Plan (MTSP) as well as capacity strengthening of civil society for increased understanding of the procurement process and the importance of playing a watchdog role and in holding the government to account for the proper use of public resources.

4.10.2.2 Overall Achievements of the Project

Since the project became effective in October 2013, the project has managed to accomplish the following activities:

- a) Capacity building in the form of Training to two PPRA staff who are doing a Diploma in Records Management Course in Sokoine University and Masters Program (IT & Management) in the Institute of Financial Management (IFM) in collaboration with Avinashilingam School of Management Technology of India.
- b) The Board of Directors of PPRA has undergone an extensive study program on procurement oversight, governance and accountability in the United States of America (USA) under the USAID-funded Capacity Development for Partners of Accountability (CDPA) Program Financial performance of the Authority
- c) PPRA staff have been oriented on USAID financial and Procurement Procedures
- d) An M & E team was formed and was oriented to prepare a Project Monitoring Plan. The PMP was prepared and submitted to USAID for approval.

4.10.3 Enhancement of Procurement Capacity of Local Government Authorities Project (EPC-LGAP)

4.10.3.1 Introduction

The 5-years Project, which is funded by the Kingdom of Belgium and the Government of Tanzania, is implemented by the PPRA together with Belgian Technical Cooperation (BTC) under strategic guidance of the Joint Local Partners Committee. The Project Implementation Unit is located at PPRA Headquarters. Main implementing partners include the Prime Minister's Office Regional Administration and Local Government (PMO-RALG), and the Local Government Training Institute (LGTI), Hombolo.

4.10.3.2 Outcome and Scope

The Project targets in particular 28 Local Government Authorities (LGA) in four selected regions of Coast, Dodoma, Kigoma and Tanga with the aim to sustainably enhance procurement capacity at local government level. The Results (Outputs) of the Project include 1) Capacity to provide long-term support to improved LGA procurement performance strengthened; 2) Systems for monitoring and quality assurance of LGA procurement strengthened; 3) Community members better informed and able to monitor Local Government procurement performance; 4) Action research on LGA procurement practices, incentives and organizational structures; and 5) LGA procurement performance strengthened.

4.10.3.3 Main Achievements

In FY 2013/14 - the first year of operations- considerable awareness has been raised to key stakeholders on issues and challenges in LGA procurement and contract management. Solutions have been defined - based on the earlier conducted Organisation Assessments and Base Line Study - in the LGA Capacity Building Formulation Workshop, which brought together key stakeholders from the Procurement and Local Government sectors, including Central Government Oversight Bodies (PPRA, PPPD, NAO, PCCB and PSPTB), PMO-RALG, regions, LGAs and civil society. The trend in procurement performance of the selected LGAs shows signs of improvement indicating that the capacity development approach is likely to yield results. Other achievements include:

- i.) Support to PPRA for procurement audits in 11 LGAs in the four project regions, which provides a basis to tailor capacity development interventions of the Project;
- ii.) Renovation works of PPRA Coast Region Zonal Office (in final stage) and Northern Zonal Office (at tender stage) aiming to increase outreach by the PPRA to regions and LGAs;
- iii.) Procurement of consultants for review and development of Local Government procurement operational manuals, training guides and toolkits is in final stage;
- iv.) Inputs to the new National Assessment framework for LGAs on assessment methodology, scope and selection of key indicators from PPA 2011 and PPR 2013;
- v.) Preparations for assistance to four regions for establishment of the improved system for monitoring, supervision and follow-up to LGA procurement in coordination with PPRA zonal offices;
- vi.) Organisation of consultations and orientation meetings with regions and LGAs and distribution of Project information materials;
- vii.) Implementation of Action Research in eight LGAs as a novel, capacity development

approach and methodology of “collaborative or participatory research, as part of Organizational Development, to improve the performance of individual staff, units, departments and the LGA organization as a whole to obtain better outputs and outcome in procurement and contract management”. Councillors, Council Director, senior and middle-level managers are actively involved in the process, which is guided by Council Action Research Teams (CART) with assistance of Procurement/OD advisors.

- viii.) LGAs benefitting from Action research are showing willingness and commitment to change procurement management and practices, and depending on the improvement plan of each LGA this resulted in: improved procurement record keeping; allocation of more staff to the Procurement Management Units; provision to PMUs of connectivity to internet, management systems and working tools; better involvement of User Departments in the preparation and implementation of Annual Procurement Plans; streamlining of contract administrations; and registration of local suppliers with GPSA; coaching and follow-up training is ongoing in use of Procurement Management Information System (PMIS), EPICOR, record management, procurement tools, etc;



Photo 4-11: PSDP Start-Up meeting Coast LGA - Kibaha



Photo 4-12: Validation of AR improvement Plan - Chamwino

- x.) Presentation on the Action Research experience to the Procurement Governance Workshop in Arusha (June 2014), which generated a positive response and interest from stakeholders;
- xi.) Training and support to 22 LGAs from Coast, Dodoma and Tanga regions to analyse procurement skills gaps and training needs to formulate Procurement Skills Development Plans (PSDP) in the context of the strategic function of procurement in the LGA organisation (encompassing Shared Values, Style, Strategy, Structure, Systems, Staff and Skills); the skills gaps of Job Families with major roles and responsibilities in the LGA procurement cycle have been harmonized, validated and defined with participation of LGAs, regions, PMO-RALG, LGTI and PPRA; draft medium-term PSDPs (up to FY 2016/17) and Training Action Plans (FY 2014/15) have been prepared;
- xii.) Validation of re-tooling needs of PMUs and procurement is ongoing; and
- xiii.) Development by LGTI of ToT Course for Council Procurement Training Teams and 12 LGAs from Dodoma and Coast regions benefitted from the first leg of training.

1.11 Financial performance of the Authority

During the financial year 2013/14, the Authority received a total sum of TZS 2,496 million from the Government for its recurrent expenditure (other charges and personnel emoluments). The Authority also received from the Government (PFMRP -Basket Funding) TZS 1,315 million for Development

expenditure, making a total sum of TZS 3,811 million of Government funding. The Authority also received TZS 2,414 million from ADB for ISP II project and Tshs.246 million from USAID. In addition to this, the Authority also collected an income of TZS 1,344 million from Income Generating activities such as tailor-made trainings, Tender Adverts in TPJ and dissemination workshops. Total income received in FY 2013/2014 was therefore TZS 7.4 billion as compared the total budget of TZS 11.2 billion (70% of Annual Budget for FY 2013/2014)

Expenditure during the year under review reached TZS 6,871 million compared to TZS. 5,761 million in the previous financial year. The increase in expenditure in FY 2013/2014 is mainly due to increase in project funds particularly ADB and USAID as analyzed in Table 4-7 below.

The actual receipts and expenditure for the year under review is as shown in

Table 4-8.

Table 4-7: Budget performance FY 2013/14 (Figures in TZS'000)

<i>S/N</i>	<i>Source of Funds</i>	<i>Budgeted Amount</i>	<i>Revenue in 2013/14</i>	<i>Expenditure as at 30/06/2014</i>	<i>Balance from the funds received as at 30/06/2014</i>
1	Government Subvention – OC	800,000	803,821	2,453,013	(305,555)
2	Own Sources	2,500,000	1,343,637		
3	Government Subvention – PE	1,709,977	1,692,601	1,693,780	(1,179)
4	Government -Development (local)	950,000	197,500	0	197,500
5	PFMRP-Basket funding	1,117,188	1,117,188	366,969	750,219
6	ADB-ISPII Project	2,616,895	2,414,571	2,081,988	332,583
7	USAID Project	1,458,144	246,264	275,591	(29,327)
	TOTAL	11,152,204	7,815,582	6,871,341	994,241

Generally, from the analysis shown in Table 4-7, the Government has been the major financier of the Authority activities but there was also a budget reduction in the Development Expenditure (Local Funds) budget of 79% as compared to approved Budget. In the year under review budget allocated by the Government for Other Charges has been reduced significantly as compared to previous financial years. The Authority also generated TZS 1,714 billion from own sources in the year under review but a larger portion of this income was not collected by the year end. The Authority closed this year with liabilities amounting to Tshs.476,623,573.80 due to inadequate funds in the Recurrent Budget .

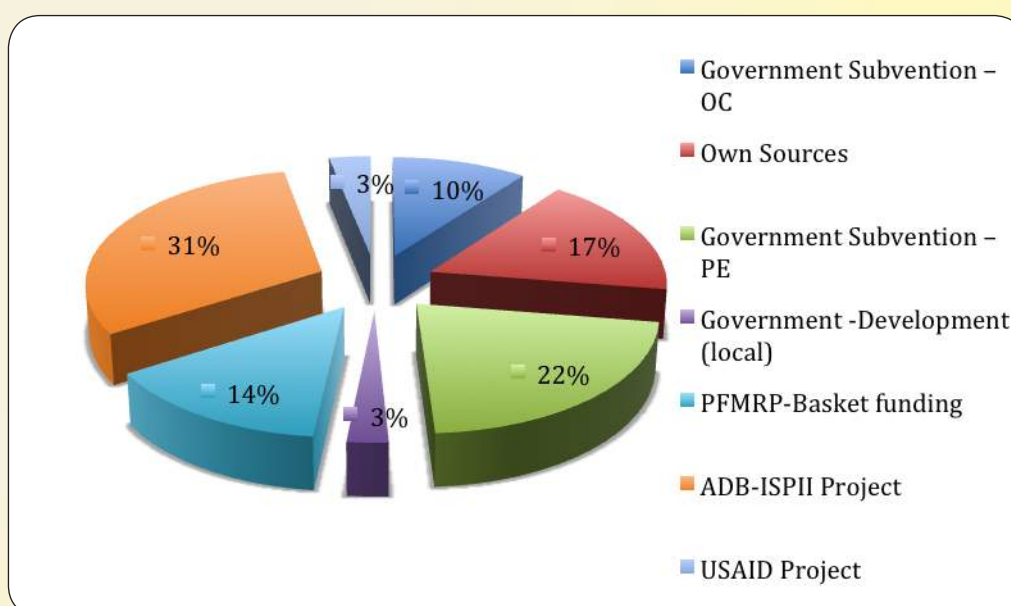


Figure 4-6: Percentage Distribution of Revenue for 2013/14

The analysis of expenditure shown in Table 4-8 and Figure 4-7 below shows that 27% of all expenditure is on personnel emoluments and 21% is on administrative services. In terms of value, both personnel emoluments and administrative expenses utilized TZS3.2 billion as compared to TZS 3.8 billion received through Government subvention and own sources for Recurrent Expenditure.

Again as in previous financial year, the situation depicted in Table 4-7, implies that the Authority has been depending on Development Partners (PFMRP –Basket Funds) to finance its core activities of capacity building and monitoring compliance of PEs with the PPA and its Regulations.

Table 4-8: Analysis of expenditure for FY 2013/14 (Figures in TZS '000)

<i>Category</i>	<i>OC</i>	<i>PE</i>	<i>PFMRP-DEV</i>	<i>ADB</i>	<i>USAID</i>	<i>TOTAL</i>
Administrative Services	1,777,062	0	0	149,045		1,926,107
Capacity Building	226,092	0	114,448	65,865	275,591	681,996
Monitoring & Compliance	46,220	0	198,079	7,792		252,091
Information Technology	50,056	0	5,602	285,107		340,765
Training	18,092	0	48,840	492,600		559,532
Personnel Emoluments	0	1,693,780	0	0		1,693,780
Office set up costs	335,491	0		1,081,579		1,417,070
TOTAL	2,453,013	1,693,780	366,969	2,081,988	275,591	6,871,341

(The figures provided above are not audited)

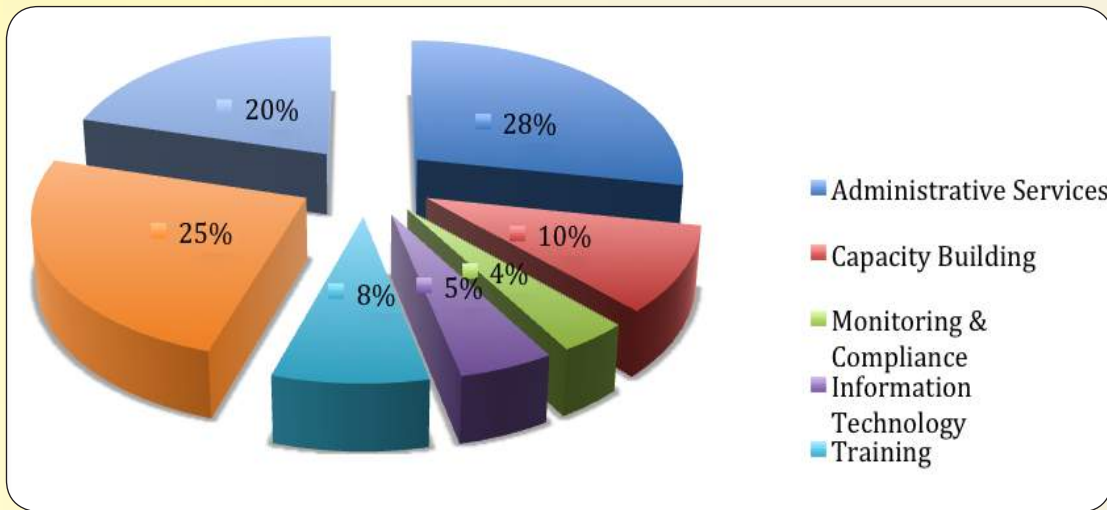


Figure 4-7: Expenditure analysis in percentages

5. PERFORMANCE REVIEW OF PROCURING ENTITIES

5.1 *Volume of Contracts Awarded by the PEs in FY 2013/14*

As for the previous years, the Authority has continued to collect information on awarded contracts by PEs. PEs response in submitting contracts award information has been dropping from 319 PEs in the FY 2011/12, to 265 PEs and 235 PEs in the FY 2012/13 and FY 2013/14 respectively. A substantial number of PEs are still not complying with the requirement of submitting information on awarded contracts despite the efforts made by the Authority to request for the same. It should be noted that the number of PEs has also been increasing from 397 in FY 2011/12 to 465 in FY 2013/14.

The analysis of the submitted information indicated that 74,208 contracts amounting to Tshs. 4,858,546 million were awarded by 235 PEs during the FY 2013/14 compared to Tshs. 4,884,460 million awarded by 265 PEs during the FY 2012/13 and Tshs. 4,325,114 million awarded by 319 PEs during the FY 2011/12 as shown in **Table 5.1**. The values of the awarded contracts represent a considerable proportion of the total government budgets of Tshs 13,525,895 million, Tshs.15,191,944 million and Tshs.18,248,983 million for the FYs 2011/12, 2012/13 and 2013/14 respectively. The awarded contracts included 48,240 contracts for goods (majority being LPOs) equivalent to 65% of all contracts, 3,960 contracts for works equivalent to 5.3%, 945 contracts for consultancy services equivalent to 1.3%, 20,917 contracts for non-consultancy services equivalent to 28.2%, and 146 contracts for disposal of assets by tender equivalent to 0.2%. A summary of contracts volumes awarded by various categories of PEs and types of procurement is shown in **Tables 5.1**. The analysis of number of contracts awarded by various categories of PEs and type of procurement is shown in **Table 5.2**. It should be noted that, although in numbers works contracts were only 5.3% of all contracts awarded, in value, they amounted to Tshs. 2,418,446 million which is equivalent to 49.8% of the total value of all awarded contracts.

Procuring entities were also requested to submit their budget information as well. The requested budget information was required to be broken into what was approved against what was disbursed. The analysis of the budget information shows that although the total budget for the 235 PEs was Tshs. 10,997,407 million, only Tshs 9,449,870 million which is equivalent to 86% was received /collected by PEs. Out of the received budget amount, Tshs. 4,858,546 million which is equivalent to 51.4% of the disbursed amount was spent through procurement. The comparison of the actual budget with expenditure in procurement and the proportion and trend of the budget expenditure are shown in **Figures 5.1 (a), (b) and (c)**.

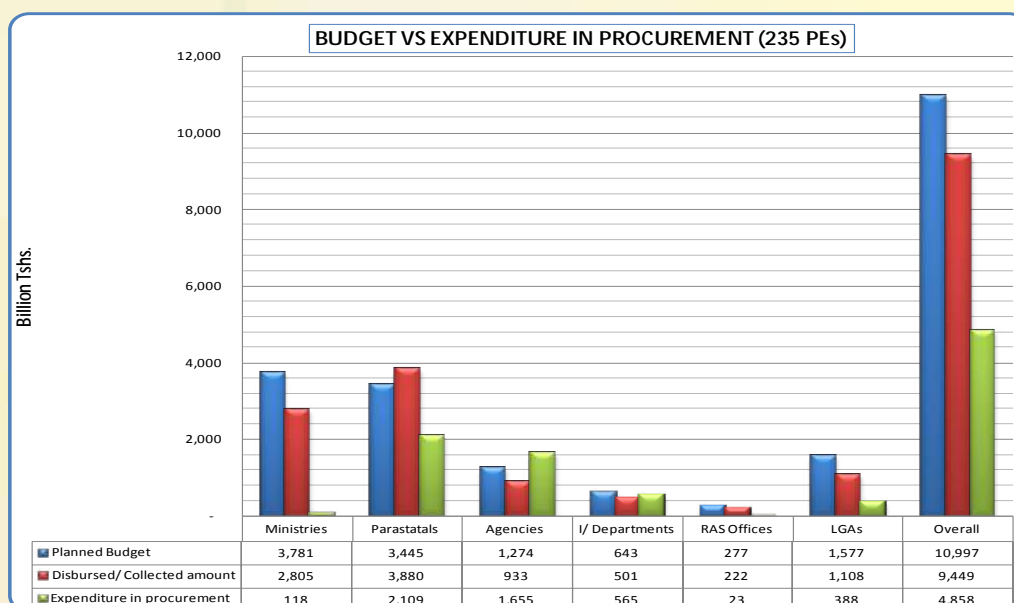
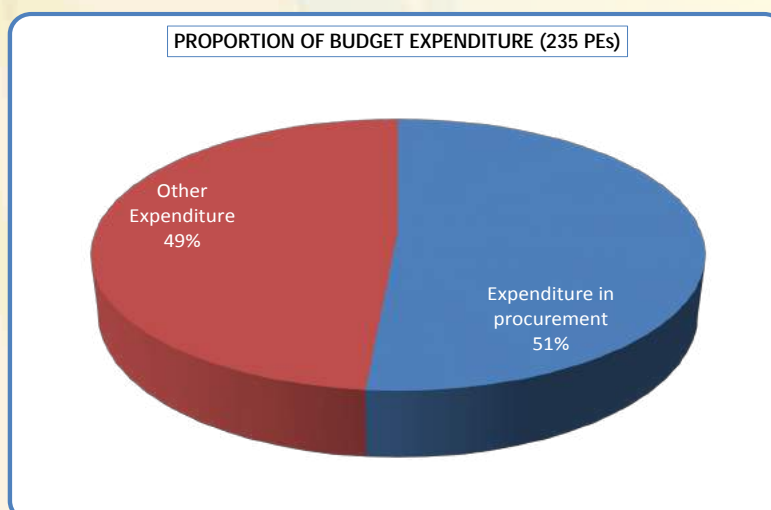
The analysis of volume of procurement and budget in this report should be taken with caution since the comparison is not for the same PEs. In future, when all PEs comply with this submission requirement, it will be possible to analyze trends of procurement budget expenditure and procurement volume for each category of procurement and PEs on yearly basis.

Table 5-1: Summary of volume of contracts awarded in million Tshs

Category of PE	Financial Year	No. of PEs	Planned Budget	Actual Budget	Goods	Works	Consultancy Services	Non-Consultancy Services	Disposal of Assets by Tender	Total
Ministries	2011/12	24	4,019,030	3,379,592	208,139	20,960	53,346	31,434	23,909	337,788
	2012/13	18	3,408,941	2,464,392	191,106	150,620	31,745	28,518	66	402,053
	2013/14	16	3,780,666	2,805,475	37,983	16,439	19,846	44,221	0	118,489
Parastatal Organisations	2011/12	92	3,392,900	2,883,941	554,430	1,178,032	120,321	68,067	306	1,921,155
	2012/13	77	4,557,031	3,377,986	1,002,858	511,119	33,236	84,585	97	1,631,895
	2013/14	70	3,445,112	3,880,312	937,507	994,550	103,775	72,888	165	2,108,885
Executive Agencies/ Water Authorities	2011/12	56	2,467,455	1,994,763	217,562	1,035,982	47,768	39,188	7	1,340,506
	2012/13	52	4,398,568	3,550,529	608,457	1,421,815	24,359	28,922	13	2,083,565
	2013/14	41	1,274,190	932,682	392,463	1,106,323	135,365	20,779	51	1,654,981
Independent Departments	2011/12	27	471,539	438,901	200,669	65,595	4,063	30,613	1,568	302,509
	2012/13	19	529,473	491,520	198,118	28,053	2,259	16,071	36	244,538
	2013/14	20	643,088	501,330	500,580	9,820	3,933	50,970	7	565,310
Regional Administ-rative Secretariats	2011/12	14	86,225	83,557	8,567	10,719	843	7,360	8	27,497
	2012/13	17	163,932	159,677	92,935	8,761	11,733	6,270	40	119,738
	2013/14	18	276,860	222,110	9,641	7,908	906	4,480	0	22,935
Local Government Authorities	2011/12	106	2,192,384	1,602,301	98,759	260,749	10,674	25,096	379	395,658
	2012/13	82	1,879,058	1,488,620	79,892	295,334	5,955	21,220	270	402,671
	2013/14	70	1,577,492	1,107,962	64,649	283,407	11,883	27,904	103	387,946
Total	2011/12	319	12,629,532	10,383,056	1,288,125	2,572,037	237,016	201,758	26,177	4,325,114
	2012/13	265	14,937,002	11,532,725	2,173,364	2,415,702	109,287	185,585	522	4,884,460
	2013/14	235	10,997,407	9,449,871	1,942,823	2,418,447	275,708	221,242	326	4,858,546
Percentage (%)	2011/12	80%		82.2%	30%	59.5%	5.5%	4.7%	0.6%	
	2012/13	67%		77.21%	44.50%	49.46%	2.24%	3.80%	0.01%	
	2013/14	51%		86%	40%	49.8%	5.7%	4.5%	0.01%	

Table 5-2: Summary of number of contracts awarded in FY 2013/14

Category of PE	Goods	Works	Consultancy Services	Non-Consultancy Services	Disposal of Assets by Tender	Total
Ministries	2,253	61	103	2,588	0	5,005
Parastatal Organisations	16,966	759	355	9,011	83	27,174
Executive Agencies/ Water Authorities	5,239	1,427	209	2,192	49	9,116
Independent Departments	1,267	49	68	1,141	1	2,526
Regional Administrative Secretariats	3,902	71	115	1,585	0	5,673
Local Government Authorities	18,613	1,593	95	4,400	13	24,714
Total	48,240	3,960	945	20,917	146	74,208
Percentage (%)	65%	5.3%	1.3%	28.2%	0.2%	


Figure 5-1: Comparison of actual budget with expenditure in procurement

Figure 5-2: Proportion of budget expenditure in procurement

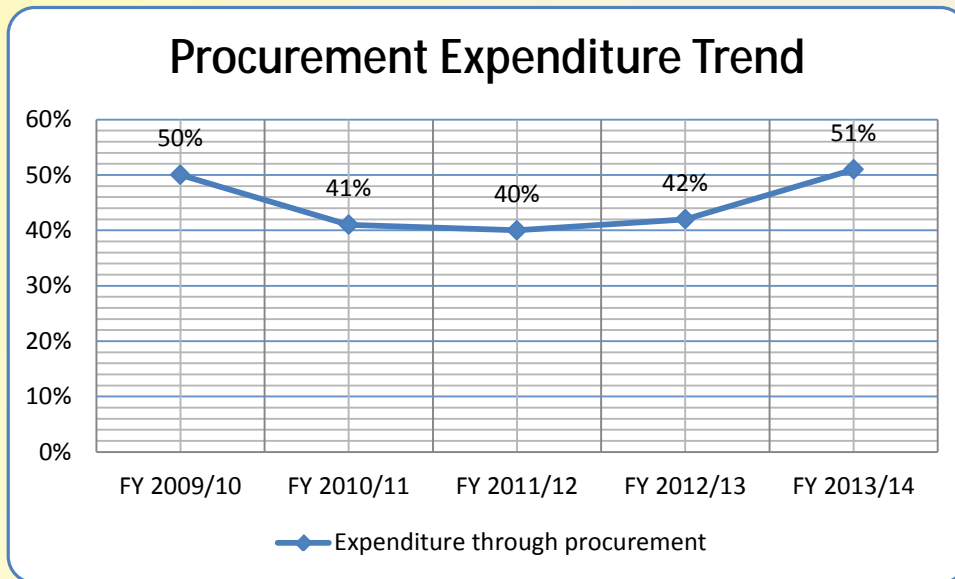


Figure 5-3: Trend of budget expenditure in procurement

Analysis of the values as shown in **Figure 5.2(a)** shows that out of Tshs 4.86 trillion, 49.8% was for works contracts, 40.0% for supply of goods, 4.5% for non-consultancy services, 5.7% for consultancy services and 0.01% for disposal of public assets by tender. The results have been influenced by procurements conducted by TANROADS and TANESCO which had a total volume of procurement of Tshs. 2.36 trillion out of the total 4.86 trillion. This is about 49% of the total volume of procurements for the 235 PEs. When procurements conducted by TANROADS and TANESCO are excluded, the distribution changes as shown in **Figure 5.2(b)**

The comparison of distribution of the volume of procurements for years 2011/12, 2012/13 and 2013/14 in terms of types of procurement and category of entity are shown in **Figures 5.3** in which it is seen that the volume of procurement for goods and disposal of assets by tender dropped compared to the last year.

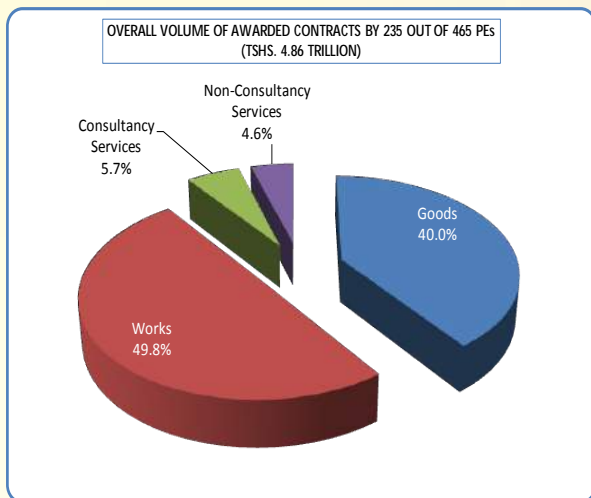


Figure 5-4: Percentage distribution of volume of awarded contracts by 235 PEs

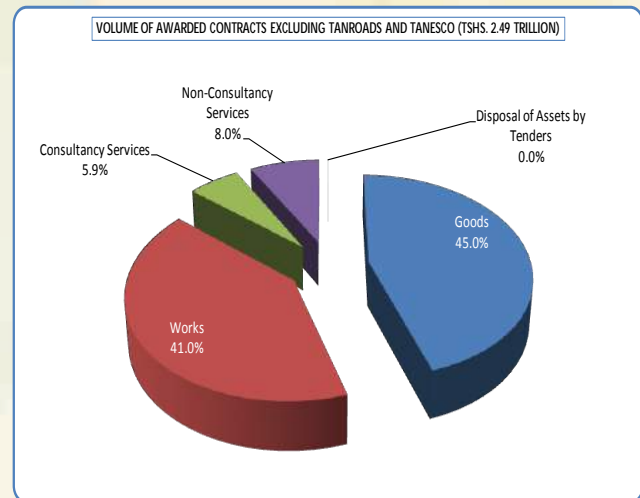


Figure 5-5: Percentage distribution of volume of awarded contracts (excluding TANROADS and TENESCO)

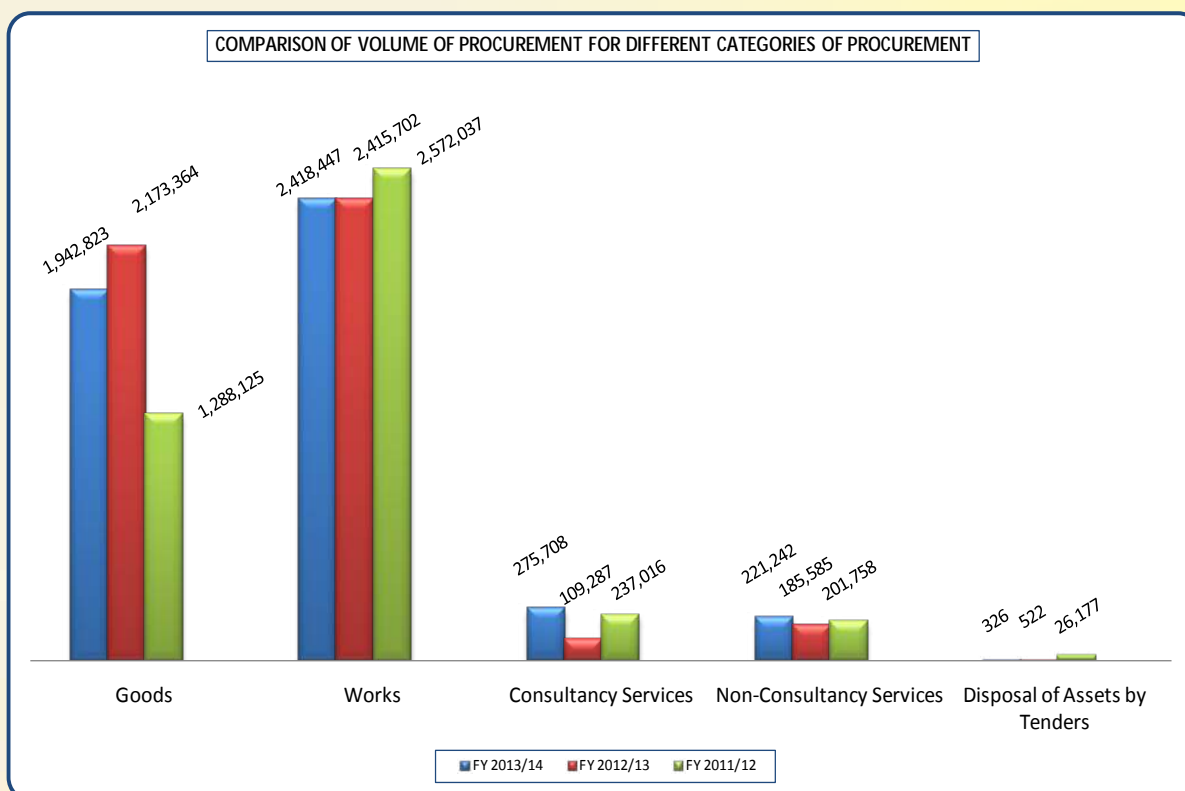


Figure 5-6: Comparison of volume of awarded contracts in million Tshs

Figure 5.4 (a) and (b) makes a comparison of procurements made by various categories of PEs, including and excluding procurement made by TANROADS and TANESCO respectively. The volume of procurement by Parastatal Organizations is recorded to be the biggest with 43.4% followed by Executive Agencies and Water Authorities with 34.1%. When TANROADS and TANESCO are excluded, volume of procurement of Executive Agencies and Water Authorities becomes the largest with 28.5% followed by Parastatal Organizations which dropped to 27.7%.

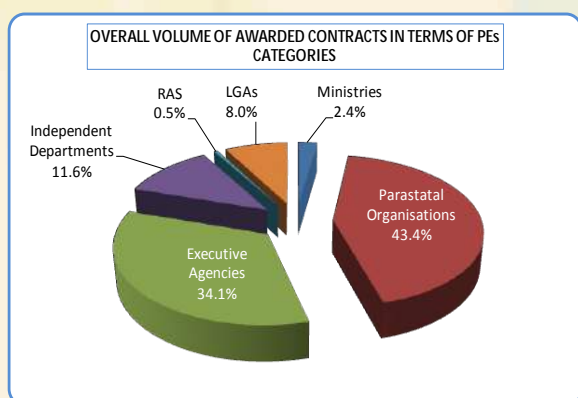


Figure 5-7: Comparison of volume of procurement for different categories in FY 2013/14

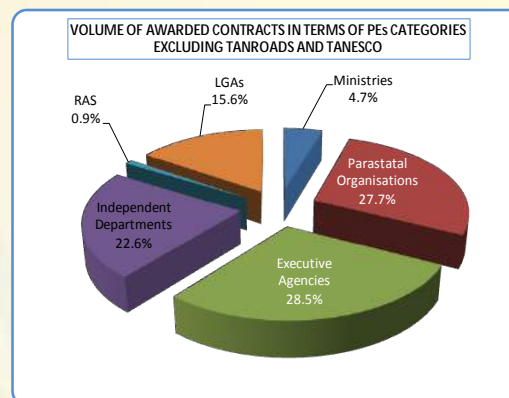


Figure 5-8: Comparison of volume of procurement for different categories excluding TANROADS and TANESCO

Two PEs had volumes of awarded contracts above Tshs. 500 billion, five PEs had volumes of awarded contracts between Tshs. 100 and 500 billion, eight PEs had volumes of awarded contracts between Tshs. 20 and 100 billion, and 220 PEs had volumes of awarded contracts below 20 billion. **Figure 5.5** shows the 15 PEs which had volumes of procurement above 20 billion whose total volume of procurement amounting to Tshs. 4.08 trillion is about 84% of the total volume of awarded contracts by 235 PEs for the FY 2013/14.

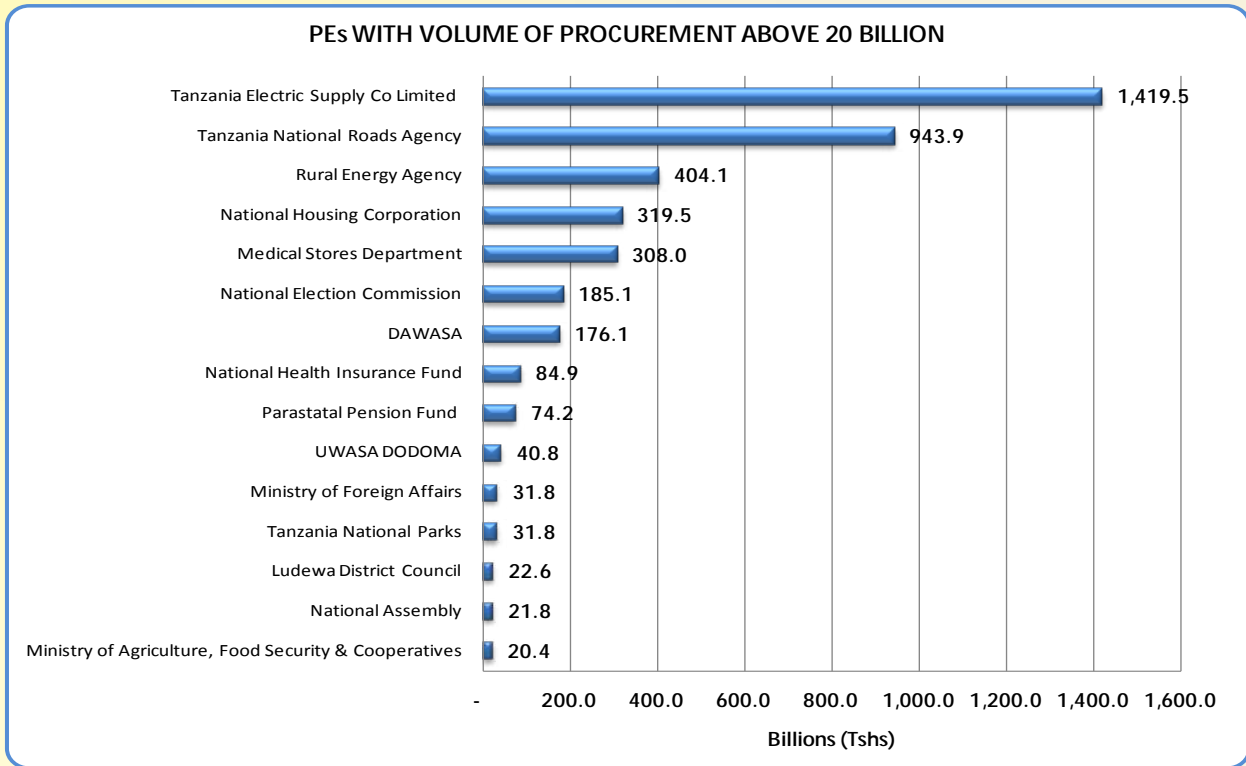


Figure 5-9: PEs with awarded contracts volumes of above Tshs. 20 billions

5.1.1 Contracts awarded by Ministries

During the reporting period, only 16 out of 27 Ministries submitted tender award information of which analysis is shown in **Figures 5.6(a)**. The analysis shows that tenders awarded by the Ministries were mainly for non-consultancy which accounted for 37.3% followed by goods with 32.1%. The comparison of the volume of awarded contracts by ministries for years 2011/12, 2012/13 and 2013/14 is shown in **Figure 5.6(b)**. The analysis shows that, except for non-consultancy services, there is a considerable decrease in the volume of procurement for the remaining categories compared to the last year.

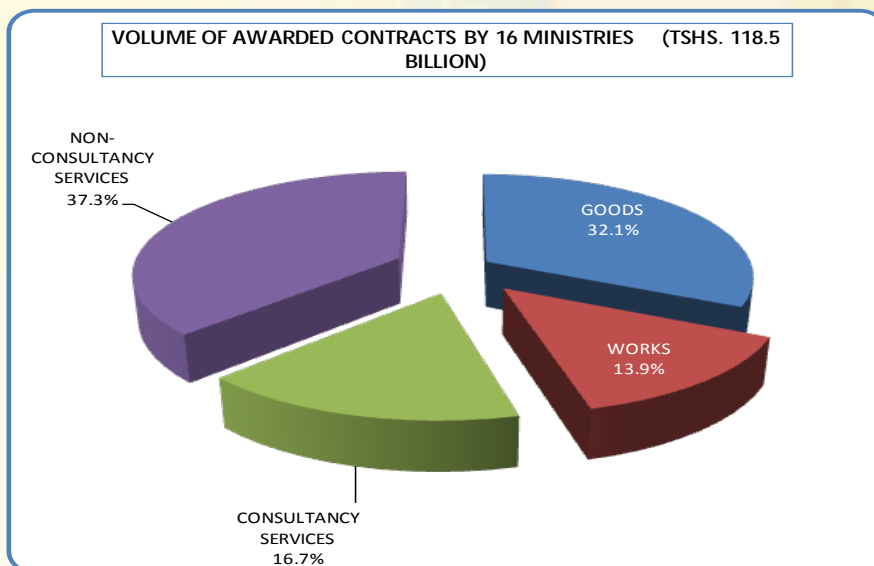


Figure 5-10: Percentage distribution of volumes of contracts awarded by Ministries in FY 2013/14

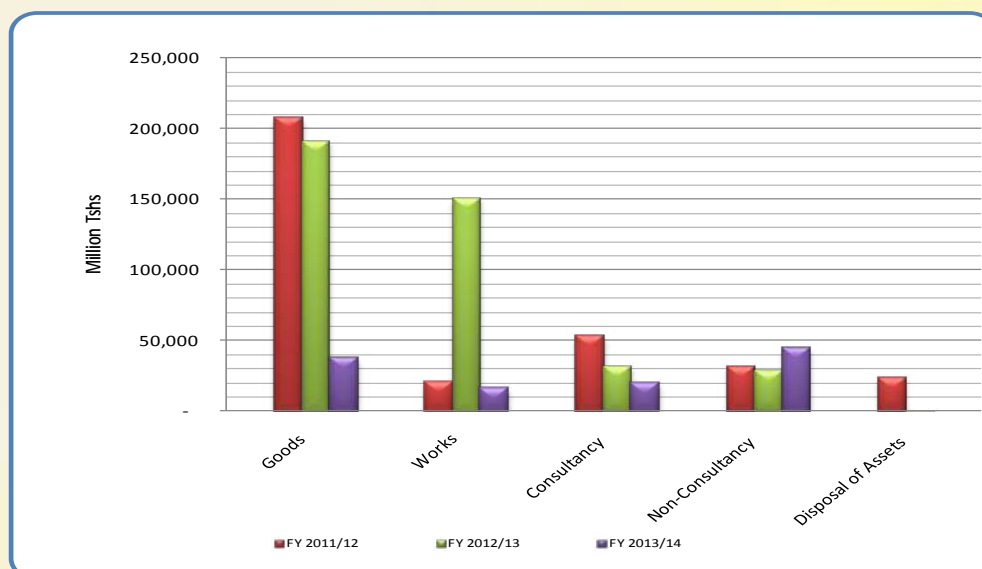


Figure 5-11: Comparison of volumes of awarded contracts by Ministries for years 2011/12, 2012/13 and 2013/14

5.1.2 Contracts awarded by Parastatal Organizations

The Authority received 70 responses from Parastatal Organizations. The distribution of awarded contracts with and without including TANESCO (which had a volume of 67% of all awarded contracts).

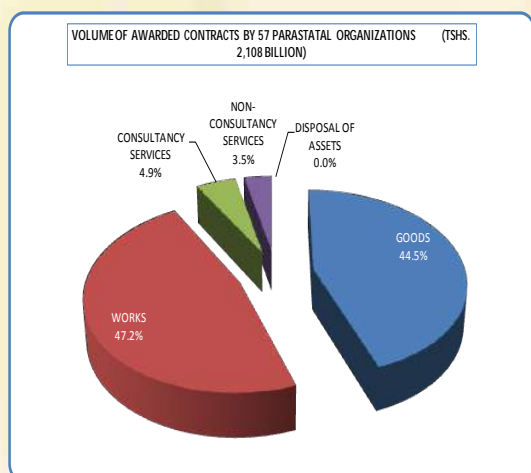


Figure 5-12: Percentage distribution of volume of contracts awarded by Parastatal Organisations in FY 2013/14

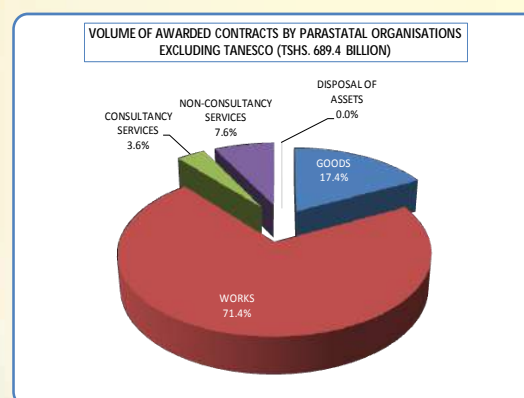


Figure 5-13: Percentage distribution of volume of contracts awarded by Parastatal Organisation excluding TANESCO in FY 2013/14

The results indicate that there is a relative high expenditure on works followed by goods. When TANESCO is excluded, the proportion of the value of awarded contracts for works increases from 47.2% to 71.4% while the proportion of goods drops from 44.5% to 17.4%. The comparison with previous years on the volume of awarded contracts indicates a considerable increase in procurement of works and that of consultancy services while for all the remaining categories of procurement there is decrease as shown in **Figure 5.7(c)**.

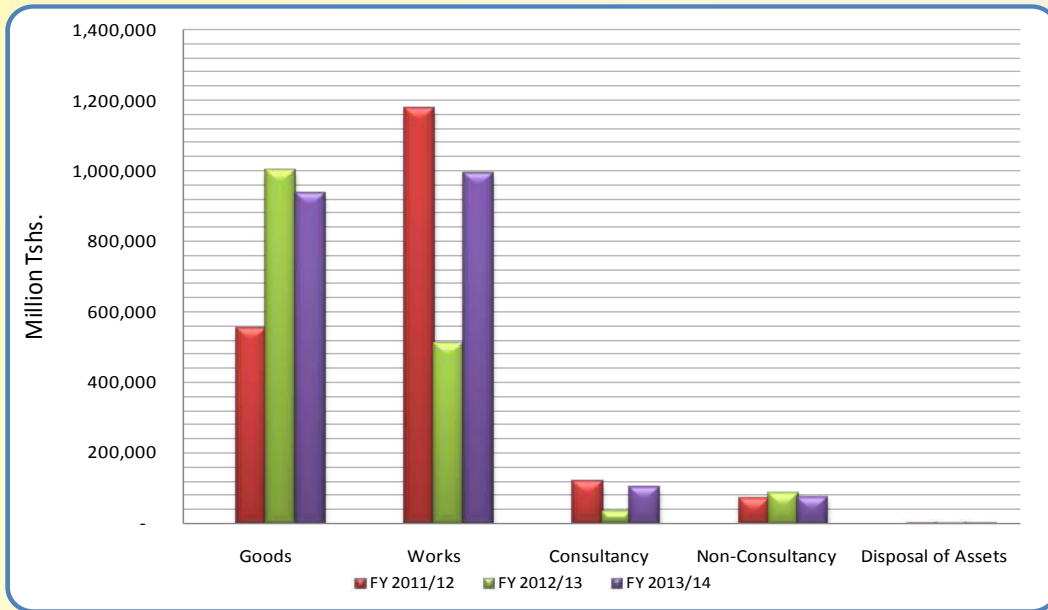


Figure 5-14: Comparison of volume of awarded contracts by Parastatal Organisations in million Tshs for years 2011/12, 2012/13 and 2013/14

5.1.3 Contracts awarded by Executive Agencies and Water Authorities

Submission of tender award information by Executive Agencies was also not satisfactory, with only 41 responding positively to PPRA’s request. TANROADS has seriously influenced the results as shown in **Figure 5.8 (a)** in which the largest volume of procurement was for works which is the main pre-occupation of TANROADS.

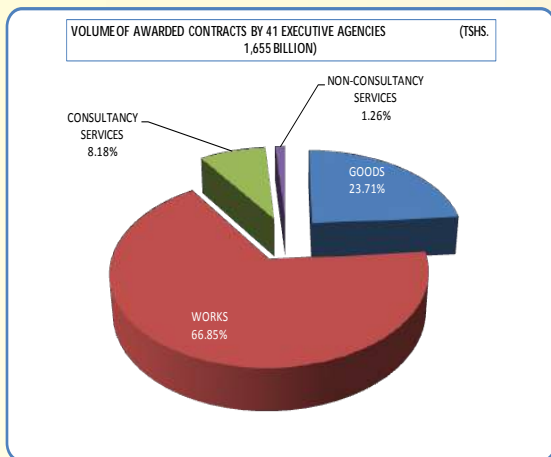


Figure 5-15: Percentage distribution of volumes of contracts awarded by Executive Agencies in FY 2013/14

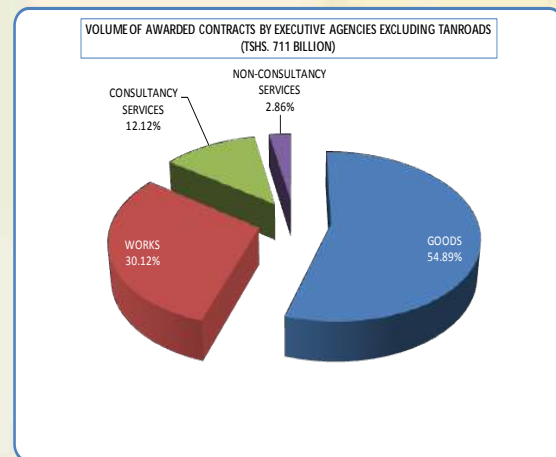


Figure 5-16: Percentage distribution of volume of contracts awarded by Executive Agencies in FY 2013/14 excluding TANROADS

When TANROADS is excluded, the proportion of the works contracts is reduced significantly from 66.8% to 30.1% while the proportion of goods is increased from 23.7% to 54.9% as shown in **Figures 5.8(b)**. The comparison with previous years on the volume of awarded contracts is shown in **Figure 5.8(c)**.

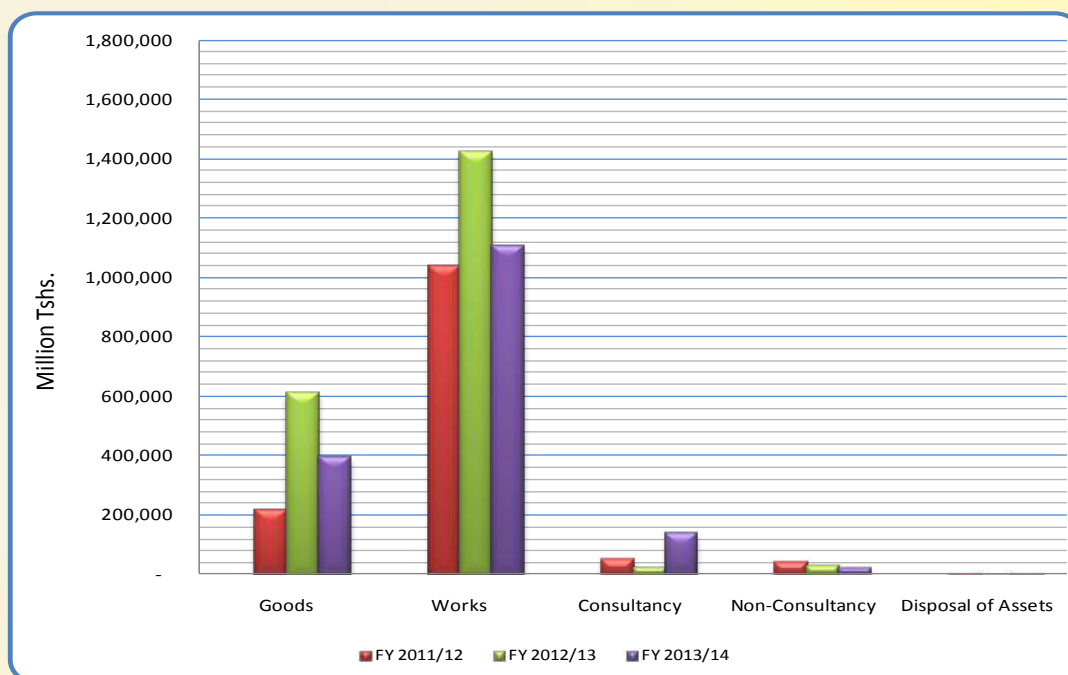


Figure 5-17: Comparison of volumes of awarded contracts by Executive Agencies in million Tshs. for years 2011/12, 2012/13 and 2013/14

5.1.4 Contracts awarded by Independent Departments

Out of 34 Independent Departments only 20, submitted contract award information to PPRA. The values of awarded contracts were analyzed and results are presented in **Figure 5.9 (a)**. The results show that supply of goods constitutes the main expenditure of the Independent departments with 88.6% followed by non-consultancy services with 9%.

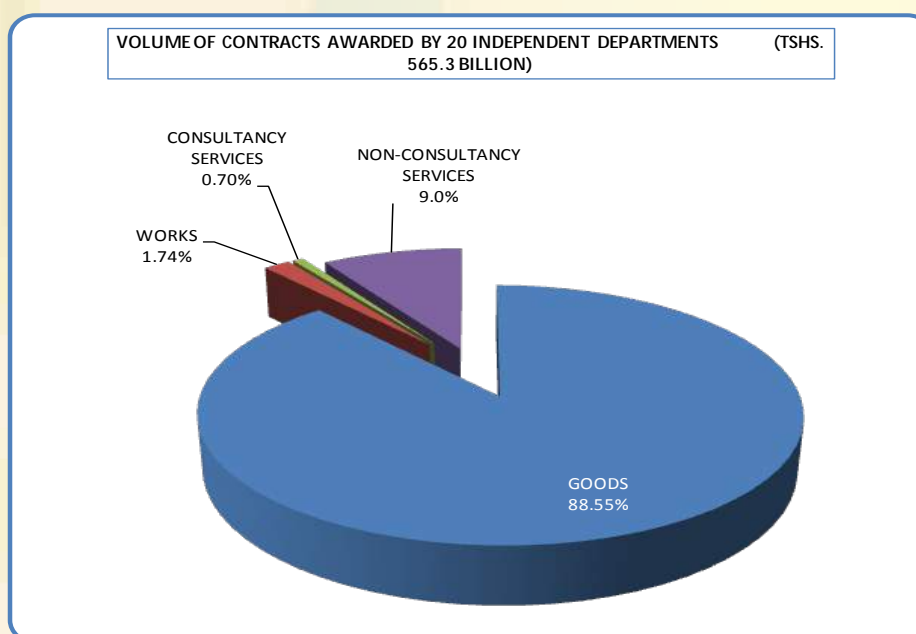


Figure 5-18: Percentage of distribution of volumes of tenders awarded by Independent Departments in FY 2013/14

The recorded volume of procurement shows a significant increase in the volume of procurement for goods and non-consultancy services compared to the last year as shown in **Figure 5.9(b)**.

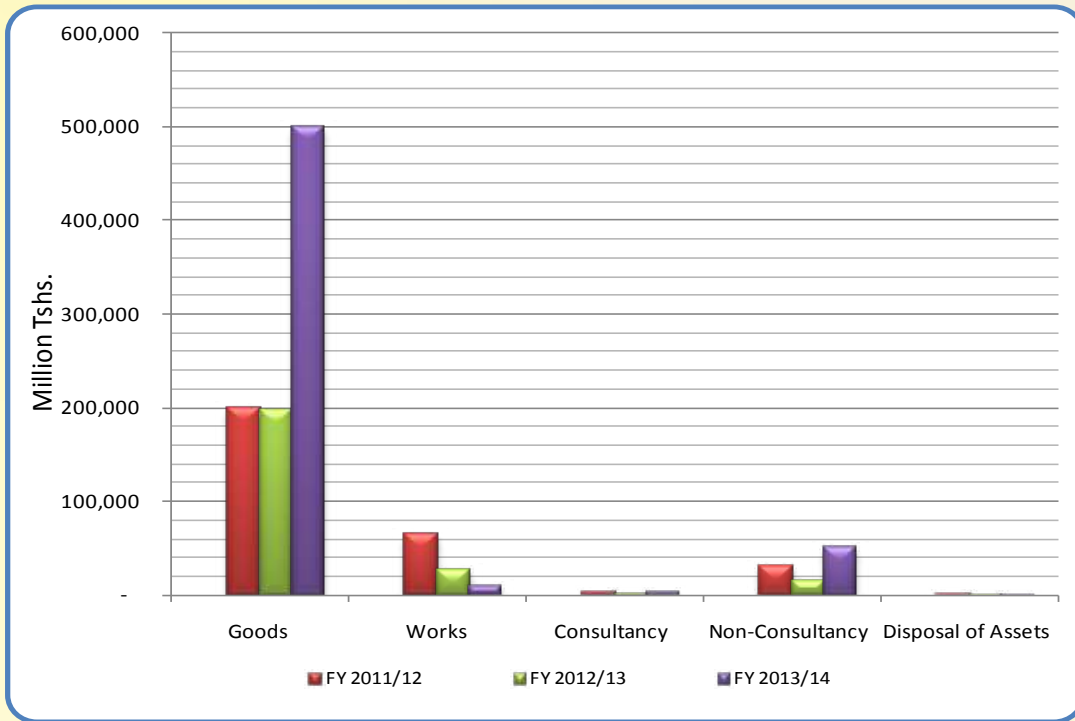


Figure 5-19: Comparison of volumes of awarded contracts by Independent Departments in million Tshs for years 2011/12, 2012/13 and 2013/14

5.1.5 Contracts awarded by Regional Administrative Secretariats

In response to PPRA’s request for PEs to submit tender award information 18 out of 21 Regional Administrative Secretariats (RAS) responded. The analysis of the data furnished by RAS produced results as shown in **Figure 5.10(a)**. The largest proportion of the value of awarded contracts was for procurement of goods accounting for 42% followed by works at 34.5%, non-consultancy services at 19.5% and consultancy services at 4%. The trend for all the categories for the last three years is shown in **Figure 5.10(b)**

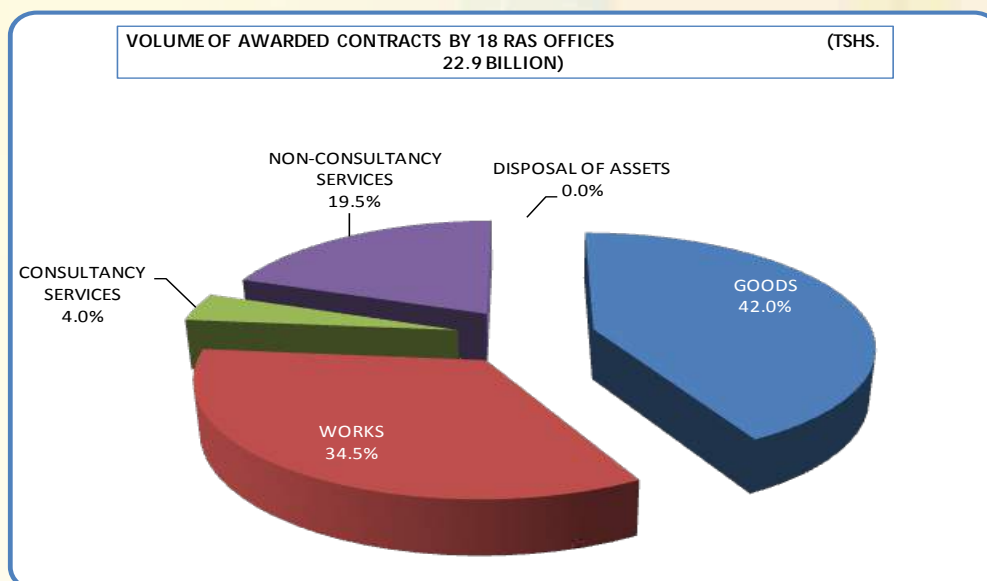


Figure 5-20: Percentage distribution of volume of tenders awarded by RAS in FY 2013/14

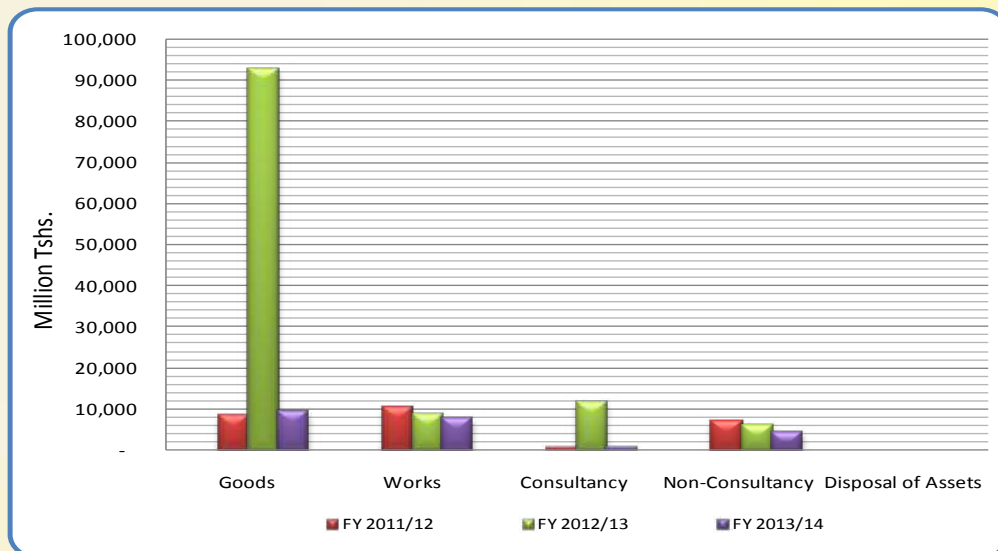


Figure 5-21: Comparison of volumes of awarded contracts by RAS in millions Tshs for years 2011/12, 2012/13 and 2013/14

5.1.6 Contracts Awarded by Local Government Authorities

A total of 70 Local Government Authorities submitted the requested information, the analysis of which is depicted on **Figure 5.11 (a)**. The results show that 73% of the value of awarded contracts was for execution of works followed by 16.7% for supply of goods and 7.2% for non-consultancy services. A small proportion of the value of awarded contracts was for consultancy services at 3% and disposal of public assets by tender at 0.03%. The comparison of the volume of procurement for all the categories for the last three years is as shown in **Figure 5.11(b)**.

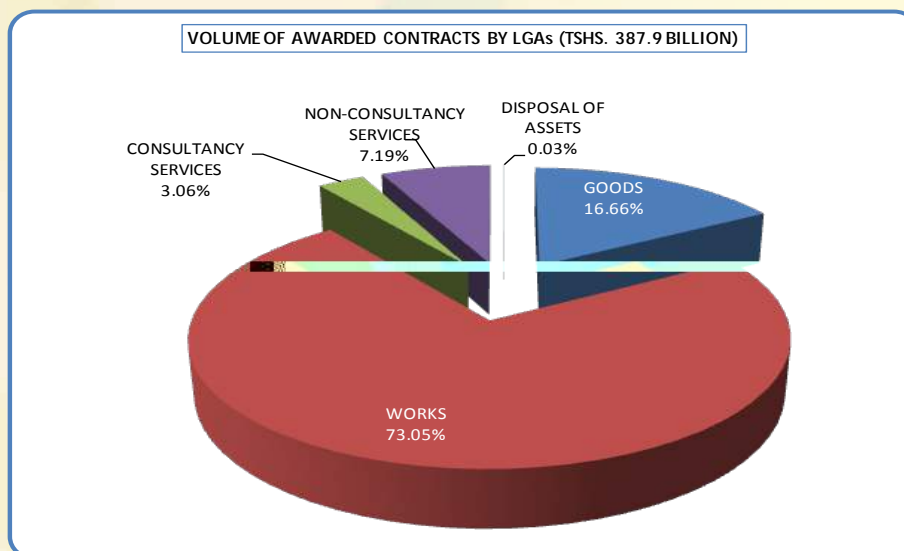


Figure 5-22: Percentage distribution of values of tenders awarded by LGAs in FY 2013/14

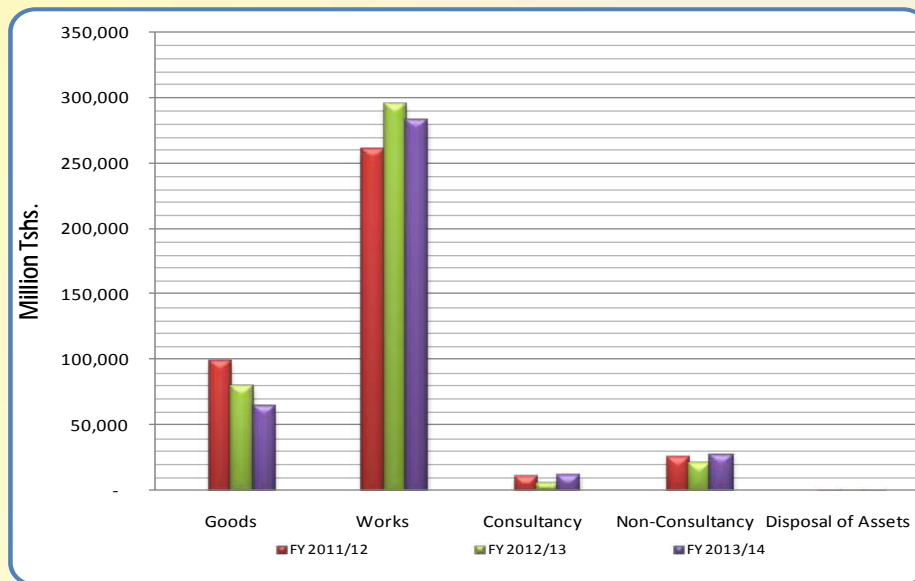


Figure 5-23: Comparison of volumes of awarded contracts by LGAs in million Tshs for years 2011/12, 2012/13 and 2013/14

5.2 Procurement audits in 76 procuring entities

5.2.1 Background

In view of its mandate under Section 9(1)(i) of the Public Procurement Act, 2011, (PPA 2011), the Public Procurement Regulatory Authority (PPRA) through financing from Public Finance Management Reform Programme (PFMRP), BTC project and Prime Minister's Office Regional Administration and Local Government (PMORALG), carried out procurement audits and verification audits in seventy six (76) procuring entities (PEs) [procurement audits in fifty six (56) PEs, procurement audits & verification audits in twelve (12) PEs, and verification audits in eight (8) PEs] between April and September 2014 for procurements in the FYs 2013/14 and 2012/13 (verifications). Procurement /verification audits were carried out in seventeen (17) MDAs, sixteen (16) Public Authorities, and forty three (43) LGAs.

The audit objective was to determine whether the procedures, processes and documentations for procurement and contracting were in accordance with the provisions in the PPA, Procurement Regulations, and the standard documents prepared by PPRA and that procurement carried out achieved the expected economy and efficiency (value for money for the allocated resources), and the implementation of contracts conformed to the terms thereof. The audits were also intended to identify weaknesses in the application of the PPA and Procurement Regulations aiming at assisting the audited procuring entities to take appropriate measures including implementation of appropriate capacity building strategies and improving controls.

5.2.2 Selection of the Procuring Entities to be audited

The selection of the procuring entities to be audited was risk based and considered a combination of the following criteria:

- a) PE's volume of procurement; PEs with volumes of procurements of above 20 billion during the Fy 2012/13.

- b) Frequency of complaints/mis-procurement allegations levelled against the procuring entity; All procuring entities with cases which warranted investigation were included in the list and those with high frequency of complaints were allocated more points.
- c) Results of previous audits; Procuring entities which had low compliance levels in the previous audits were allocated more points,
- d) Time lapse since the last audit; Procuring entities with longer time interval since they were audited were allocated more time, and
- e) Geographical location; This criterion was used to adjust the number of procuring entities to be audited depending on the route in order to maximize resources utilization.

The criteria were applied and ranking was done for all procuring entities within each category of procuring entities i.e Ministries, Parastatal organizations, Public Authorities and Agencies, Local Government Authorities, and Independent Departments. The number of procuring entities to be audited from each category was then proportionally determined depending on the number of procuring entities in each category.

Although a total of one hundred and five (105) procuring entities were planned and selected for audit on the basis of the above mentioned criteria, only seventy six (76) procuring entities were audited due to shortage of PFMRF funds.

5.2.3 Sampling of procurements

5.2.3.1 Compliance audit

For compliance audits, auditors were required to use both, random and targeted sampling methods depending on the following: Category of procurement (Goods, works, consultancy, non-consultancy or Disposal of assets); procurement methods used (DC, ICB, NCB, SSS, CQ, RT, FWA); Contract value (Contracts with small as well as larger values); Signature date; Type of procurement (Roads, irrigation, buildings, stationary, food items, cleaning, vehicle maintenance e.t.c). In addition, auditors were required to include all high risk procurements such as;

- a) Procurements through single source procurement method,
- b) Procurements done through inappropriate methods of procurement,
- c) Emergency procurements,
- d) Tenders awarded without tender board's approval, and
- e) Procurements which were not in the procurement plan (or revised plan).

The following guidance was provided to auditors for determining the sample size;

- a) 75% to 100% of the total number of tenders/contracts for procuring entities with volume of procurement below Tshs. three (3) billion.
- b) 50% to 75% of the total number of tenders/contracts for procuring entities with volume of procurement of between Tshs. three (3) and ten (10) billion.
- c) 25% to 50% of the total number of tender/contracts for procuring entities with volume of procurement of above Tshs. 10 billion.

5.2.3.2 Value for money audits

For the case of value for money audit of construction projects, auditors were required in their contracts to select the audit sample consisting of representative number of tenders/contracts depending on the: Category of procurement (Works or consultancy); Procurement methods; Contract value (Contracts with small as well as larger values); Signature date (2012/13 and 2013/14 financial years); Type of procurement (Roads, bridges, irrigation, buildings, water projects e.t.c); and type of intervention (New construction, rehabilitation, maintenance e.t.c). In addition, auditors were required to include in the sample a minimum of four (4) construction projects (including both, works and consultancy contracts under the project).

5.2.4 Methodology

In the course of executing the audit assignment, various approaches were exercised including; documents review, interviewing various stakeholders, and in some selected cases assessment of the procured goods and constructed facilities was done. The following documents were critically reviewed: Annual Procurement Plans; Correspondences in the tender files; Tender adverts; Bidding documents; Tender evaluation reports; Minutes of tender board meetings; Notification of contract awards; Contract documents; Internal Audit reports; and Documents on contract administration. In the case of value for money audits for construction projects, physical works were thoroughly inspected and measured to ascertain the quality and quantity of the work done.

Under the compliance audit, the audit was mainly based on the seven performance areas (weighted as shown in brackets) namely: Assessment on institutional setup and performance (Tender Board, Procurement Management Unit, and Internal Audit unit) [15%]; Appropriateness of preparing and implementing the procurement plan [15%]; Appropriateness and efficiency of tender process (from the preparation of tender documents to communication of contracts awards) [30%]; Appropriateness of contract management [20%]; assessment on the management of procurement records [10%]; assessment on the implementation of systems prepared by the Authority [10%], and; Assessment on how complaints were handled[-10%].

For value for money audits, a different tool was used which is based on five performance areas (weighted as shown in brackets) namely: Assessment on the planning, design and tender documentation [20%]; Assessment of key processes in the procurement stage [10%]; Assessment of how the construction stage was administered [20%]; Assessment of the project completion and closure stage [10%], and; assessment of the quality of works [40%].

After the audit, the audit team met with the Accounting Officers, management teams, tender boards and PMU staff of the respective PEs for the purpose of validating the audit findings, getting clarification on issues observed during the audit and providing professional advice on areas which need improvement. After the exit meeting, the audit findings were communicated in writing to the audited PEs which were then required to respond to the audit findings within a period of two weeks.

5.2.5 Fraud and Corruption Aspects

In order to collect information about possible symptoms of corruption in the procurements carried out by procuring entities, auditors were required to use the Red Flags Checklist specifically developed for the purpose. The red flags checklist also serves as a tool to address corruption at the level of the

individual procuring entity. In this regard, it is important to note that a detected red flag is not in itself evidence of corruption; however, the higher the number of red flags detected, the higher the likelihood that corruption has been involved. In some cases, the higher the number of red flags detected indicates that the weaknesses observed are not a result of existence of corruption in the procurement but rather operational deficiencies due to capacity gaps.

To that end, red flag checklist for the sampled procurements was filled, and overall findings for the entity summarized in the report. It was considered that there is likelihood of fraud or corruption in entities and/or procurements which scored 20% and above on red flags scale.

5.3 Audit findings for Compliance Audits

5.3.1 Volume of audited procurements

The total number of audited procurements was 4,532 (Including 3,168 minor value procurements) with a total value of Tshs. 429,512,467,169.94 including minor value procurements of Tshs. 9,533,195,044. The audited procurements included 583 procurements for works with a value of 203,893,783,607.29 equivalent to 47.47% of the total value of audited procurements, 338 procurements for goods with a value of Tshs. 171,072,942,434.21 equivalent to 39.83%, 62 for procurements for consultancy services with a value of Tshs. 18,945,660,118.29 equivalent to 4.41%, and 381 for procurements of non-consultancy services with a value of Tshs. 26,066,885,965.4 equivalent to 6.07%.

5.3.2 Overall Level of Compliance

On the basis of new established compliance indicators, the outcome of the audits indicated an average level of compliance of 65.0% slightly above the last year's compliance level of 64.3%. The recorded compliance level is below the targeted compliance level of 72% which was set for the FY 2013/14. Only 19 PEs out of 68 PEs were assessed to have satisfactory compliance levels above the target of 72%. [Seven (7) PEs were assessed to have good performance i.e above or equal to 80%, 12 PEs performed fairly between 72% and 80%, and 42 PEs were assessed to have unsatisfactory performance below the targeted level of compliance of 72%].

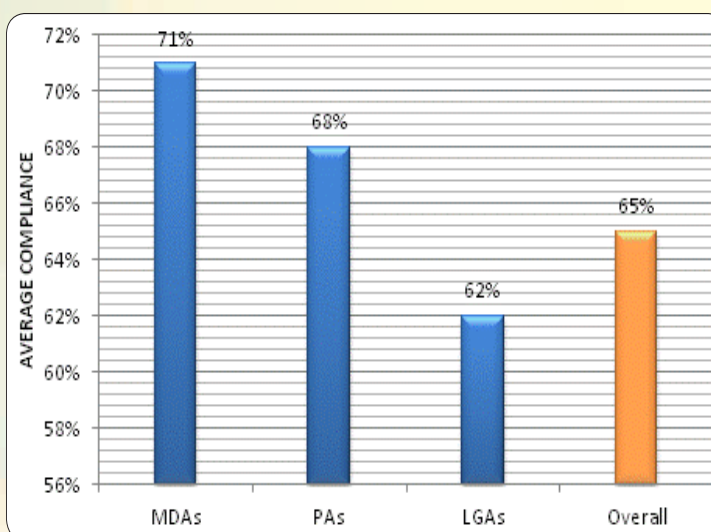
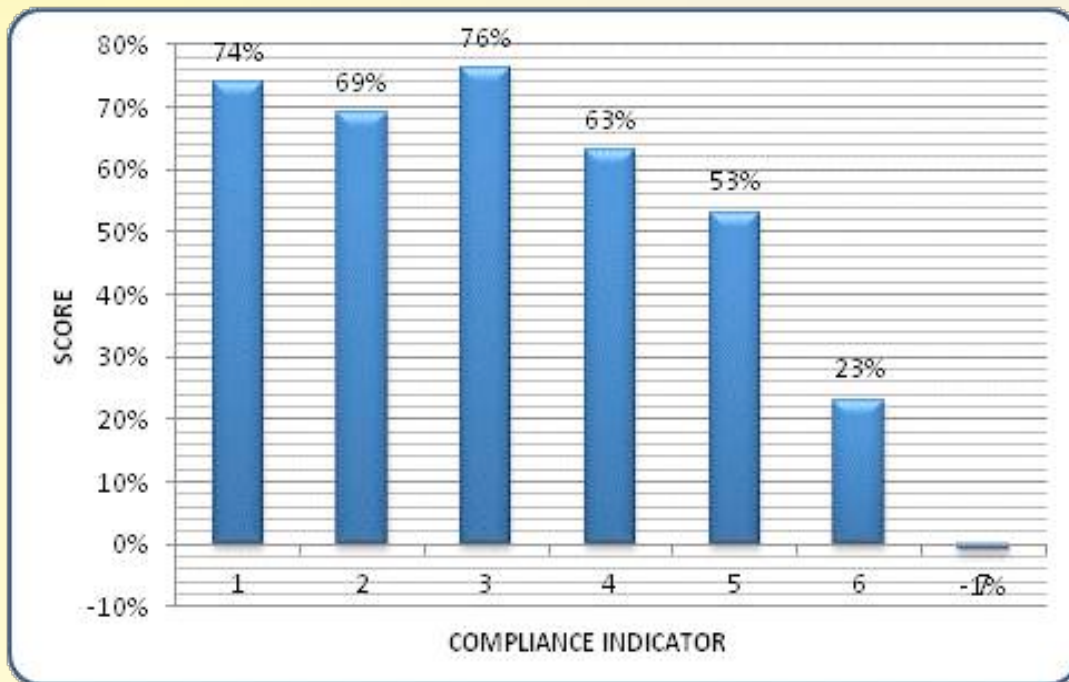


Figure 5-3: Overall level of compliance for MDAs, PAs and LGAs

While MDAs have shown a remarkable improvement in compliance from 66% to 71% when compared to last year's procurement audits, Public Authorities and Local Government Authorities have only shown slight improvements from 67% and 60% recorded last year to 68% and 62% respectively.

The average compliance levels for the seven performance areas were as follows: Appropriateness and performance of the institutional setup (74%); Appropriateness of the preparation and implementation of procurement plans (69%); Appropriateness of the tender process (76%); Appropriateness of contract management (63%); Management of procurement records (53%); Implementation of systems prepared by PPRA (23%), and; Mishandling of complaints in procurement process (-1%) as shown in Error! Reference source not found.. **Figure 5.3** compares the compliance levels in MDAs, PAs and LGAs.

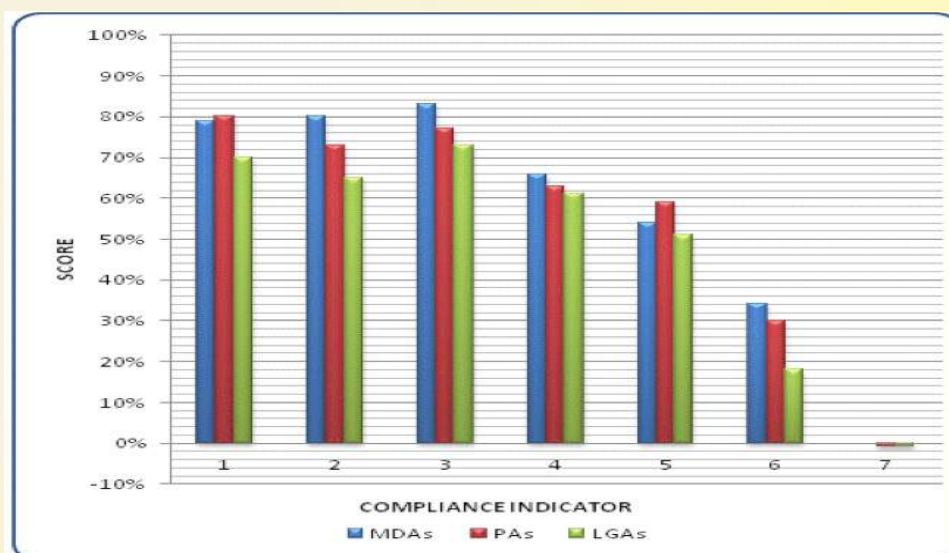


Key:

1. Institutional set up and performance	2. Appropriateness of preparing and implementing APP	3. Appropriateness of tender processing	4. Appropriateness of contracts management
5. Management of procurement records	6. Implementation of systems prepared by PPRA	7. Handling of complaints	

Figure 5 4: Compliance level for specific audit areas

On the assessment of the individual performance areas, the performance is above the targeted level of compliance on two performance areas namely: institutional setup and performance; and tender processing. However, the performance is below the targeted level of compliance on: preparation and implementation of procurement plans; contracts management and implementation; management of procurement records; and implementation of systems prepared by PPRA. The audit results suggests that although capacity building efforts and monitoring are still needed in all the seven areas, more efforts should be directed to the four performance areas with compliance levels below the target.



Key:

1. Institutional set up and performance	2. Appropriateness of preparing and implementing APP	3. Appropriateness of tender processing	4. Appropriateness of contracts management
5. Management of procurement records	6. Implementation of systems prepared by PPRA	7. Handling of complaints	

Figure 5-26: Comparison of compliance levels for MDAs, PAs and LGAs on specific audit areas

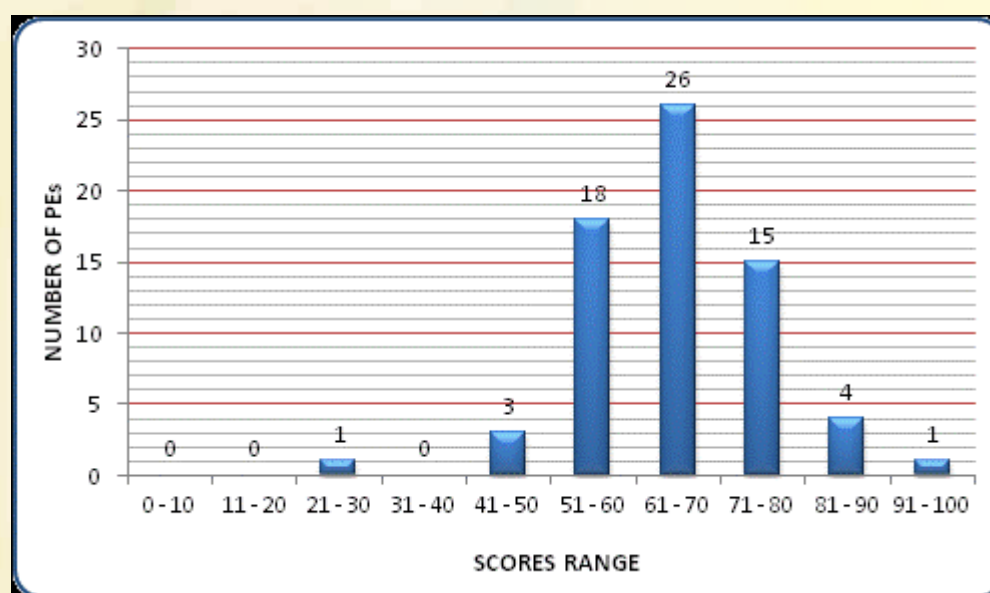


Figure 5-27: Distribution of compliance levels for audited PEs

5.3.3 Performance analysis

Compliance indicators were established for the purpose of assisting the Authority in identifying and prioritizing areas which need capacity building interventions and to monitor procuring entities' compliance trends in order to assist them in building their capacity as well as recommending appropriate disciplinary measures in case of persistent and or serious breaching of the PPA and its attendant Regulations. The compliance indicators have been grouped into seven main performance areas comprising a total of 81 sub indicators.

The purpose of the following analysis is therefore to identify significant areas which need immediate and appropriate interventions.

5.3.3.1 Institutional set up and performance

The assessment under this indicator covered the following areas: The appropriateness of the established TB; Notifying the Authority on the established TB; appropriateness of the established PMU; knowledge of the TB members and PMU staff in applying the PPA and procurement regulations; the performance of the AO, TB, PMU, UD and Internal Auditor in fulfilling their responsibilities stipulated in the PPA; interference of responsibilities and powers; and internal control systems.

As for the last year, the assessment on institutional set up has indicated satisfactory level of compliance on establishment of tender boards and, existence and staffing of internal audit units where the compliance was 95%, 96% and 76% respectively. However, the compliance is still low and below the targeted level of compliance on indicators for notifying the Authority about the membership of tender board, knowledge of tender board members, PMU staff, and IAU staff on the application of PPA and PPR, and establishment of PMUs with compliance levels of 55%, 53%, 67%, 57% and 71% respectively. The compliance levels for the eight sub-indicators are shown in the Figure 57 below.

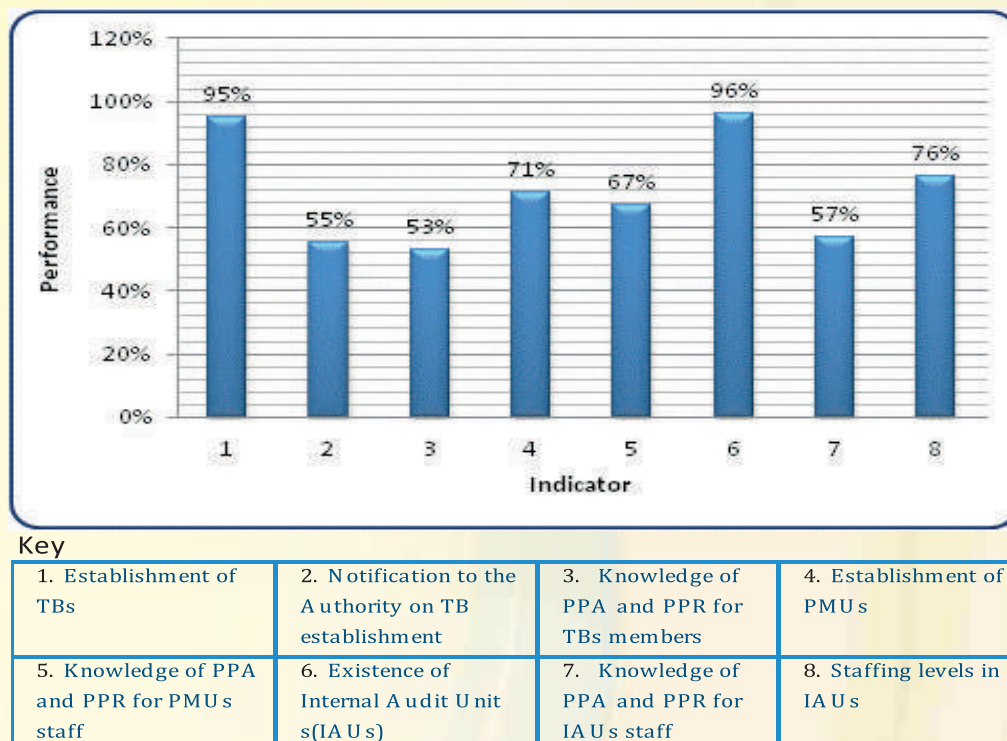
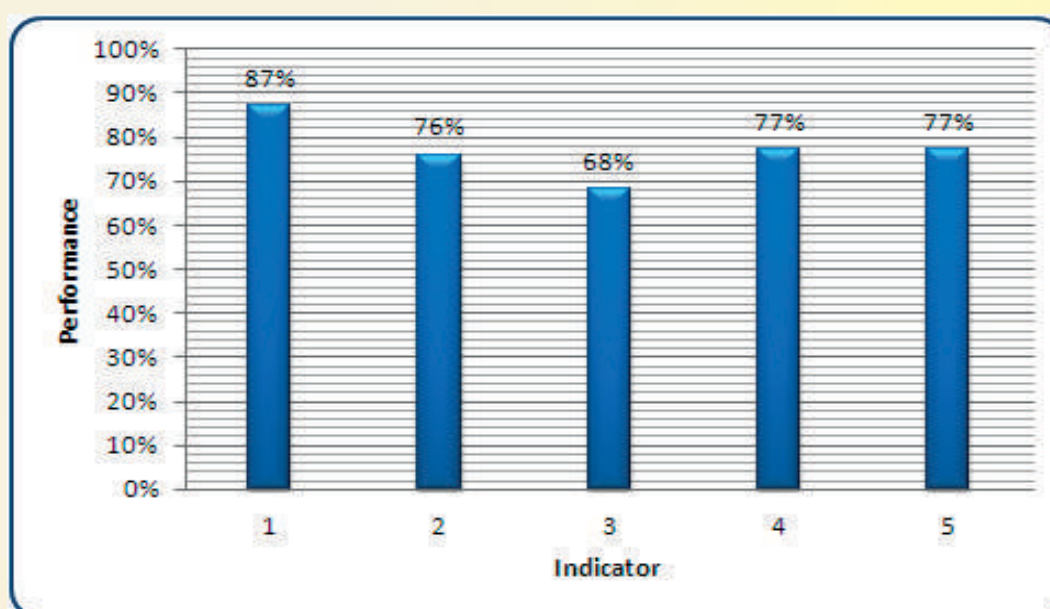


Figure 5-28: Compliance levels under institutional set up

On the compliance of organs to their stipulated powers and responsibilities, the assessment has indicated that while the AOs, TBs, UD and IAUs performed their obligations adequately as stipulated in the PPA with performance scores of 87%, 76%, 77% and 77% respectively, PMUs performed relatively low with an average performance of 68% as shown in Figure 58 below.



Key

1. AOs performance	2. TBs performance	3. PMUs performance
4. UDs performance	5. IAUs performance	

Figure 5-29: Compliance levels under institutional performance

Notable weaknesses under institutional setup and performance are highlighted in Table 53.

Table 53: Notable weaknesses under institutional set up

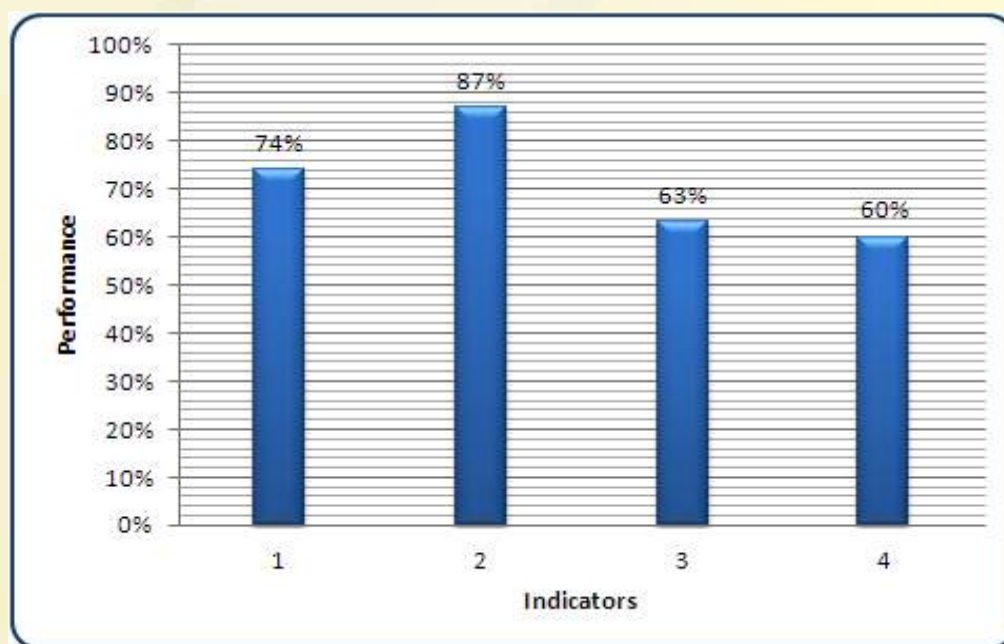
Procuring entity	Audit finding
Mwalimu Nyerere Memorial Academy	STEMO Security Company Ltd was providing security services without having a signed contract. Furthermore, the AO did not sign all contracts under Local Purchase Orders instead the contracts were signed by the Registrar who is also a member of the TB contrary to the PPA requirements for independence of powers and responsibilities. TB evaluated the tenders and awarded the contracts for catering services contrary to Section 38 of PPA 2004 which required independence of functions and responsibilities. Furthermore, the TB awarded the contract to STEMO Security Company for provision of security services after being recommended by Management.
Kasulu District Council, Mwanza City Council, Kigoma District Council	The Procurement Management Units were not established as per the requirements in S. 37 of PPA, 2011 and Regulation 22 of GN. No. 177 of 2007. The councils have established their PMUs as committees drawing members from user departments for review of evaluation reports only before they are submitted to the TB for adjudication.
Korogwe Town Council	Minor value procurements amounting to Tsh 462,745,607.62 (procured through 347 LPOs) representing 19.7% by value of all procurements implemented in the FY 2013/2014 were procured contrary to the requirement of Reg 27 (2 & 3) of G.N. No.177 of 2007 which require the procurements to have prior endorsement of the TB Secretary and at least three other members of the TB.
Ministry of Home Affairs	It was observed that the Chairperson of Ministerial Tender Board (MTB) is the Commissioner General of Tanzania Prisons (CGP). The CGP is also the Accounting Officer of Delegated Organ at Tanzania Prisons Department. This contradicts the requirement for independence of functions and responsibilities.

<p>Medical Stores Department</p>	<p>There was interference of functions between TB and evaluation committee for tender no. IE-000/2012/2013/HQ/G/30 Supply of Pharmaceuticals (ILS) to MSD under framework contracts. In the TB meeting no. MSD/003/TBM/2013/2014/06 of 12/7/2013, Item no 46 insulin Human injection 100iu (soluble) and no. 47 Insulin Human Zinc Suspension were recommended to be awarded to M/s Generics and Specialties Ltd for USD 1383,442.18 but TB refused and directed it to be awarded to M/s Novo Nordisk A/S FOR USD 1,516,643. TB claimed that the items are lifesaving therefore should be awarded to the previous supplier. The difference in prices was Tshs 212,922,842.78 which is a loss to the government.</p> <p>It was noted also that the TB interfered with functions of evaluation committee in tender no. IE-000/2012/2013/HQ/G/34 for Supply of Medical supplies for routine items. The evaluation committee recommended the award to the lowest evaluated bidder M/s Anudha Ltd but TB refused and ordered the award to be made to the second lowest evaluated Bidder M/s Crown Agent.</p>
<p>Ministry of Natural Resources and Tourism</p>	<p>It was observed that some of departments proceeded with procurement without involving PMU and TB. For instance all procurement of Air Travel Services were contracted through LPOs directly without approval of respective TB contrary to Section 31(1) and (2) of PPA 2004.</p>
<p>Geita Town Council</p>	<p>Tender board interfered the responsibilities of the evaluation team by evaluating and awarding the tender. TB during its meeting held on 19/2/2014 evaluated and awarded tender for provision of comprehensive insurance for the 2 tipper trucks to M/s Jubilee Insurance (T) Ltd at the contract price of Tshs. 7,080,000.00.</p> <p>Tender board during its meeting held on 19th February, 2014 received information from the Secretary, that the Town Director had directed that tender No. LGA/160/2013/2014/C/04 for Provision of Consultancy Services for Design, Preparation of tender Documents and Cost Estimates for Construction of Office Block and conference Hall be re-invited because the winning consultant M/s Housing Development Consultants & Planners Ltd who quoted Tshs. 262,561,800 was above the estimated budget of Tshs. 250,000,000. Tender board issued an unfair decision that, the tender be awarded to M/s National Estate and Designing Consultancy Co. Ltd at Tshs. 177,767,000 and the consultant be invited for negotiation.</p>
<p>UWASA Lindi</p>	<p>The PE has not properly established its PMU. PMU was established as a committee contrary to section 34 PPA. The Head of PMU had no sufficient academic qualifications and experience in procurement functions, contrary to section 34(4) of PPA. PMU is responsible for managing the procurement function in the PE. Therefore, by not establishing the unit, the entire procurement function in the PE is paralyzed.</p> <p>The tender board did not perform most of its responsibilities. It did not approve solicitation documents and methods of procurements, did not approve shortlists of suppliers, and above all did not ensure that the best practices in relation to procurement were adhered by the PE contrary to section 30(e) of PPA. Also the tender board did not observe independence as evidenced by the Chairman of the tender board signing contracts on behalf of the AO and another member of tender board signing letters to unsuccessful bidders for the security tender for the year 2013/2014 on behalf of the AO, as well as TB performing most of PMU duties.</p>

5.3.3.2 Appropriate preparation and efficiency in implementing the procurement plan

The assessment under this performance area covered the following: The use of appropriate templates issued by PPRA; appropriateness of tender numbering as per PPRA’s guidelines; appropriateness of allocating tender processing time; whether requirements were properly aggregated; whether TB meetings were properly arranged to minimize procurement transaction costs; whether the procurement plan was properly approved; whether the procurement plan was advertised to the public; adherence to the procurement plan; and efficiency in implementing the plan.

The analysis on the preparation of annual procurement plans indicated an average compliance of 74% signifying that the majority of the audited procuring entities prepared properly their procurement plans by using appropriate templates, complying to the Authority’s guidelines for tender numbering, allocating properly tender procession times as provided in the regulations, aggregating requirements properly and arranging TB meetings properly. The majority of the prepared procurement plans were also approved by relevant authorities as required. However, only 63% of the audited procuring entities advertised General Procurement Notices as provided in the Procurement Regulations. Furthermore, the assessment of the audit results indicated that only 60% of the audited PEs adhered to the timeframe in their procurement plans causing unnecessary delays in the procurement process. The compliance levels for the sub indicators under this performance area are shown in Figure 59 below.



Key

1. Preparation of APP	2. Approval of APP
3. Advertisement of GPN to the public	4. Efficiency in implementing the APP

Figure 5-30: Compliance levels under procurement planning and implementation

Key issues observed by the auditors under procurement planning are highlighted in Table 54 below;

Table 5-4: Notable weaknesses under procurement planning

Procuring entity	Audit finding
Korogwe Town Council	Procurements amounting to Tsh 1,154,775,870 were not in the annual procurement plan representing 52.93% by value of all procurement implemented in the FY 2013/2014.
Singida Municipal Council, Kasulu District Council	There were inefficiencies in implementing the annual procurement plan. The actual time used from tender opening to contract signing was far beyond the time required in the third schedule of GN 97 of 2005. Some of the tenders were not in the procurement plans.
Iramba District Council	There were inefficiencies in implementing the APP. The actual time used from tender opening to contract signing was in the range of 33 to 317 days affecting implementation of projects and delivery of services.
Ministry of Home Affairs	The APP was not adhered to. Some procurements which were implemented at delegated entities were not included in APP such as those implemented at the Police Force, Prisons, Fire and Rescue and Immigration Departments. For example the planned procurements were only 94 packages for the entire Ministry, but during implementation the number rose to 796. The motor vehicles at Police Force under Single Source did not appear in the APP contrary to Section 45 (b) of PPA and Reg; 46 (10), and 49(1) of GN No; 97 of 2005.
Kondoa District Council	Thirty four tenders were executed without being included in the procurement plan contrary to Reg. 46 of GN No. 97 of 2005.
Mtwara District Council	<p>APP templates were not properly used. APP for internal use had 12 columns instead of 22 and that for submission to PPRA had 12 columns instead of 15. Incorrect tender numbering was used for all tenders in the APP. There was no evidence of approval of APP neither to substantiate that GPN for 2013/14 was advertised.</p> <p>There were inefficiencies in processing tenders. Tender No. LGA/084/TB/2013/RDS/1/2013/2014 and LGA/084/TB/RDS/9/2013/2014 for road rehabilitation, maintenance and construction of drainage structures works which had nine (9) lots was opened on 13th September, 2013 and awards made on 30th December, 2013 thus spending 107 days against 90 days of bid validity.</p> <p>In addition, quotation for renovation of DALDO's office at Mtwara DC was opened on 10th June, 2013 and awarded on 15th October, 2013 thus spending 125 days instead of 45 days specified as validity period.</p>

<p>UWASA Lindi</p>	<p>Appropriate templates for preparing APP issued by PPRA were not used. Only the APP for submission to PPRA was prepared, there was no APP for internal or external use. The whole purpose of preparing the plan was therefore undermined; the plan was incomplete and could not be implemented. It also undermined monitoring and control of the procurement actives in the PE.</p> <p>There was no time framework for processing of tenders in the APP contrary to regulation 46(11) of GN No. 97. Also the PE did not include time frame for tender board meetings. Under the circumstances the management of the tender process was undermined.</p> <p>The APP was not adhered contrary to Regulation 46(10) of GN 97. No procurement was planned to be made through national shopping and minor value procurement method, however 14 procurements were made through national shopping and minor value procurement methods. Non-adherence to the procurement plan leads to poor management of the procurement function in the PE culminating into losses to the PE and possible corruption practices.</p>
<p>Kilindi District Council</p>	<p>Methods of procurement indicated in APP were not appropriate. There was no proper aggregation of requirements in the APP contrary to Section 49(1) (b) of PPA 2011 and Reg. 72 of GN 446 of 2013; TB/Committee meetings were not properly arranged; No information was availed to show that GPN was advertised to the public or submitted to the Authority for publishing in the Journal and Tenders' Portal as per Regulation 18 of GN No. 446 of 2013.</p>
<p>Mkinga District Council</p>	<p>The PE used inappropriate template for preparing APP; there was no proper aggregation of requirements in the APP contrary to Section 49(1) (b) of PPA 2011 and Reg. 72 of GN 446 of 2013; and the GPN was not submitted to the Authority for publishing in the Journal and Tenders' Portal as per Regulation 18 of GN No. 446 of 2013.</p>

5.3.3.3 Appropriateness of tender processing

The assessment under this performance area covered the following: whether tender documents were properly prepared; appropriateness of the procurement methods used; whether bid opportunities were properly published to the public; whether bidders were given adequate time to prepare bids; whether tender adverts were submitted to PPRA for publication in the procurement journal and PPRA's website; whether bids were properly received and opened; whether bids were properly evaluated; whether necessary approvals were sought; whether contract awards were properly communicated; whether contract awards were properly published; whether unsuccessful bidders were notified, and; whether procedural forms issued by PPRA were used.

The assessment has revealed that, except for indicators on submission of tender advertisement to PPRA, publication of contract awards, and the use of procedural forms issued by PPRA which had low compliance of 53%, 43% and 58% respectively, the remaining indicators performed relatively well as shown in Figure 510. Notable weaknesses included the following: Standard tender documents issued by PPRA were not used in 21% of the reviewed tenders; biased specifications and ambiguous evaluation criteria were observed in 10% of the reviewed tenders; in 13% of the reviewed tenders

appropriate methods of procurements were not used; 47% of the reviewed tender advertisements were not submitted to PPRA for publication in the procurement journal and tender portal; 24% of the reviewed tenders were evaluated by using criteria not stipulated in the tender documents; 28% of the reviewed tenders most of them being minor value procurements and procurements through imprests were awarded without TB approval/ endorsement; 57% of the awarded contracts were not published to the public; procedural forms issued by PPRA were not used in 42% of the reviewed tenders.

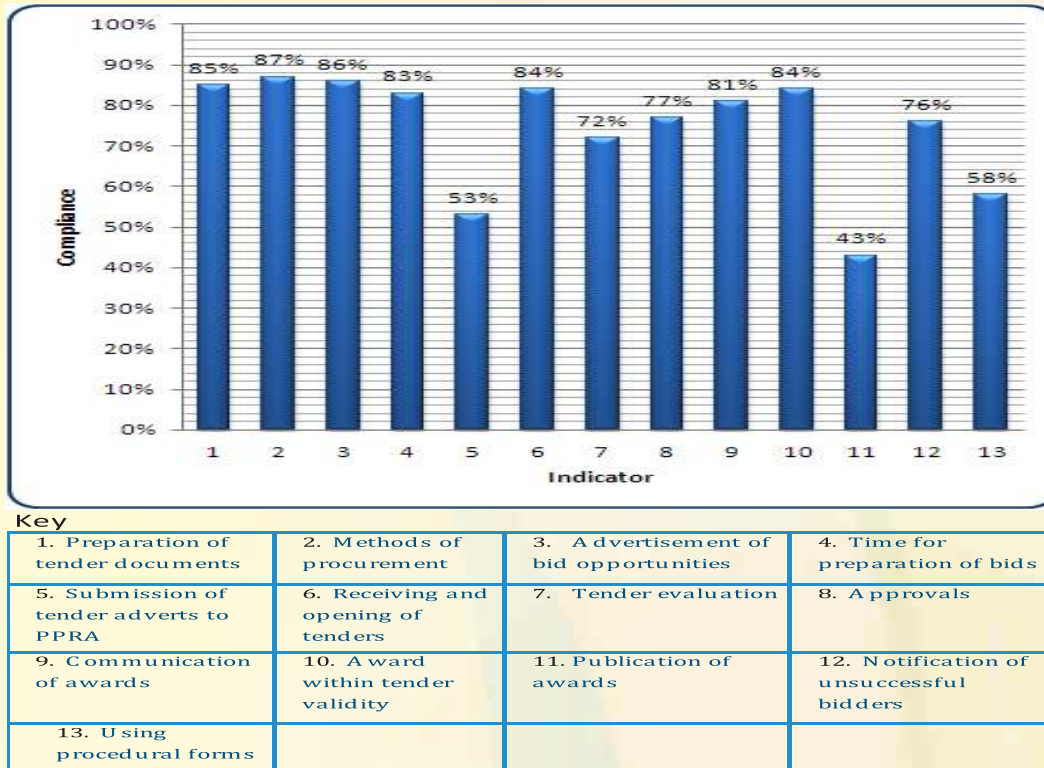


Figure 5-31: Compliance levels under tender process

Selected weaknesses observed in the tender process are highlighted in the Table 55 below;

Table 5-5: Notable weaknesses under tender process

<i>Procuring entity</i>	<i>Audit finding</i>
Mafia District Council	<ul style="list-style-type: none"> <li data-bbox="407 289 1453 482">• During tender evaluation of Tender No. LGA/008/2013/2014/W/01 (package I-IV) for the routine Maintenance, spot improvement, periodic maintenance and culvert installation, G.E Engineering and Construction Ltd who tendered for Package III at Tshs. 49,228,000 was eliminated without justifiable reasons and awarded the contract to M/s Kim Yung Engineering Ltd whose evaluated bid price was Tshs 79,759,000. <li data-bbox="407 523 1453 860">• During tender evaluation for Bweni and Mlongo Villages water supply projects Lot I, the bids by M/S JEMASON INVESTMENT, and M/S LUDA ENTERPRISES were disqualified for alleged failure to submit Anti-Bribery policy, CRB registration as civil works contractors, Business Licences, Company Registrations, works executed for the last 2 years, experience of works of similar nature, Contractors equipment, qualification and experience of key personnel, and absence of bids signatures. However, the audit team after going through the bid submission by M/S JEMASON INVESTMENT (the only one availed to the audit team from the list of unsuccessful bidders under Lot I), they found each and every of the alleged “missing” documents. <li data-bbox="407 902 1453 1205">• After going through the tender evaluation of the “successful bidder” namely M/S E-CONSTRUCTION, the auditors discovered that the evaluation team tempered with item 22.1 in the bill of quantities by omitting the Submersible Pump (whose rate was Tshs. 8,350,335) and substituted with a Helical Pump (with the rate of Tshs. 67,000,000) and intelligently omitted the VAT (Tshs. 62,330,822.00). The evaluation also decided that the arithmetical error should be Tshs. 62,330,822.00 (the contractor made errors amounting to the VAT amount!) thus bringing the corrected bid price without VAT very much closer to the bidders submission which was VAT inclusive. <li data-bbox="407 1246 1453 1547">• The tender evaluation for Kungwi, Kirongwe, and Chole & Juani Villages water supply projects (Lot I, II & III) was messed up by the evaluation committee. The evaluation team did not undertake thoroughly correction of errors thus ending up imposing its own figures to bidders and decided to post-qualify the 4th lowest bidder for Package 1 and 3rd lowest bidders for Packages II & III thus contravening Regulation 94(5) & (6)(a) & (b) of G,N No. 97. As a result <i>all three (3) Lots (Lot I, II, & III) were awarded to unsuccessful bidders</i> . If the evaluation was properly done, the Council could have saved a total of Tsh 594,730,468 for the three lots.

Bagamoyo District Council	<ul style="list-style-type: none"> • During the evaluation of Tender No.LGA/014/2012/2013/W/07 for completion of Msoga Surface irrigation Scheme Phase- I, the evaluation team noted that M/s KIMD Civil & Building Ltd did not submit any information relating to their experience as prime contractor in the construction, supply , installation & commissioning of flex flume pipes and hydrants for irrigation purpose but they recommended the bidder and eventually the contract was awarded to the unqualified bidder at the contract price of Tshs. 201,527,200.00. It was revealed that the bidder failed to execute the contract. • The evaluation for quotation No. LGA/014/2013/2014/QT/W/09 for Laundry drainage improvement at District Hospital was not properly done and the dates are contradicting indicating the possibility that the information was forged. While the tender opening was on 28th March, 2014 and the contract was signed on 1st May, 2014, the auditors observed that the anti-bribery policy and quotation by M/s Sea Shore Civil works contractor was submitted on 5th May, 2014. • Quotation No. LGA/014/2013/2014/QT/W/06 for rehabilitation of Laundry Building was not properly evaluated. M/s Sea Shore works Contractors submitted their quotation on 15th December, 2013 as indicated in their quotation submission form and the Memorandum for Ant- Bribery policy was signed on 15th December, 2013. However, as indicated in the minutes of quotation opening, the quotation opening was done on 12th December, 2013.
Tarime District Council	<p>Tender No. LGA/067/2012/2013/S/01 for Revenue Collections at Mtana Livestock Market and Tender No. LGA/067/2013/2014/S/01 for Revenue Collections at different Centres were not properly evaluated; Mr. Leonard Daudi did not submit anti-bribery declaration contrary to Item 15 of Instructions to bidders. In addition, he had neither a business license nor Tax Identification Number (TIN) but was awarded the contract.</p>
Government Procurement Services Agency	<ul style="list-style-type: none"> • Observed weaknesses in evaluation of tenders. Bidders who did not submit Power of Attorney or provided less Bid validity period, were made responsive or asked to submit them before signing the contract, although tender documents explicitly stated requirement of Bids to be accompanied by Notarized Power of Attorney. Example M/s Afro Stationery Manufacturers Ltd was awarded contract for Supply of National flags Mlingoti without submitting Notarized Power of Attorney and provided 60 days instead of 90 days as their tender validity period. • Examples of tenders which Power of Attorney was waived are tender no. AE/005/HQ/2013/2014/G/05 and tender no. AE/005/HQ/2013/2014/G/08 for supply of motor vehicles and tri-cycle was awarded without considering Power of Attorney. This is contrary with Section 65 of PPA and Reg. 9 (c) and (d), 14 (5), 15 (14), 20 (b) and 90(4) of GN No. 97 of 2005 and Regulation 211 of GN No. 446 of 2013.

<p>Medical Stores Department</p>	<ul style="list-style-type: none"> • Auditors noted that there was interference of evaluation by tender board as observed in TB meeting no.MSD/003/TBM/2013/2014/08 held on 29/7/2013 when deliberating on tender no. IE-009/2012/2013/HQ/G/43 Supply of Laboratory Reagents, Equipment and Supplies-Routine items. The tender board directed that all five bidders who were disqualified because of non-submission of Dealership Registration Certificates on Reagent items should be taken on board and reevaluated. • In evaluation of tender no. IE-000/2013/14/HQ/G/96 Supply of Sulfadoxine 500mg +Pyrimethamine 25mgthe tender document did not provide the required delivery time, however in evaluation exercise the evaluation team Recommended the second ranked bidder, M/s Jilichem (T) Ltd to be awarded as he provided shorter delivery period. The fist ranked M/s Pyramid Pharma Ltd price was T.shs 68,379,799.49 which has a difference of T.shs 18,106,600.51.This is contrary with requirement of Section 65 of PPA and Reg. 9 (c) and (d), 14 (5), 15 (14), 20 (b) and 90(4) of GN No. 97 of 2005 and Regulation 211 of GN No. 446 of 2013. • It was observed that the chairman of the evaluation team tender No IE-009/2010-11/HQ/G/RES/08 for Supply of Laboratory Reagents and HIV Test Kits, was making direct communication with bidders through emails to seek clarifications on the submitted bids; <p>The frame work contract agreement between MSD and M/S Pyramid Pharma Ltd had a contract price of USD 390,678.00 but total value of call off order made under this tender amounted to USD 1,170,714.00 over and above the agreed contract. MSD TB did not approve these variations.</p> <ul style="list-style-type: none"> • It was observed that in tender No IE/009/2012/2013/HQ/G/62 for Supply of Laboratory Supplies for HIV/AIDS Control Services in Mainland, M/S Pyramid Pharma Ltd was recommended for award of Lot No.4 at Euro 694,631.30 but the framework contract agreement was signed at Euro 1,774,613.30 which was not approved by the Tender Board. In addition M/S Crown Health Tanzania Ltd received award notification for Lot 2 with Contract amount of TShs. 220,940,000/= . However, the framework agreement was signed with Total Price TShs 683,260,000.00 which was not approved by the TB.
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<p>Ilala Municipal Council</p>	<ul style="list-style-type: none"> Tender No. LGA/015/ IMC/2013/2014/G/01/LOT 01 for Procurement of six (6) motor vehicle brand new pick up double cabin four wheel drive: The evaluation committee made a gross error of not evaluating the conditions set in the tender by Toyota i.e. their condition to be prepaid 100% while a competitive bidder specified post payment 30 days after delivery of acceptable 'goods'. The evaluation committee did not understand item 14 of specifications which stated 'minimum turning radius of between 220 – 250 mm where diamond motors indicated compliance at 5.9m. The evaluation committee should have requested clarification on the turning radius of a car at less than quarter of a meter for a car wider than 1.5 m and longer than 5 m! Had proper evaluation been done Diamond motors would have been the winners making a direct saving of Tshs. 22,230,978. Works and Water Departments failed to assist the PMU in preparing/customizing standard tender documents to reflect site conditions and feasible contract administration. This failure is evidenced by lack of specifications in most of the tender documents reviewed, preparation of bills of quantities requiring more monies than available budgets and specification of minimum payment certificate value of 30% of the contract price which has not been adhered to during works execution.
<p>Kondo District Council</p>	<ul style="list-style-type: none"> The evaluation Team recommended M/s Malobeni Traders Co. Ltd for TenderNo. LGA/0212012/2013/W/68 for completion, construction and Provision of School Building Facilities at Goima Sec Sch, Kondo DC at a contract sum of Tshs. 170, 482,150/= and the TB during its meeting held on 19th May 2013 directed the Secretary to the TB to initiate negotiations with the successful bidder. However, M/s Malobeni Traders Co. Ltd, the lowest evaluated bidder was not invited for negotiation, instead, M/s Igowole Building & Civil Works Ltd, a firm which was disqualified at preliminary stages of evaluation was invited for negotiations and awarded the tender at contract price of Tshs. 184, 058,000/= contrary to Section 65 of PPA and Reg. 9 (c) and (d), 14 (5), 15 (14), 20 (b) and 90(4) of GN No. 97 & Reg. 36 (1), 54 (1), 57 (3) & 58 (2). This caused a loss of Tshs. 13,575,850/= to the council which would have otherwise been saved. All tender notices were not submitted to PPRA for posting in the Authority's website and Journal contrary to Reg. 9(a) and 7(a) of the GN. No. 97 of 2005 for the FY 2013/2014. Three tenders were single sourced without adequate justifications contrary to Section 61 (3) of PPA and Reg; 65 (6), 66 (4), 74 (8), 80 (6) of GN No 97.
<p>Mtwara District Council</p>	<ul style="list-style-type: none"> Tender for Periodic Maintenance of Narnogoli – Mbuo Road was awarded unfairly. The Evaluation team recommended award to M/s Mtopwa General Supplies (whose evaluated tender price was Tshs. 59,936,200) but the TB chose to award the tender to M/s Esan Construction and General Supply who was the second lowest bidder (whose Evaluated tender price was Tshs. 81,277,900) on the ground that the recommended lowest evaluated bidder was undertaking other two contracts. The decision caused a loss of Tshs. 21,341,700 to the council being the difference between the two bids. Out of 15 sampled tenders, 14 tenders were awarded beyond the bid validity period.

<p>RAS Lindi</p>	<ul style="list-style-type: none"> Contract No. RAS-006/2012/2013/HQ/W/04 for Construction of Dormitories at Ilulu Girls Secondary School was awarded based on the engineers estimate, a criteria not contained in the tender documents. As a result the tender was awarded to M/s Ntina General Enterprises whose bid was Tshs 52,383,000 because its bid was 2% above the Engineers Estimate of Tshs 51,359,000.00 instead of M/s Masaho General Supplies and Construction Company Limited because its tender was Tshs 49,101,000.00 which was below the Engineers Estimate by 5%. Tender No. AE/032/2013-2014/HQ/G/07 lot (1-3) was procured through NCQ and awarded as MVP while it was already known through estimates that the value is above the threshold for NCQ as stipulated in the second schedule of GN. No. 97 of 2005. The tenders were awarded to M/s MM Industries for Tshs 202,964,614 and M/s Trans OCEAN Supplies for Tshs 142, 487,468 as MVPs through LPOs without signing any contract. The approval to start process was obtained for only 2 tenders out of the 6 audited, the other four tender No. RAS-006/2012/2013/HQ/W/01; RAS-006/2012/2013/HQ/W/02; RAS-006/2012/2013/HQ/W/03; and RAS-006/2012/2013/HQ/W/04 did not obtain approval to start procurement process contrary to Regulation 47 and 53(6) of GN No, 97. In such circumstances the PE may be committed on a procurement that has no funds Contract awards were not published to the public contrary to regulations 21 and 97(12&13) of GN. No 97.
<p>DAWASCO</p>	<ul style="list-style-type: none"> Tender evaluation for Tender No. AE/032/2013-14/HQ/G/1 – Lot 1-6 for supply of chemicals was done using criteria not stipulated in the bidding document issued to bidders. The evaluation team decided to assign scores on every item as if it was a consultancy assignment. There were scores at the preliminary stage with a cutoff point of 75 as criteria to be considered for detailed evaluation and finally financial evaluation like consultancy assignment. 10 out of 24 contracts (mainly for supply of chemicals and NC) were awarded beyond bid validity periods stipulated in the bidding documents. Contrary to section 64 of PPA 2004 and Reg. 96(3) of GN. No. 97.
<p>Shinyanga Municipal Council</p>	<ul style="list-style-type: none"> Tender No. LGA/112/2013-2014/RWSSP/W/1D for Construction of Water Supply piped Scheme for Mwamanguli village was fictitiously evaluated to make the bid submitted by M/s Halem Construction Co. Ltd the lowest. The evaluation committee created a negative error of Tshs. 6,600,000 to M/s Halem Construction Co. Ltd tender which caused his bid price to drop from Tshs. 301,069,120 to Tshs. 294,469,120 making it the lowest evaluated bid. However, the calculation made by the auditors in the presence of one member of evaluation committee revealed that there was no error on M/s Halem Construction Co. Ltd bid and the lowest evaluated bid was by M/s Shinyanga Commission Agency whose bid price was found to be Tshs. 285,068,850. This action caused a loss of Tshs. 9,400,270 to the Council.

<p>Babati Town Council</p>	<ul style="list-style-type: none"> • Quotation documents for tender no. LGA/058/2012-13/BTC/G/35 for Supply of Curtains and Fittings Lot – IV and tender no. LGA/058/2013-14/BTC/W/14 for Construction of Babati Ward Office were issued to the suppliers/contractors who were neither shortlisted by the council nor by the GPSA. • Tender adverts were not submitted to the Authority so as to be published in the Authority’s Journal and website as required under Regulation 9 (a) of GN No. 97 & Regulation 7 (a) of GN No. 98 of 2005/ Reg. 8(a) of G.N No. 446 of 2013.
<p>Tabora Municipal Council</p>	<ul style="list-style-type: none"> • During evaluation of tender No. LGA/124/2013-2014/W/05/LOT III for Construction of Water Supply Scheme in Tabora Municipal Council at Kalunde and Igombe Village, the evaluation team recommended the lowest evaluated bidder M/s Monmar & Sons Co. Ltd to be awarded the tender with the contract price of Tshs. 1,339,229,931.60 after correction of errors. The review done by the auditors and one member of evaluation team revealed the correct amount was to be Tshs. 1,325,570,131.60 instead of Tshs. 1,339,229,931.60. If not corrected during construction, the council will incur a loss of Tshs. 13,659,800.
<p>Geita Town Council</p>	<ul style="list-style-type: none"> • Tender No. LGA/160/2013/2014/W/RF/01 – Package 3 for Spot Improvement and Periodic Maintenance of Kasamwa Town Roads was fictitiously evaluated to favor M/s Nice Construction & General Supplies with the corrected bid price of Tshs. 72,500,000. The evaluation team fabricated an error of Tshs. +21,576,000 to M/s JBM Civil Contractor’s bid which caused its bid price to increase from Tshs. 60,868,800 to Tshs. 82,444,800 and evaluated to be the highest evaluated bidder. The review of the submitted bids by the auditors revealed no error in M/s JBM Civil Contractor’s bid. • Evaluation team recommended M/s Mazenge Investment Co. Ltd to be awarded tender No. LGA/160/2013-2014/NC/02 for “Ushuru wa mambango ya matangazo” at Tshs. 1,458,333 per month but the tender board rejected the recommendation and awarded the tender to M/s Bryan Printer & General Supplies for Tshs. 1,612,000 per month. During evaluation, M/s Bryan was ranked second with the rate of Tshs. 1,012,000. However, the review of M/s Bryan’s bid indicated that it was later forged to read Tshs. 1,612,000 instead of Tshs. 1,012,000. • Evaluation team recommended M/s Joseph Wambura Itangare to be awarded the tender for “Ushuru wa machinjio Geita Mjini” at the amount of Tshs. 1,700,000 per month but the tender board rejected the recommendation and awarded the tender to M/s Adamu Ally Holoma who ranked 5th with the amount of Tshs. 950,000 per month. No justification was provided by the tender board on their decision to award the contract to the bidder and rejecting the most advantageous bid to the council.
<p>Kibondo District Council</p>	<ul style="list-style-type: none"> • The council used criteria not included in the bid document contrary to Section 65 of PPA Regulation 9(c) and (d) , 14(5) 15(14), 20(b) and 90(4) of GN No. 97 of 2005 as evidenced by all works audited for which engineers estimate was used as the criteria for evaluation of tenders.

UWASA Lindi	<ul style="list-style-type: none"> Standard tender documents issued by PPRA were not used for all the procurements contrary to Section 63(1) of PPA and Reg. 83(3) and (4) of GN No. 97. Specifications were not included in all procurement documents contrary to Sec. 62(3) and 73(4) of PPA and Reg. 9(b) and 22 of GN No 97. Procurement methods were used appropriately. National shopping for almost all the procurements was used but did not meet the conditions for national shopping as prescribed in Section 58(2) and Section 59 of PPA and Regulation 68 of GN No. 97. There were also cases of procurements made by directly payments without proper authorizations/LPO contrary to Regulation 71 of GN No. 97 as evidenced by purchase of Water Chemicals from Twiga Industrial Chemicals (T) Limited; Payment Voucher NO. 12/9 of 10/09/2013. No tender was advertised to the public contrary to section 61 of PPA and Regulation 9(a) and 80 of GN No. 97. There was no evidence of the tender board approving the awards contrary section 68 of PPA and regulation 15(15) of GN NO. 97 this also created favorable conditions for abuse of the tender process. Unsuccessful bidders were not notified contrary to regulation 97(11) of GN No. 97.
Kilindi District Council	<ul style="list-style-type: none"> The PE did not use evaluation criteria explicitly stated in the tender documents in evaluating tenders contrary to section 65 of PPA and regulation 9(c) and (d), 14(5) and 90(4) of GN NO 97 as evidenced for 3 tenders namely: Periodic Maintenance of Songe – Mvungwe – Lwande Road (19km); Routine Maintenance of Negero – Lukole Vunila (31.18km) and spot improvement of Kweisapo – Mnyingwa Road (11km; and Periodic Maintenance of Tamota – Misufini – Vyadigwa (20km) – Mzinga. If tender valuation was based on the criteria stated in the solicitation documents, the council could have saved a total of Tshs. 159,189,800 of public funds.
National Electoral Commission	<ul style="list-style-type: none"> Standard quotation documents were not used for procurements valued up to Tshs 80,000,000/= instead bidders were invited to submit Profoma Invoices.

5.3.3.4 Appropriateness of contracts management and implementation

The assessment under appropriateness of contracts management and implementations was made on the following issues: whether the contract documents were properly arranged and included all the required documents; whether contracts were properly signed; Existence and qualifications of contracts managers; whether general contracts administration issues were properly managed; whether contractual time control issues were properly managed; whether contractual quality control issues were properly managed; whether contractual scope control issues were properly managed, and; whether contractual cost control issues were properly managed.

The assessment of the audit results on contracts management and implementation indicated that the majority of the reviewed contracts were properly prepared and signed.

The audits revealed significant performance gaps on contracts management which had serious negative consequences in the delivery of services, goods and infrastructure facilities including; delivery delays, cost overrun, poor quality of services, goods and works, and loss of public funds. Notable areas include: weak management of performance securities, advance payment securities, and insurance covers which was observed in 47% of the reviewed contracts; negligence of enforcing remedies for delays stipulated in the contracts which was observed in 61% of the reviewed contracts; extending contracts duration without justification and without following appropriate procedures which was observed in 43% of the reviewed contracts; issuing variations without following appropriate procedures observed in 27% of the reviewed contracts; issuing variations without justifications; weak management of quality controls and quality assurance observed in 44% of the reviewed contracts; delayed payments to service providers observed in 25% of the reviewed contracts; and making payments to service providers without following procedures for inspections and measurements observed in 38% of the reviewed contracts. The performance assessment of the sub indicators under contracts management is shown in Figure 511 below;

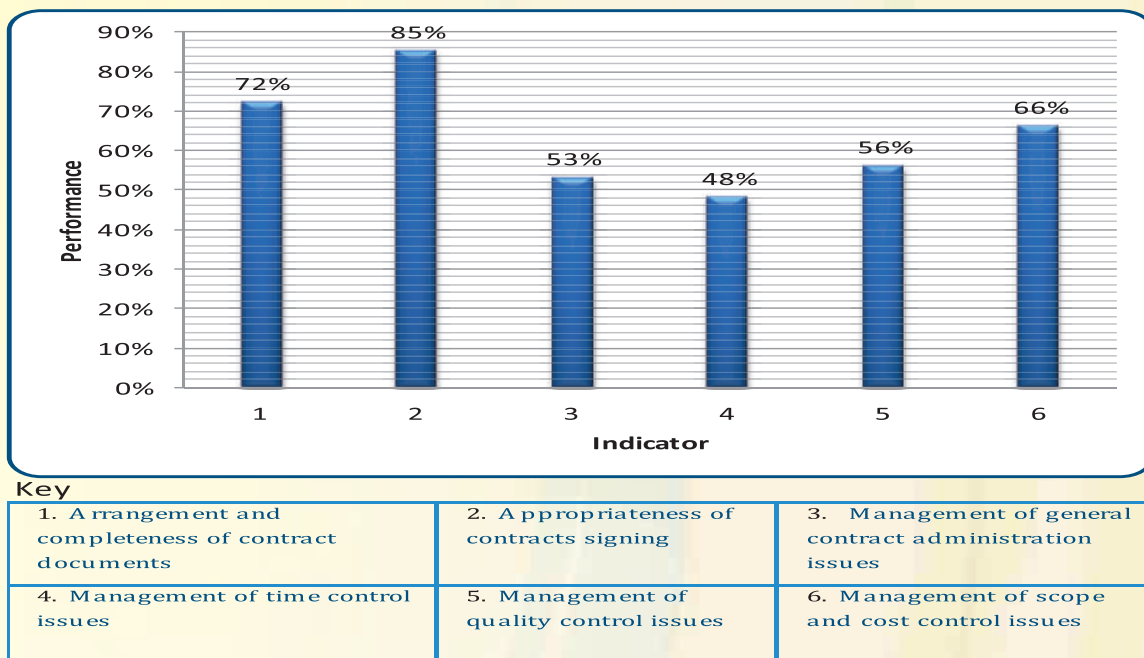


Figure 5-32: Compliance levels under contracts management

Notable weaknesses observed in managing contracts are highlighted in the Table 56 below;

Table 5-6: Notable weaknesses under contracts management

<i>Procuring entity</i>	<i>Audit finding</i>
Bagamoyo District Council	<ul style="list-style-type: none"> Contract No. LGA/014/2012/2013/W/07 for completion of Msoga Surface irrigation Scheme Phase I was to be completed on 4th February, 2014. However, the contractor has failed to execute the work, no time extension has been granted and also the contractor has not extended the performance bond he submitted, but no action has been taken by the client to remedy the situation. Advance payment of Tshs. 44,500,202.00 was made to M/s Lonagro Tanzania Ltd for supply of tractor and trailer without any guarantee.
Mwalimu Nyerere Memorial Academy	<p>Weak management of Contract No. PA/022/2012-13/MNMA/W/01 – Construction of Students Hostel Phase II at Kigamboni Main Campus;</p> <ul style="list-style-type: none"> Variations amounting to TShs. 59,000,000 were ordered without prior approval of the TB contrary to the requirements in the PPA. Test results for concrete indicated failure of all the 21 cubes (100%) in meeting the average crushing strength of 30.48N/mm² which is the minimum 28 days crushing strength as specified in section A.21 page VI/5 of the Specifications. No action was taken by the client and concrete was accepted. The contractor has been overpaid in concrete works. The BoQ provides for concrete class 30 (30N/mm²) while specifications provides for concrete class 25 (25N/mm²). The cost of concrete class 25 was supposed to be less than that for concrete class 30. The total amount paid for concrete class 25 at the price of concrete class 30 was TSh. 125,174,000.00. The rate for concrete class 30 in the BOQ was TSh 300,000 per m³. The contractor was overpaid in roofing works as follows: The priced roof covering in BoQ was for industrial troughed aluminum roofing sheets gauge 22 at TSh. 48,000 per m². But the contractor has used aluminum sheets gauge 24 but has been paid a total of TSh. 40,614,000 using the rates for gauge 22. The thickness of Gauge 24 is 0.51mm while that for gauge 22 is 0.64mm. Accepted advance payment bond (policy No. P/01/6003/602/13/36) from Century Insurance Company Limited instead of a bank guarantee as specified in Clause 24 of special Conditions of Contract. Furthermore, the accepted security was not signed and it expired on 31/1/2014. the balance of advance payments unrecovered as of the date of audit was TShs. 26,197,729.59.

<p>Rufiji District Council</p>	<p>Weak management of contracts for revenue collections;</p> <ul style="list-style-type: none"> The Council failed to administer the performance securities for the revenue collections. Revenue collectors were required to submit performance securities 21 days after signing contract (15/7/2013) , Mesin Ltd (Tsh 3,000,000) Padlock Ltd (6,000,000) and Agro growth (3,210,000) failed to submit the respective performance securities. Furthermore, Vidoba Freight Co.Ltd submitted his performance security of Tshs 30,000,000 in two installments Tsh 10,000,000 on 28/8/2013 and Tsh 20,000,000 on 7/1/2014 and delayed 155 days also Ungando Contractor & General supplies Ltd submitted his performance securities for two contracts on 30/12/2013 of Tsh 4,000,000 and Tsh 8,000,000 delayed 147 days all of this were done after the expiration of contracts contrary to clause 6.2 of the contract but no action was taken by the Council. Failed to administer contracts for revenue collections for the FY 2013/2014 as a result the Council lost a total of Tsh 670,000,000 which is equivalent to 81.17% of the Tsh 826,390,000 which was supposed to be collected from various revenue collectors.
<p>Ilala Municipal Council</p>	<ul style="list-style-type: none"> There was a delay in appointing works supervisor for Contract No. LGA/015/2012/2013/W/01 LOT 07 - Rehabilitation of Wing Wall along Indian Ocean. The Supervisor was appointed vide a letter dated 5th February 2014 while the works contractually commenced on no 17th October 2013. On the same named project the Contractor submitted questionable test results for concrete indicating failure of all the 3 cubes (100%) in meeting the concrete strength for grade 30 (30N/mm²) at twenty eight (28) days. In IPC 1 the Contractor was paid mass concrete works worth TSh. 254,584,125 without test results. Accepted performance security No. TIB/PER/3429/14/06 from Tanzania Investment Bank for the same project while it was inadequate as it was 9.81% of the contract sum (Tshs. 45,700,000) instead of the required 15% (Tshs. 69,866,990.3). Furthermore, the wording in the performance security was different from those in the standard forms issued by Authority and provided in tender documents. There was un approved extension of time from 15th January 2014 to 28th May 2014 has costed the council about TSh. 46,577,993.50 (100 days x 0.1% (rate of liquidated damages per day) x 465,779,935 (contract price) = TSh. 46,577,993.5. Actually the limit of liquidated damages deduction was reached on 24th April 2014 and the works should have been terminated.

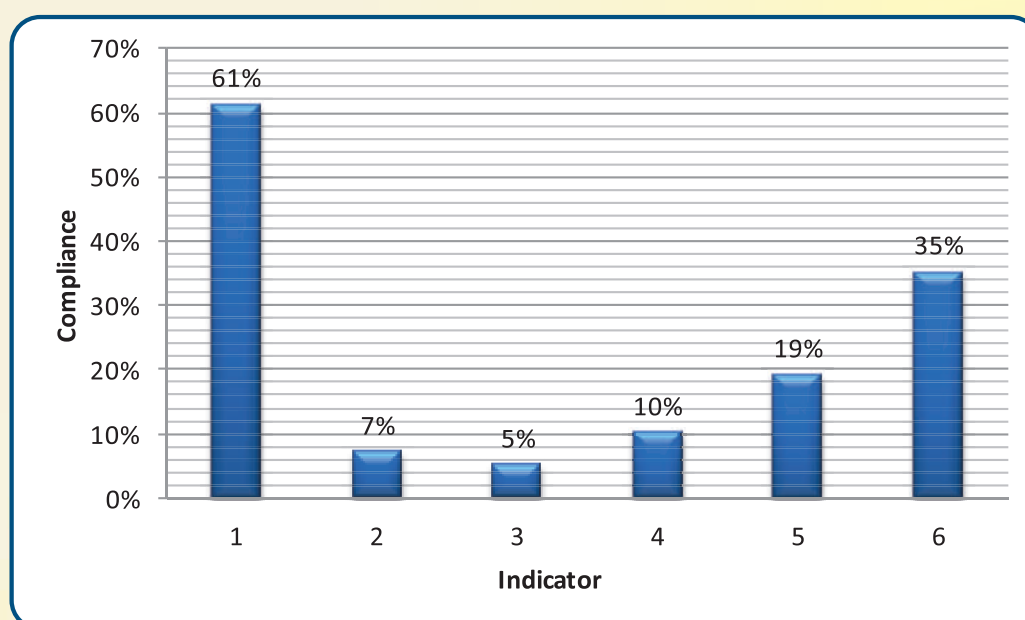
Kibondo District Council	<ul style="list-style-type: none"> • The quality of executed works was generally poor especially for Kumwayi bridge. The quality of materials used especially the aggregates for concrete was poor and could not attain Class 30 concrete specified. The bridge members had uneven surfaces due to bulging of concrete and honey combs. The bridge had dimension which were not consistent with the drawings. Katunguru River was skewed and misaligned with the walls and partly falling outside the supports at both ends, fill and gravel at both ends was not compacted. • Up to certificate No. 3, the contractor was overpaid TZS 42,644,600.00 for work not done and for works with poor quality. • For the construction of Piped Water Supply and Civil Works at Kiduduye and Kagezi Villages, the contractor was overpaid TZS 352,800,000.00 for supply and installation of pipes for the Rising Main and Distribution System. While no pipeline had been constructed, the same items were valued and included in the payment of TZS 494,895,000.00. This was done contrary to Clause 44.4 of the GCC.
Kasulu District Council	<p>Poor quality of works was observed in the Construction of Migongo - Heru Ushingo Roads. All the culverts were not constructed according to the contract drawings and specifications. This covered culverts located at 23+400, 24+000, 24+400 and 24+500 from Migongo Junction. The engineer instructed the contractor to demolish the culverts but until the time of the audit they were yet to be demolished.</p>
Kondoa District Council	<p>Ten contracts required contractors to submit performance securities. The performance securities for the following works contracts were not submitted; [LGA/021/2012/2013/W/74, LGA/021/2012/2013/W/73, LGA/021/2012/2013/W/72, LGA/0212012/2013/W/68, LGA/0212012/2013/W/69, LGA/021/RF/2013/2014/06, LGA/021/RF/2013/2014/09, LGA/021/RF/2012/2013/75, LGA/021/RF/2013/2014/04, LGA/021/RF/2013/2014/07& LGA/021/RF/2013/2014/03].</p>

Babati Town Council	<ul style="list-style-type: none"> • Weak management of performance securities was observed as follows; <ul style="list-style-type: none"> i.) Tender No. LGA/058/2013-14/BTC/W/06 for Construction of Water Supply project pumping from bore hole at Malangi Village in Babati Town required the contractor to submit performance security of either Bank Guarantee – 10% of the contract price or Performance Bond – 30% of the contract price, but the contractor submitted Performance Bond of 10% from Real Insurance and it was accepted contrary to the contractual requirements. ii.) No proof was provided to show that M/s Mtembesha Construction Co. Ltd under contract no. LGA/058/2013-14/W/07 for Construction of water supply project pumping from borehole at Managhat in Babati Town submitted performance security as required under clause 26 and 55.1 of the SCC and GCC respectively. iii.) The Auditors observed delay on the completion of works for Contract No. LGA/058/2013-14/W/07 for Construction of water supply project pumping from borehole at Managhat in Babati Town, the contractor M/s Mtembesha Construction Co. Ltd delayed the completion of works for 70 days and no contractual measures were taken by the council.
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5.3.3.5 Management of procurement records

The following were assessed under the performance area: Availability of complete records; whether procurement records were properly arranged and well kept; availability of adequate space for keeping procurement documents, and; availability of adequate storage facilities such as shelves, cabinets e.t.c

The analysis of the audit results revealed the following: 46% of the reviewed tenders had incomplete information; 61% of the procurement records were scattered in various departments; 45% of the PMUs in the audited PEs had inadequate storage facilities; 47% of the PMUs in the audited PEs had inadequate space for keeping procurement records. The observed deficiencies were the main factors for the observed weak management of procurement records which affected the efficiency of the audit exercise as well as the compliance level of the audited procuring entities. The performance assessment of the sub indicators under records management is shown in Figure 512 below;



Key

1. Submission of APP to PPRA	2. Submission of complete tender process reports	3. Submission of contract completion reports
4. Submission of monthly procurement reports	5. Submission of quarterly procurement reports	6. Submission of annual procurement report

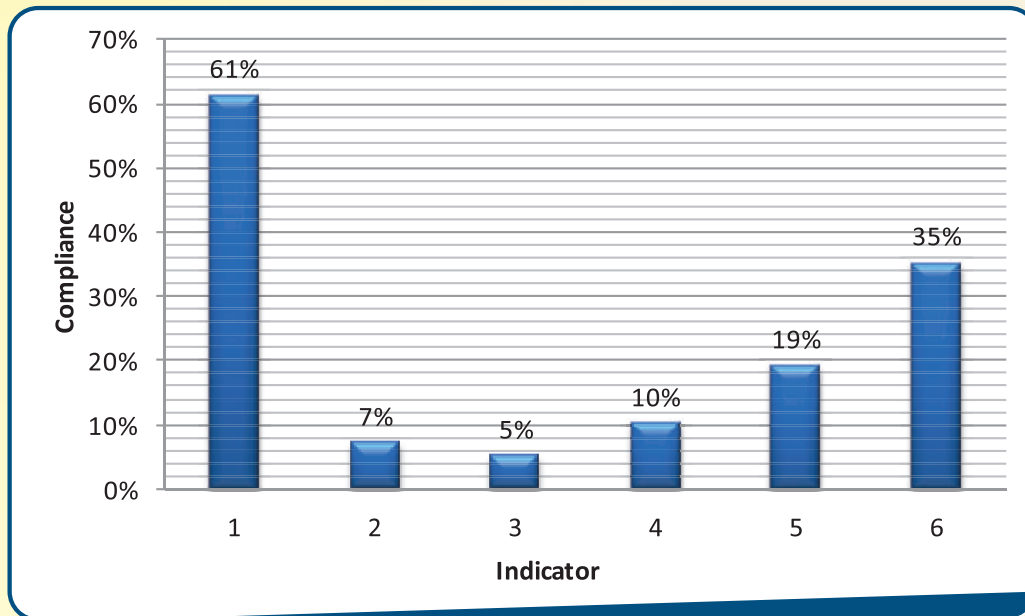
Figure 5-33: Compliance levels under management of procurement records

5.3.3.6 Implementation of systems prepared by PPRA (PMIS) and/or CMS)

The assessment covered the following: whether the APP was timely submitted to PPRA; whether procurement reports for individual tenders were submitted as required; whether monthly procurement reports were submitted; whether quarterly procurement reports were submitted and; annual procurement report were submitted.

As observed in the previous years, the majority of the procuring entities are still not complying with the requirement for submitting procurement information through the PMIS and SCM developed by PPRA. The analysis of the audit findings indicated an overall compliance of 24% on the implementation of systems prepared by PPRA. Specific weaknesses included the following: 39% of the audited PEs did not comply with the requirement for submission of APP to PPRA; 95% of the audited PEs did not comply with the requirement for submission of contract completion reports; 90%, 81% and 65% of the audited PEs did not submit monthly procurement reports, quarterly procurement reports and annual procurement reports respectively.

The reasons cited for low compliance included the following; that the systems are not user friendly, inadequate staff within PMUs, lack of internet facilities, lack of computers, and lack of knowledge in implementing the systems. The assessment of the audit results for the implementation of the systems prepared by PPRA are shown in Figure 513 below;



Key

1. Submission of APP to PPRA	2. Submission of complete tender process reports	3. Submission of contract completion reports
4. Submission of monthly procurement reports	5. Submission of quarterly procurement reports	6. Submission of annual procurement report

Figure 5-34: Compliance levels under implementation of PPRA systems

5.3.3.7 Handling of complaints

In addition to the above six performance areas, PEs were assessed whether they had handled properly and timely complaints submitted by bidders in accordance to the provisions in the PPA and Regulations. Depending on the number of mishandled cases, PEs were penalized to the maximum of ten points. The analysis of the audit results indicated that out of the 68 audited procuring entities only two mismanaged the procurement complaints submitted by bidders.

5.3.4 Management of Contracts for Revenue Collections in LGAs

One hundred and forty six (146) contracts for revenue collections were audited in eighteen (18) LGAs. The audit results show that there were weaknesses in managing the contracts resulting to under collection of expected revenues. According to the reviewed contracts, out of the **Tshs. 8,266,141,185** which was to be collected and remitted to the councils by the contracted collectors, only **Tshs. 5,565,549,115.75** equivalent to **67%** of the total expected revenue was remitted to the audited councils. It was observed that although **Tshs. 2,700,592,069** was not remitted by the contracted collectors, the councils did not take any measures which were stipulated in the contracts with the collectors. The measures included enforcement of performance securities clauses, charging interests for delayed remittance, and timely termination of contracts. Details of the revenue remittances are shown in Table 57 below;

Table 57: Revenue remittance

S/N	Name of the Audited PE	Number of Contracts	Total Contracts Amount which was to be Remitted	Total Amount Remitted	Amount not Re-mitted	% Remitted
1	Rufiji District Council	7	862,390,000.00	192,390,000.00	70,000,000.00	22.31
2	Kilindi District Council	3	590,400,000.00	379,900,000.00	210,500,000.00	64.34
3	Lushoto District Council	52	1,640,990,000.00	673,750,000.00	967,240,000.00	41.06
4	Chamwino District Council	2	12,650,000.00	12,650,000.00	0.00	100
5	Dodoma Municipal Council	7	136,191,225.00	125,250,162.07	10,941,062.93	91.97
6	Kondoa District Council	6	439,848,000.00	335,425,680.00	104,422,320.00	76.26
7	Kilwa District Council	1	75,000,000.00	75,000,000.00	0.00	100
8	Maswa District Council	8	227,352,000.00	226,414,000.00	938,000.00	99.59
9	Mwanza City Council	13	2,125,620,000.00	1,687,000,000.00	438,620,000.00	79.37
10	Ukerewe District Council	7	88,884,000	59,564,000.00	29,320,000.00	67.01
11	Tabora Municipal Council	4	415,251,960.00	415,251,960.00	0.00	100.00
12	Shinyanga Municipal Council	3	77,400,000.00	77,400,000.00	0.00	100
13	Babati Town Council	6	226,452,000.00	219,061,550.00	7,390,450.00	96.74
14	Geita Town Council	10	244,884,000.00	170,032,000.00	74,852,000.00	69.43
15	Songea District Council	2	218,742,000.00	105,693,900.00	113,048,100.00	48.32
16	Songea Municipal Council	5	200,632,000.00	198,594,377.00	2,037,623.00	98.98
17	Bariadi Town Council	3	250,350,000.00	231,780,300.00	18,569,700.00	92.58
18	Moshi Municipal Council	7	433,104,000.00	380,391,186.67	52,712,813.33	87.83
	Total	146	8,266,141,185.00	5,565,549,115.74	2,700,592,069.26	67

5.3.5 PEs with poor performance

The analysis of the audit results indicated that six (6) procuring entities had poor performance in complying with PPA and PPR. Although they were previously audited and provided with recommendations to assist them in complying with the procurement law, the audit results show that the recommendations provided were ignored. The records on audit results confirm that the performances for some PEs have remained low for a long time as shown in Table 58 below;

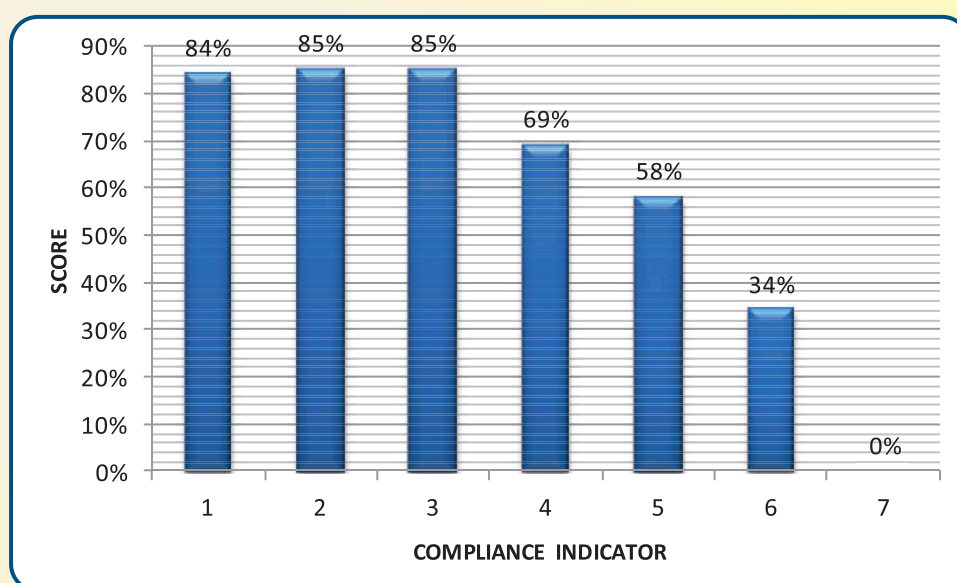
Table 58: PEs with poor performance

S/N	Entity	Compliance levels						
		FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14
1.	Kibondo District Council					54%		48%
2.	Kilindi District Council			36%				50%
3.	Kishapu District Council						51.47%	42%
4.	Lushoto District Council	30%		59%				50.2%
5.	RAS Lindi			28%			31.07%	50.8%
6.	UWASA Lindi				25%			22.3%

5.3.6 Compliance levels of PEs with expenditure in procurement above 20 billion

For the last three years, the Authority has been monitoring annually the compliance of PEs with big expenditure in procurements. During the FY 2013/14 the Authority planned to audit 23 PEs which had expenditure in procurement of above 20 billion during the FY 2012/13. The total expenditure in procurement for the 23 PEs was Tshs. 4.14 trillion which was about 85% of the total reported expenditure in procurement. However, due to shortage of funds only ten (10) PEs were audited out of the 23 PEs. The audited PEs under this group included; Bank of Tanzania, DAWASA, Government Procurement Services Agency, Medical Stores Department, Ministry of Communication, Science & Technology, Ministry of Home Affairs, Mwanza City Council, Registration Insolvency and Trusteeship Agency, Tanzania Social Action Fund, and UWASA Dodoma.

The overall average compliance of the above ten PEs was assessed to be 74% showing improvement from the last year's recorded compliance level of 70%. The average compliance levels for the seven performance areas were as follows: Appropriateness and performance of the institutional setup (84%); Appropriateness of the preparation and implementation of procurement plan (85%); Appropriateness of the tender process (85%); Appropriateness of contract management (69%); Management of procurement records (58%); Implementation of systems prepared by PPRA (34%), and; Handling of complaints in procurement process (-0%) as shown in Figure 5 14.



Key:

1. Institutional set up and performance	2. Appropriateness of preparing and implementing A PP	3. Appropriateness of tender processing	4. Appropriateness of contracts management
5. Management of procurement records	6. Implementation of systems prepared by PPRA	7. Handling of complaints	

Figure 5-35: Overall compliance of audited PEs with big volume of procurements

5.3.7 Areas which need immediate intervention

On the basis of the above analysis on audit results, there is a need for concerted efforts to address the identified capacity gaps in order to improve compliance and ultimately to enhance efficiency, competition, fairness and value for money in public procurement. The four performance areas which recorded low compliance levels (below the target of 72%) are **Contracts Management, Procurement Planning, Management of Procurement Records, and Implementation of Procurement Management Information Systems**. In addition, although the overall performance on Institution Setup, Procurement Planning and its Implementation, and Tender Processing were relatively good, specific sub-indicators within the same performance areas were assessed to have poor performance. They included: Notifying the Authority on established TBs; Establishment of PMUs (especially in LGAs); Knowledge of PPA and PPR for TB members, PMU staff, and IAU staff; Advertisement of General Procurement Notices; Tender evaluation; Efficiency in tender processing; Submitting tender notices to the Authority for publishing into procurement journal and tender portal; Publication of contract awards to the public, and; Using procedural forms issued by the Authority.

5.4 Value for Money audit findings

5.4.1 Introduction

Section 9(1)(i),(ii) and (iii) of Public Procurement Act, No. 7 of 2011 (PPA 2011) gives the Public Procurement Regulatory Authority (Authority) mandate to institute contract and performance audits during and/or after the completion of contract in respect of any procurement as may be required. On the basis of this mandate, the Authority during the FY 2013/14 carried out contract and performance

audits (value for money audits) of 205 construction contracts which were executed/were being executed in 45 procuring entities. The entities were among the 76 PEs selected for procurement audits and they included 40 LGAs, 3 PAs and 2 MDAs.

Generally, the audits sought to determine whether contracts had been/were being implemented in accordance with stipulated contract terms and conditions and whether value for money was achieved in spending public funds on selected construction contracts.

5.4.2 Value for Money Assessment tool

The projects (contracts) were assessed on the basis of five VfM criteria/ indicators namely: planning, design and tender documentation; procurement process; works supervision and contract administration; project completion and closure, and; quality and quantity of executed works. The indicators are weighted giving more emphasis on the quality and quantity of executed works as shown in Table 59.

Table 5-9: VfM audit criteria

<i>S/n.</i>	<i>Indicator</i>	<i>Purpose</i>	<i>Weight (%)</i>
1.	Planning, design, and tender documentation	To assess procurement planning, project feasibility and adequacy of design and specification for purposes of tendering and project execution.	20
2.	Procurement process	To assess compliance with PPA and its Regulations.	10
3.	Works supervision and contract administration	To assess the adequacy of project monitoring and control, and compliance with contract conditions and specifications.	20
4.	Quality and quantity of executed works	To assess the quality, quantity and workmanship of executed works on site and their compliance with technical specifications.	40
5.	Project completion and closure	To assess project completeness and handing over.	10

5.4.3 VfM audit opinion

On the basis of the Value for Money assessment criteria, scores for every audited project were aggregated and the overall performance of the project was rated depending on the computed aggregated score. Three different VfM opinions relating to three ranges of aggregated scores for individual projects were applied as shown in Table 510 below;

Table 5-10: VfM audit opinion

<i>Aggregated score</i>	<i>Value for Money opinion</i>	
75% - 100%	Satisfactory	<ul style="list-style-type: none"> ✓ There is sufficient assurance that project objectives are likely to be achieved (or have been achieved) and VfM is likely to be realized (or has been realized). ✓ Although the project is/ was exposed to some risks, they are considered to be manageable (they could have been managed). ✓ Risk management action is/ was effective although improvement is/ was possible. ✓ Management action is/was required to address the weaknesses observed.
50% - 74%	Fair/ Satisfactory with some significant reservations	<ul style="list-style-type: none"> ✓ Although most of the project objectives are likely to be achieved but there are significant weaknesses that need to be addresses for the project to realize value for money (or important improvement could have been made to enhance VfM). ✓ Risk management plan is/ was not sufficiently effective. ✓ Management action is/was required to address the significant number of weaknesses observed.
0% - 49%	Unsatisfactory	<ul style="list-style-type: none"> ✓ Most of the project objectives are unlikely to be achieved (or have not been achieved) hence VfM is unlikely to be achieved (or has not been realized). ✓ Key risks were / are not being managed effectively or were/ are not being managed at all. ✓ Urgent and significant management action is /was required to address the observed weaknesses to minimize the effects.

5.4.4 VfM Audit scope

A total of 205 construction projects (executed in 45 PEs) with a total value of Tshs. 62,544,545,357.54

Table 5-11: Categories of sampled projects

<i>S/n</i>	<i>Category</i>	<i>Number of Projects</i>	<i>Value (Tshs)</i>	<i>Percentage</i>	
				<i>Number</i>	<i>Value</i>
1.	Building	53	17,205,901,246.54	25.9%	27.5%
2.	Road	90	20,114,927,211.87	43.9%	32.2%
3.	Bridge	16	1,301,868,400.00	7.8%	2.1%
4.	Irrigation	2	415,535,145.00	1.0%	0.7%
5.	Water	33	20,284,967,408.36	16.1%	32.4%
6.	Civil	10	2,904,829,885.77	4.9%	5.0%
7.	Consultancy	1	316,516,060.00	0.5%	0.5%
	Total	205	62,544,545,357.54	100%	100%

The number of audited projects in LGAs was 191 with a total value of Tshs. 58,688,368,802.57 (94% by value) while the number of audited contracts in Public Authorities (PAs) was 9 with a total value of Tshs. 3,188,577,980.97 (5%) and the number of contracts in MDAs was 5 with a total value of Tshs.667,598,574.00 (1%). However, it should be noted that much emphasis was put on LGAs (191 audited contract with value of Tshs. 58,688,368,802.57) due to poor performance observed during the previous audits in managing works and consultancy contracts.

5.4.5 Overall VfM audit findings

- a) Out of the 205 audited projects, 33 projects equivalent to 16.1% of the audited projects with a total value of Tshs 18,509,242,969 were assessed to have satisfactory performance (above 75%) signifying that projects objectives are likely to be achieved (or have been achieved) and VfM is likely to be realized (or has been realized). However, for ongoing projects, the respective PEs were required to address the weaknesses observed in order to meet entirely the project objectives and enhance VfM. For completed projects, the respective PEs were advised to consider the weaknesses observed as being lessons learnt to be avoided in the implementation of future projects.

One hundred twenty four (120) projects equivalent to 58.5% of the audited projects which a total value of Tshs 32,001,653,231.65 were assessed to have fair performance (between 50% and 75%) but with significant weaknesses which if not properly addressed the projects are unlikely to achieve some of the intended objectives and thus VfM is unlikely to be completely realized. PEs with the projects under this category is required to prepare a sufficiently effective risk management plan to address the significant number of weaknesses observed in order to achieve the project objectives.

Fifty two (52) projects equivalent to 25.4% of the audited projects were assessed to have unsatisfactory performance (below 50%) suggesting that most of the project objectives as well as VfM outcomes were unlikely to be achieved. Risks management was not effective or was not in place. The audit results suggest that Tshs. 12,033,649,156.89 allocated for the 52 projects (equivalent to 19.2% of the total value of audited projects) were not properly spent. The projects with poor performance included 27 road works projects (equivalent to 30% of all audited road works projects) with a value of Tshs. 6,814,456,709.37, 15 building works projects (equivalent to 28% of all audited building works projects) with a value of Tshs. 4,305,130,347.52, seven bridge works projects (equivalent to 44% of all audited bridge works projects) with a total value of Tshs. 608,445,100.00, and three civil works projects (equivalent to 30% of all audited civil works projects) with a total value of Tshs. 305,617,000.00. The performance analysis of the audited projects is shown in **Annex 5 - 2** of this report.

- b) As indicated above, the performance was evaluated in five (5) performance areas and the overall assessment results were: planning, design and tender documentation which scored 71.9% and rated as fair performance; procurement process which scored 73.4% rated as fair performance; works supervision and contract administration scored 49.1% rated as unsatisfactory performance; project completion and closure scored 40.6% rated as unsatisfactory performance, and; quality and quantity of executed works scored 63.1% rated as fair performance. The overall performance for all the audited projects was assessed to be 60.2% signifying that, in general terms, funds earmarked for selected projects were fairly spent but with significant weaknesses which if not properly addressed the projects are unlikely to achieve some of the intended objectives and thus VfM is unlikely to be completely realized.

- c) The assessment of the audit results in terms of entities performance indicated 5 of the audited entities (11.1%) performed satisfactorily (above 75%), 34 entities (75.6%) performed fairly (between 50% and 75%) and the remaining 6 entities (13.3%) performed unsatisfactorily (below 51%). On average, LGAs, MDAs and PAs performed fairly at 60.9%, 60.0% and 65.8% respectively.
- d) The aggregated assessment on the five performance areas were: planning, design and tender documentation which scored 59.5% rated as fair performance; procurement process which scored 66.7% rated as fair performance; works supervision and contract administration scored 30.5% rated as unsatisfactory performance; project completion and closure scored 20.9% rated as unsatisfactory performance, and; quality and quantity of executed works scored 37.5% rated as unsatisfactory performance.

Details of the projects with poor performance are shown in **annex 5-3** and the list of the same projects is shown in Table 512 below;

Table 5-12: Audited projects with poor performance

<i>Procuring Entity</i>	<i>Project Description [Contract Price]</i>	<i>Score</i>
Mwanza City Council	Contract No. LGA/089/2012/2013/W/11/03: Spot Improvement works along Majengo Mapya (0.4Km) Pasiansi - Lumala (0.5Km) and Periodic Maintenance Works along Kijiji - Bigbite (1Km) and Breweries (0.5Km). [Contract Values Tshs. 65,032,304.80]	49.0%
	Contract No. MCC/089/2012/2013/W/11: Construction of Stone Pavement at Capripoint - Maji (0.2Km) and Nyakurunduma - Mkuyuni (0.5Km) Road within Nyamagana and Mkuyuni Ward [Contract Values Tshs. 115,764,500.00]	43.0%
	Contract No. MCC/089/2012/2013/W/11: Construction of Stone Pavement at Ihumilo (0.675Km) and Sweya Road (0.53km) within Mkolani Ward. [Contract Values Tshs. 198,137,700.00]	36.0%
	Contract No. LGA/089/2012/13/W/11/03: Construction of Stone Pavement Road (Lying of Stone Pavement Wearing Course) Along Sweya Road (5.3Km), Ihumilo Road (0.54Km), Capripoint - Maji Road (0.2Km) and Nyakurunduma Road (0.5Km) [Contract Value Tshs. 590,114,500]	50.0%
	Contract No. MCC/089/2011/2012/W/07: Construction of Mother and Child Clinic at Utemini Area within Mwanza City Council (Makongoro Clinic). [Contract Values Tshs. 853,568,493.52]	9.0%
Kishapu District Council	LGA/108/2012/2013/Mwigumbi/SEDP I/APL: Completion of Construction and Provision of School Building Facilities at Mwigumbi Secondary School. [Contract Values Tshs. 187,239,750.00]	35.0%

	Contract No. LGA/108/2012/2013/Ngofera/SEDEP II/ APL: Completion of Construction and Provision Building Facilities at Ngofila Secondary School [Contract Values Tshs . 151,650,000.00]	28.0%
	Contract No. LGA/108/2011/2012/MipaSec/C.02: Construction of Mipa Hostel [Contract Values Tshs . 108,085,195.00]	26.0%
	Contract No. LGA/108/2013/2014/RF/W/03: Routine and Spot Improvement of Mhunze - Iganga - Mwamashele - Muhunze - Lubaga, Kishapu - Mwakipoya and M/ Lohumbo - Masangala Roads. [Contract Values Tshs 85,325,000.00]	44.0%
Maswa District Council	Contract no. LGA/109/2012/2013/W/RF/0/7: Periodic Maintenance of Handuki - Nyashimba 12.5 Km and Structures of Handuki - Nyashimba (Culverts) [Contract Values Tshs. 114,775,000.00]	41.0%
	Contract No. LGA/109/2013/2014/W/05: Construction of Simply supported bridge and repair of Solid Drift along Bugarama - Msela - Wigelekelo Road. [Contract Values Tshs 90,802,000.00]	43.0%
	Contact No. LGA/109/2012/2013/W/04/RT/07: Structures of Bushitala - Masanwa (Bridges) and Spot improvement of Bushitala - Masanwa road (10Km0 and Periodic Maintenance of Isangeng'he - Budekwa Mwabaraturu Road (6Km). [Contract Values Tshs 169,850,000.00]	40.0%
	Contract No. LGA/109/2012/2013/CQ/W/27: Completion of Kizungu Dispensary Phase One. [Contract Values Tshs 50,000,000.00]	41.0%
	Contract No. LGA/109/2012/2013/CQ/W/18: Renovation of Maswa District Hospital Buildings. [Contract Values Tshs 49,749,360.00]	49.0%
	Contract No. LGA/109/2012/2013/CQ/W/12: Renovation of Maswa Girls Secondary School Drainage and Plumbing System. [Contract Values Tshs. 50,000,000.00]	10.0%
Kilwa District Council	Contract No. LGA/055/HQ/R/2013/2014/2: Spot Improvement of Masoko Town and Routine Maintenance of Pande - Matunda - Lihimilyao Roads. [Contract Values Tshs. 190,610,000.00]	37.0%
RAS Lindi	Contract No. RAS-006/2012/2013/HQ/W/04: Construction of Dormitory at Ilulu Girls Secondary School. [Contract Values Tshs. 51,359,000.00]	32.7%
	Contract No. RAS-006/2012/2013/HQ/W/03: Construction of Division Office at Lindi - Sudi. [Contract Values Tshs. 53,176,900.00]	47.1%

Singida Municipal Council.	Contract No. LGA/115/SMC/2012/2013/W/No. 15: Emergency Repair of Mtamaa Bridge. [Contract Values Tshs 66,502,800.00]	39.0%
	Contract No. LGA/115/2012/2013/W/No.4- LOT 2: Emergency repair of Kisasida - Unyambwa - Irumgi Drifts. [Contract Values Tshs 27,572,000.00]	34.0%
	Contract No. LGA/115/SMC/2013/2014/W/No. 1: Spot Improvement of Majengo - Unyamikumbi Road. [Contract Values Tshs 42,831,100.00]	35.0%
Kondoa District Council	Contract No. LGA/021/2012/2013/W/10/049: Upgrading of Magereza Junction-Kondoa District Hospital Road to double Surface Dressing Standard. [Contract Values Tshs 200,982,518.00]	39.4%
The Mwl. Nyerere Memorial Academy	Contract No. PA/022/2012-2013/MNMA/W/01: Proposed Construction of Students' Hostel at Kigamboni Campus - Phase II. [Contract Values Tshs. 1,746,515,306.00]	43.2%
Ilala Municipal Council	Contract No. LGA/015/IMC/2013/2014/W/02/ LOT 01 for Proposed maintenance of Chanika - Msumbiji - Nzasa (7 km) gravel road in Ilala Municipality. [Contract Values Tshs. 243,890,000.00]	49.0%
	Contract No. LGA/015/IMC/2012/2013/W/01/ LOT 3 for proposed upgrading of St. Mary's Road (1.3 km) to Tarmac level in Ilala Municipality. [Contract Values Tshs 920,703,796.57]	46.0%
Dar es Salaam Council	Contract No. LGA/018/2013/2014/W/07 LOT 1: Construction of 1.1Km Gravel Road at Pugu Kunyamwezi Dump site. [Contract Values Tshs 84,763,000]	43.8%
	Contract No. LGA/018/2013/2014/W/07 Lot 2: Spot Improvement works along Pugu Kinyamwezi Dump site (1.2Km). [Contract Values Tshs 42,349,600]	25.7%
	Contract No. LGA/018/2012/2013/W/23: Construction of 0.70Km Exit Road to Pugu Kinyamwezi Dump Site [Contract Value 165,000,000]	42.4%
UWASA Dodoma	Contract No. AE/034/2013-2014/W/03: Trench Excavation and backfilling for New Connection customers. [Contract Values Tshs 69,600,000]	45.0%
Rorya District Council	Contract No. LGA/068/03/W/2013/2014/07: Construction of Two Staff Houses for HODs. [Contract Values Tshs 192,513,500.00]	49.25%
	Contract No. LGA/068/03/W/2013/2014/07: PM, RM and Culvert Construction along Buturi - Oliyo - Buturi Road and RM along Buturi - Kasino & Oliyo "A" - Mariwa Shuleni Roads. [Contract Values Tshs 57,099,480.00]	44.0%

	Contract No. LGA/068/03/W/2013/2014/05: Periodic Maintenance, Routine Maintenance and Culvert Construction along Irienyi - Kinesi Road and Kinesi - Kibuyi Road. [Contract Values Tshs 29,883,060.00]	47.0%
Kilindi District Council	Contract No. LGA/127/W-RF/04/2013/2014: Periodic Maintenance of Songe- Mvungwe – Lwande (19km) Road. [Contract Values Tshs 332,211,000.00]	47.0%
	Contract No. LGA/127/W-RF/01/2013/2014: Routine Maintenance of Kwekivu- Ngeze (14km), Songe – Mvungwe (8km) and Spot Improvement of Makelele – Komsala – Kukunde Road (21km). [Contract Values Tshs 91,133,500.00]	43.0%
	Contract No. LGA/127/W-DEV/27/2011/2012: Construction of Sambu Bridge at Mnadani – Sambu – Pagwi Road. [Contract Values Tshs 96,170,000.00]	35.3%
	Contract No. LGA/127/DEV/02/2012/2013: Construction of Storm Water Drainage along Songe Town Roads. [Contract Values Tshs 39,000,000.00]	35.0%
	Contract No. LGA/127/W-REF/03/2012/2013: Periodic Maintenance of Songe Town Roads (15km). [Contract Values Tshs 198,925,500.00]	41.0%
Lushoto District Council	Contract No. LDC.130/RF-02/2013/2014: Periodic Maintenance of Lushoto Town Paved Roads. [Contract Values Tshs 597,117,800.00]	49.0%
Mkinga District Council	Contract No. LGA/133/2013-2014/WS/W/08: Construction of Roof Top Rainwater Harvesting Systems for the Government Offices and staff Houses at Kasera Town. [Contract Values Tshs 197,017,000.00]	47.0%
	Contract No. LGA/133/2012/2013/RF/W/01: Construction of Bosha Bridge and Periodic Maintenance of Mianzini – Bosha Road [Contract Value Tshs. 90,358,500]	50.0%
Kasulu District Council	Contract No. KSDC/W/2013/2014/26: Routine, Spot Improvement and Periodic Maintenance of Road Works Package 01. [Contract Values Tshs 242,520,000.00]	41.0%
	Contract No. Construction of Conference Hall for Kasulu District Council Occupying 1500 Square Metres together with services and drainage system. [Contract Values Tshs 351,849,000.00]	49.0%
Kibondo District Council	Contract No. LGA/041/2013-2014/W/05: Periodic Maintenance and Routine Maintenance of Kibondo District Council Roads Package 4 (Bridge at Kumayi and Katunguru Rivers). [Contract Values Tshs 139,303,000.00]	34.0%

Ukerewe District Council	Contract No. LGA 092/2013-2014/W/SEDP II/02: Completion, Construction and Provision of School Building Facilities at Nduruma Secondary School. [Contract Values Tshs 205,073,025.00]	36.0%
Musoma Municipal Council	Contract No. LGA/064/2012/2013/Q/W/04: Construction of One Block of Two Classrooms at Mwisenge Primary School. [Contract Values Tshs 23,989,718.00]	49.0%
Tabora Municipal Council	Contract No. TMC/LGA/124/RF/2012-2013/02: Periodic Maintenance of Uledi-Ipuli, Majengo and Isike Roads in Tabora Municipality. [Contract Values Tshs 171,906,000.00]	38.0%
Shinyanga Municipal Council	Contract No. LGA/112/2013-2014/RF/W/10: Culvert Construction along Kambarage (2No.), Mwamashele (4nn.), Ndembezi (4No.), Kitangili (4No.), Mwasele (2no.), Majengo mapya (4no.) within Shinyanga Municipality. [Contract Values Tshs 75,390,000.00]	49.0%
Songea District Council	Contract No. SDC/LGA/102/TN/W/12/2013/2014: Rehabilitation of Mpitimbi - Mbinga Mhalule Road. [Contract Values Tshs 333,132,000.00]	47.0%
Kinondoni Municipal Council	Contract No. KMC/DCQ/2/W/2013/2014: Upgrading of Maandazi Road 1.0Km from Gravel to Tarmac Level. [Contract Values Tshs 799,018,900.00]	43.0%
	Contract No. LGA/017/2012/2013/W/09/LOT 01: Proposed Construction of Box Culvert at Mburahati kwa Mwinyi. [Contract Values Tshs 161,649,800.00]	30.0%
	Contract No. LGA/017/2013/2014/W/06 - Lot 2: Upgrading of Lion Road (0.8Km) [Contract Value Tshs. 592,077,450]	45.0%
	Contract No. LGA/017/KMC/2013/2014/W/03: Construction of VIP Ward at Mwananyamala Hospital, Kinondoni Municipality [Contract Value Tshs. 230,361,100]	46.0%

5.4.6 Performance analysis

As indicated above, the projects were assessed on the basis of five VfM criteria/ indicators namely: planning, design and tender documentation; procurement process; works supervision and contract administration; quality and quantity of executed works, and; project completion and closure. The following is the analysis for each performance area for the purpose of identifying significant areas which need immediate and appropriate interventions.

5.4.6.1 Planning, design and tender documentation

Under this aspect, assessment was done on the following: appropriateness of procurement and project planning; the project feasibility; accuracy and completeness of the designs; accuracy, appropriateness and completeness of technical specifications; completeness and comprehensiveness of tender documents and; accuracy of pre tender estimates. With regards to consultancy services, the assessment

was intended to examine whether the request for proposals and the accompanying terms of reference fully addressed the project objectives. In addition, an assessment on whether the problem was properly identified was done.

The overall score for planning, design and tender documentation was assessed to be fair at 71.9% while PAs performed satisfactorily at 81%, MDAs, and LGAs performed fairly at 63.2% and 71.6% respectively. Twenty five (25) projects equivalent to 12.2% of all audited projects were assessed to have poor performance (less than or equal to 50%) under this indicator.

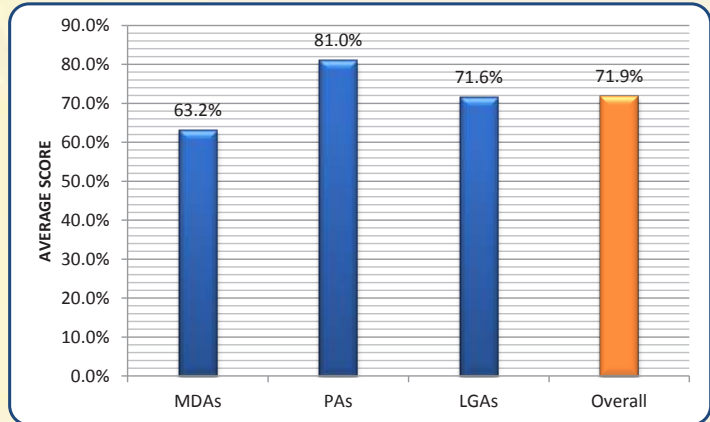


Figure 5-36: Overall VFM audit score on planning, design and tender documentation for MDAs, PAs and LGAs

The major observed weaknesses on planning included: Poor packaging of works contracts; incomplete or unavailability of designs; unrealistic pre-tender estimates; inaccurate computation of quantities in the bills of quantities, and; incomplete or ambiguous drawings. The deficiencies in the designs, drawings and bills of quantities caused unnecessary variations to the works thus increasing projects costs.

Specific notable weaknesses observed in Planning, Design & Tender Documentation stage are highlighted in the Table 513 below:

Table 5-13: Weaknesses observed under Planning, Design and Tender documentation stage

S/n	Procuring entity	Audit finding
1	Singida Municipal Council, Iramba District Council	<ul style="list-style-type: none"> Incomplete designs were observed for the audited projects, where some of the road projects for instance were carried out without even having strip maps.
2	Maswa District Council	<ul style="list-style-type: none"> Lack of/or inadequate designs leading to significant changes (excessive variation orders) therefore extra costs, poor quality of works due to inadequate specifications, and delayed completion of works. Overestimated quantities in the prepared bills of quantities and pre-tender estimates due to inadequate assessment of the projects sites. Inadequate or no drawings leading to poor quality of works, delayed completion of works on the following: Contract No. LGA/109/2012/2013/CQ/W/27 for Completion of Kizungu Dispensary Phase One; Contract No. LGA/109/2012/2013/CQ/W/18 for Renovation of Maswa District Hospital Buildings; Contract Numbers LGA/109/2012/2013/W/04/RT/07 for Structures of Bushitala – Masanwa (Bridges) and Spot improvement of Bushitala – Masanwa road (10kms)

		<p>and Periodic Maintenance of Isageng'he - Budekwa - Mwabaraturu road (6kms); Contract Numbers No. LGA/109/2013/2014/W/05 for Construction of Simply supported bridge and repair of Solid Drift along Bugarama - Masela - Wigelekelo Road; Contract Numbers No. LGA/109/2012/2013/RF/06 for Periodic Maintenance of Hinduki - Nyashimba Road (12.5km) contract No. LGA/109/2012/2013/W/RF/04/7; Contract Numbers No. LGA/109/2012/2013/CQ/W/12 for Renovation of Maswa Girls Secondary School, Drainage and Plumbing System.</p>
3	Ilala Municipal Council	<ul style="list-style-type: none"> The tender document reviewed did not contain specifications. SCC were wrongly customized as follows: SCC Clause 1 defined NCC as adjudicator while SCC Clause 13 defined NCC as adjudicator appointing authority; furthermore, the sample form of tender has Eng. Kimambo as the adjudicator; SCC Clause 23 pegs maximum liquidated damages (LD) at 10 % while the performance security is 15% (SCC 26); SCC Clause 23 defines LD as 0.1% per day and maximum 10% (100 days) while SCC Clause 29 defines maximum LD as 2.8% (28 days).
4	Chamwino District Council	<ul style="list-style-type: none"> There were poor planning and design of the project for Construction of the Proposed Office Block for Chamwino DC (Contract No. LGA/019/2013/2014/W/08 -Tshs. 797,788,554.00). The assessment of the project requirements was not adequately done i.e. electrical and mechanical works were not designed, drawings were inadequate i.e. No bar bending schedule was prepared and the appointment of Project Manager for electrical and mechanical works was not done timely. The assessment of the project requirements for completion, construction and provision of school building facilities at Msanga Secondary School (Contract No. LGA/019/2013/2014/W/09 Lot 1- at a contract price of 146,665,692.80) was not done adequately. Gas piping plan in the laboratory building was not provided in the tender documents.
5	Musoma Municipal Council	<ul style="list-style-type: none"> Inadequate planning and prioritization of road maintenance interventions for periodic maintenance spot improvement and culverts construction along Buhare Roads Contract No. LGA/064/2012-2013/W/01 and periodic maintenance along Nyasho - Majita, Mwisenge - Misango and Mwisenge - Majengo Roads; Contract No. LGA/064/2012-2013/W/02.

6	Bagamoyo District Council	<ul style="list-style-type: none"> Contract LGA/014/2013/2014/WD/R/1 for Upgrading of Bagamoyo Town Roads with contract value of amount Tsh 689,795,000: BoQwas not in consistent with the drawings whereby in drawings road width was indicated as 6.8m while in BoQit was 7m, no evidence was provided to show that analysis of feasibility based on road maintenance software such as DROMAS was used and there was no detailed structural design/drawings. Contract No. LGA/014/2013/2014/WD/R/06 for periodic maintenance of lugoba – talawanda 2km, spot improvement of talawanda – magulumatali 6km, kihangaiko – mkoko 15km and lugoba – talawanda 10km and contract No. LGA/014/2013/2014/WD/R/05 for periodic maintenance 2km & routine maintenance 6km of Bagamoyo town roads (ukuni), periodic maintenance of kaole - mbegani road 4km and spot improvement pande - mlingotini road 5km: No evidence was provided to show that analysis of feasibility based on road maintenance software was used, no drawings, specifications were incomplete.
7	Capital Development Authority	<ul style="list-style-type: none"> Contract No. AE/021/2012/2013/W/04-Phase 2 for Construction of Water Raising Main and 1000 M³ Storage Tank at Njedengwa Investment Area with contract value of Tsh. 879,453,276.66: Designs and drawings were inaccurate and incomplete resulting in the shift of the location of water storage tank, revision of drawings and subsequently extension of time to the contractor.
8	Mwanza City Council	<ul style="list-style-type: none"> There was inaccurate estimation of quantities in the bills of quantities which indicated that planning was not properly done. Quantities in the bills of quantities were unrealistically high in the some of the projects such as: Contract No. LGA/089/2012/13/W/9/10 for Spot Improvement works along Majengo Mapya (0.4km) Pasiyasi – Lamala (0.5km) and Periodic Maintenance Works along Kijiji- Bigbite (1km) and Breweries (0.5km); Contract No.LGA/089/2012/13/W/11/03 for Construction of Stone Pavement Road (Lying of Stone Pavement Wearing Course) Along Sweya Road (5.3km), Ihumilo Road (0.54km), Capripoint – Maji Road (0.2km) and Nyakurunduma Road (0.5km); and Contract No. MCC/089/2012/2013/W/11 for Construction of Stone Pavement at Capripoint – Maji (0.2km) and Nyakurunduma – Mkuyuni (0.5km) Road within Nyamagana and Mkuyuni Ward). No bar bending schedule provided in the Contract No. LGA/089/2012/13/W/9/10 for Spot Improvement works along Majengo Mapya (0.4km) Pasiyasi – Lamala (0.5km) and Periodic Maintenance Works along Kijiji- Bigbite (1km) and Breweries (0.5km).

		<ul style="list-style-type: none"> No drawings attached, also there was no evidence availed to show if the drawings were prepared for the following two contracts:- Contract No. LGA/089/2012/13/W/11/03 for Construction of Stone Pavement Road (Lying of Stone Pavement Wearing Course) Along Sweya Road (5.3km), Ihumilo Road (0.54km), Capripoint – Maji Road (0.2km) and Nyakurunduma Road (0.5km); and Contract No. MCC/089/2012/2013/W/11 for Construction of Stone Pavement at Capripoint – Maji (0.2km) and Nyakurunduma – Mkuyuni (0.5km) Road within Nyamagana and Mkuyuni Ward).
9	Kondoa District Council	<ul style="list-style-type: none"> Bids had inadequate drawings as observed on Contract No. LGA/0212012/2013/W/68 for Completion, construction and Provision of School Building Facilities at Goima Secondary School, Kondoa DC. Lack of/or inadequate designs leading to significant changes (variation orders) therefore extra costs, poor quality of works due to inadequate specifications, and delayed completion of works. No road cross sections were provided in the tender document for tender No. LGA/021/RF/2012/2013/75 for Upgrading Kondoa Township Roads to Bitumen Standard. No specifications were included in the contract document for tender No. LGA/021/2012/2013/W/74 for Construction of Ward Grade 2 at Kondoa DC.

5.4.6.2 Procurement process

Under this aspect, a critical review was made on the tender process with a view to determining whether the tender process complied with Public Procurement Act and its Regulations to ensure that the lowest evaluated bidder is awarded the contract. The following specific areas were assessed: appropriateness of the methods of procurement; adequacy of the tender notice; adequacy of time for bids preparation, and; appropriateness of tender evaluation and award. In addition, the assessment aimed at determining whether contract documents contained all necessary information and whether the contract was properly signed.

The overall score for procurement was assessed to be fair at 73.4%. MDAs, PAs and LGAs performed fairly at 75.8%, 71% and 73.5% respectively. Thirteen (13) projects equivalent to 6.3% of all audited projects were assessed to have poor performance under this indicator. The major observed weaknesses on procurement included: inappropriate procurement planning causing delays in implementing the projects; inappropriately prepared tender and contract documents;

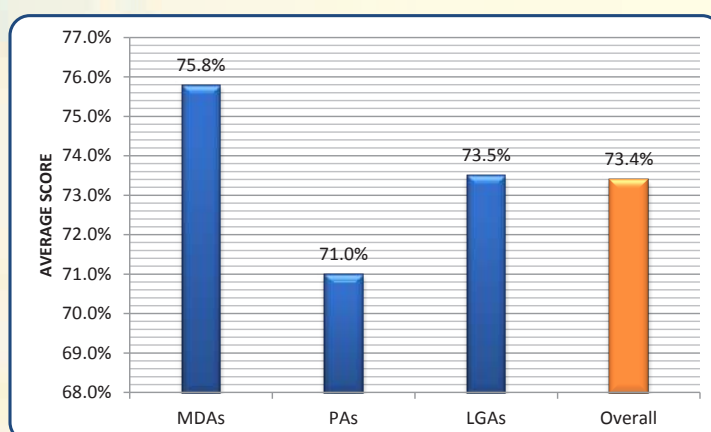


Figure 5-37: Overall VfM audit score on procurement process for MDAs, PAs and LGAs

specifications and drawings not included in the tender and contract documents as a result, activities were not adequately described for the bidders/contractors to know with certainty what is required; inappropriate evaluation of bids; inefficiency in processing tenders mainly contributed by: delays or/and incomplete submission of requirements (BoQs, specifications, drawings, special conditions of contract) from user departments to PMUs; and delays in signing contracts; inappropriate methods of procurement - Direct contracting was used to engage contractors without justifiable reasons, and; not submitting award decisions to PPRA.

5.4.6.3 Works supervision and contract administration

Under this aspect, a critical review was made on whether the contract was properly supervised and administered by assessing time, scope, quality, risk, communication and cost management issues such as: timeliness of site possession; availability and quality of project programme; adherence to project programme; quality of contractor's site organization and staff; quality of supervising engineer's site staff; assessment on the effectiveness of contractor's superintendence, consultants and employer's supervision was carried out; assessment on the availability and quality of quality assurance programme; quality of environmental management plans; management of surety and insurance bonds; assessment including validity of claims; assessment including validity of variations; assessment of project delays and extension of time; payment procedures; dispute resolutions, and contract terminations, and; assessment on the capacity of contractor to complete the projects on time was also done.

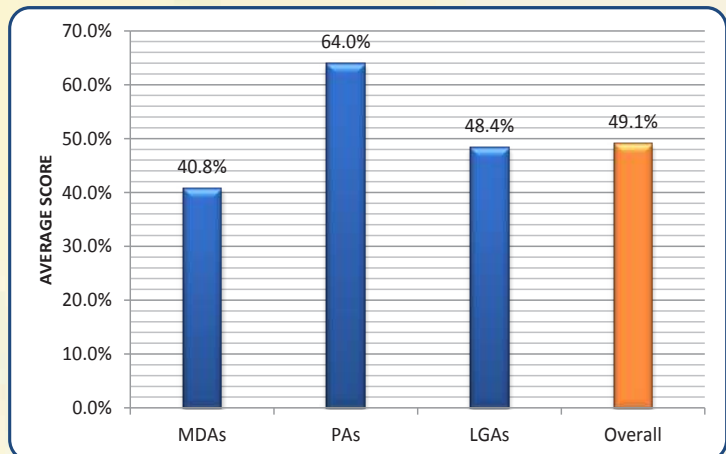


Figure 5 - 38: Overall VfM audit score on work supervision and contract administration for MDAs, PAs and LGAs

The overall score for works supervision and contracts administration was assessed to be poor at 49.1%. PAs performed fairly at 64%, MDAs and LGAs performed poorly at 40.8% and 48.4% respectively. One hundred and seven (107) projects equivalent to 52.1% of all audited projects were assessed to have poor performance under the performance indicator.

As far as this indicator is concerned, the auditors revealed the following major weaknesses: site possessions were not given on time and in some cases were not given at all led to extension of time; performance securities were not submitted as per terms and conditions of the contract leaving the PEs with no leverage in cases where contractors failed to perform, extension of times were granted without extending the performance securities, performance securities expired without extending them; delayed payments to contractors and consultants; weak monitoring of contracts characterized by lack of project progress reports, lack of site management meetings, and lack of project completion reports; incomplete and inadequately prepared payment certificates; non-enforcement of liquidated damages clause; issuing variation orders without following appropriate procedures; issuing extension of time without justifiable reasons and without following appropriate procedures; poor records keeping; variations orders not sanctioned tender boards; advance payments without providing bank guarantee although being stipulated in the contracts; site management meetings were not held as per terms and conditions of the governing the contracts; non-enforcement of performance securities and insurance covers although being stipulated in the contracts; delays in contracts execution; final inspection reports prior to issuing practical completion reports were not done, and; weak supervision of contracts.

Major weaknesses observed in construction (contract administration) stage are highlighted in the Table 514 below:

Table 5-14: Weaknesses observed under construction (contract administration) stage

<i>S/n</i>	<i>Procuring entity</i>	<i>Audit finding</i>
1.	Singida Municipal Council	<ul style="list-style-type: none"> • Contract No. LGA/115/smc/ 2012 /2013/w/no.10: completion, construction and provision of school building facilities at Kimpungua Secondary School: There were major changes to designs such from solar system to use of TANESCO electricity and from Boreholes to use of SUWASA water supply source which were done during construction leading to delayed works due to delayed approval decisions. • Inadequate quality control regime has generally been observed in all audited projects. No evidence of test results for concrete/ block works were availed to the auditors to prove otherwise. This is an indication that no rigorous quality control measures exist. • Poor quality of works were observed at site which lead to loss such as those at Unyambwa - Kisasida Drift where the Constructed Gabions gravity wall structure collapsed due to instability problem triggered by under-scouring and deficiency in both design and construction and also constructing wing wall at the same Drift which did not comply to specification led to its collapse and loss of money.
2.	Maswa District Council	<p>The overall score on contract administration was assessed to be poor at 11.80%. Weak contract administration was due to incompetence of the staff at the DE's office. The auditors revealed the following major weaknesses:</p> <ul style="list-style-type: none"> • Inadequate quality control system resulting into accepting low quality services and works, lack of control and supervision of DE's staff by the District Engineer to effectively supervise the contracts and lack of necessary knowledge on contracts administration, weak monitoring of contracts attributed by lack of project progress reports, lack of site management meetings and lack of project completion reports and; • Issuing extension of time without justifiable reasons and without following appropriate procedures.

3.	Ilala Municipal Council	<ul style="list-style-type: none"> • Contract No. LGA/015/2012/2013/W/01/ LOT 07 for Rehabilitation of wing wall along Indian Ocean in Ilala Municipality: There was a delay in appointing works supervisor; the Supervisor was appointed vide a letter dated 5th February 2014 while works contractually commenced no 17thOctober 2013, furthermore the was poor correspondence for example contractor requested for variations on 3rd March 2014 to carry out works not in the contract but which are incidental to make their work meaningful. Up to the time of audit on 28th March 2014 there was no reply from the council. • Contract No. LGA/015/IMC/2012/2013/W/01/ LOT 3 for proposed upgrading of St. Mary’s Road (1.3 km) to Tarmac level in Ilala Municipality: Despite requesting 15% performance security in the form of bank guarantee in the letter of acceptance, the council accepted performance security in the form of insurance (policy No. No. 496 dated 22/11/2012 from Golden Crescent Assurance). Furthermore, the policy was inadequate as it covered the council from 22/11/2012 to 21/11/2013. It should have covered the council up to at least 24/3/2014 ie. 12 months beyond the expected completion date. There was over deduction of retention monies of TSh. 44,773,632. Total amount deducted up to IPC 4 was TSh. 93,519,622 whereas the maximum required was 5% of contract price i.eTSh. 48,745,989.83 which was reached in IPC 3. • Contractor submitted questionable test results for concrete indicating failure of all the 3 cubes (100%) in meeting the concrete strength for grade 30 (30N/mm²) at twenty eight (28) days as all cubes achieved a strength of 29.9N/mm². Furthermore, the contractor has been paid IPC 1 including mass concrete works worth TSh. 254,584,125 without test results. • There was an un-approved extension of time from 15thJanuary 2014 to 28thMay 2014, costing the council about TSh. 46,577,993.50 (100 days x 0.1% (rate of liquidated damages per day) x 465,779,935 (contract price) = TSh. 46,577,993.5. The limit of liquidated damages deduction was reached on 24thApril 2014 and the works should have been terminated.
4.	Chamwino District Council	<ul style="list-style-type: none"> • Contract No. LGA/019/2013/2014/W/08 for Construction of the Proposed Office Block for Chamwino DC at Chamwino Township at a contract price of Tshs. 797,788,554.00: No measurements sheets provided in interim payment certificates; Even though quality control plans were part of the specifications, no quality assurance plans to ensure that the works were done and materials comply with specifications and drawings; Neither

		<p>inspection Reports nor the approvals were observed on site for the fixing of reinforcements and concrete works; to a large extent, therefore the contract was administered poorly right from commencement to termination.</p> <ul style="list-style-type: none"> Contract No. LGA/019/2013/2014/W/09 Lot 1 Completion, construction and Provision of School Building Facilities at Msanga Secondary School: Specifications were not included in the contract documents; No performance security was submitted despite the requirement under SCC 26 (55.1); No measurement sheets were provided in interim payment certificates; Inadequate inspection reports were observed as they lacked details with respect to the works that were inspected.
5.	Musoma Municipal Council	<ul style="list-style-type: none"> Periodic maintenance, Spot Improvement and Culverts Construction along Buhare Roads; Contract No. LGA/064/2012-2013/W/01 and; Periodic Maintenance along Nyasho - Majita, Mwisenge - Misango and Mwisenge - Majengo Roads; Contract No. LGA/064/2012-2013/W/02: There were inadequate quality control system resulting into accepting low quality services and works, lack of control and supervision of staff by the District Engineer to effectively supervise the contracts and general lack of necessary knowledge on contracts administration, weak monitoring of contracts attributed by lack of project progress reports. Payments were not based on actual quantities done and measurements prepared were incorrect leading to a total overpayment of T.Shs. 9,749,846.00 under Contract No. LGA/064/2012-2013/W/01 and T.Shs. 25,059,730.00 under Contract No. LGA/064/2012-2013/W/02.
6.	Bagamoyo District Council	<ul style="list-style-type: none"> Contract LGA/014/2013/2014/WD/R/1 for Upgrading of Bagamoyo Town Roads: Variations not following proper procedures as was seen in BoQ Item 1.5.2, whereby the cost of the item increased by 12,810,000. Likewise, there were lots of change of scope of works which were done verbally, no site instructions were issued, no progress reports were prepared and extension of time was granted by Ag. DE instead of AO as required by Reg. 118 of GN No. 97. Second extension of time was given without justified reasons this was revealed on. Contract No. BDC/2011/2012/wt/02 for construction of water civil works for MILO VILLAGE (contract value of Tsh.244,294,578): No inspection record for pumps and generator was available; no evidence of material testing for pipes and inspection report for generator supplied; Contractor supplied generator of 50KVA instead of 33KVA which was not specified in the contract as a result submitted an invoice of TSh 71,390,00

		<p>while the item in BoQ was only Tsh. 17,000 and no any approval was granted by TB; Delayed works due to absence of key staff like site engineer and equipment such as water bowser, pickup and concrete mixer which were proposed by contractor; Contractor was granted several extensions of time but could not complete the project; Contractor was given extension of time and was instructed to remove all defective pipes in the rising main and replace with new ones with fusion connection but until 10/3/2014 when the extended time expired, nothing was done; Poor supervision of the contract. Contractor is working out of contract, the extended of contract period had expired but till the time of audit in August, 2014 the project was not yet completed and no any liquidated damages was not found to be deducted.</p>
7.	Capital Development Authority	<ul style="list-style-type: none"> <p><i>Contract No. AE/021/2012/2013/W/04-Phase 2 for Construction of Water Raising Main and 1000 m³ Storage Tank at Njedengwa Investment Area:</i>It was observed that there was no activity on site at the time of audit despite the expiry of the contract period. Apart from the water pipe excavations and pump house structure, no work was done despite the payment of advance payment to the contractor. Until the time of audit in April, 2014, critical plant and equipment were not mobilized. The physical progress was estimated at 2% barely two (2) weeks to the expiry of the contract period (14thMay 2014); Contractor submitted Performance Bond instead of unconditional Bank Guarantee contrary to Clause 25 (54.1) of CC; The Advance payment Bank Guarantee No. ETZ/BG/149/10-2013 (Tshs. 131,917,991.50) from ECO Bank expired before the Project Manager took action to recover the advance payment from the contractor despite complete lack of progress of works.</p> <p><i>On Contract No. AE/021/2010/2011/TSCP/W/03 for construction of Investment Sub-Projects for Capital Development Authority (CDA), Pkg III: Construction of Nkuhungu and Mwangaza Storm Water drains (7.42km) with contract value of Tshs. 6,730,553,040:</i> Contractors' site staff organization and performance may have changed or demobilized from site as evidenced on the quality of the works. The quality of workmanship of the newly constructed storm water drain changed from good to worse as construction works progressed to completion at chang'ombe box culvert as well as gabions at mwangaza; Inspection Chambers of the storm drain were observed to be poorly made and the covers disintegrating and not fitting properly; Concrete side slopes line and levels of the storm water drain was poorly done; Surface finishes honeycombed and in some cases cracked; The headwalls and concrete lined inlets/outlet for the skewed box culvert at Chang'ombe was poorly constructed., The visible faces of gabion boxes for the Box Culvert at Mwangaza were deformed and bulging and no line and level respectively. Furthermore, no filter fabric was placed nor indicated on the drawings or instructed by the Engineer.</p>

8.	Mwanza City Council	<ul style="list-style-type: none"> • No action was taken by the Council for the delayed works of Contract No. MCC/089/2012/2013/W/11 for Construction of Stone Pavement at Capripoint – Maji (0.2km) and Nyakurunduma – Mkuyuni (0.5km) Road within Nyamagana and Mkuyuni Ward) which was supposed to be completed on 10th October 2013 but the work were completed on 16th December 2013 and no liquidated damages were imposed to contractor. • Poor management of advance payments Security for Contract No. MCC/089/2011/2012/W/07 for Construction of Mother and Child Clinic at Utemini Area within Mwanza City (Makongoro Clinic). Advance payment that was supposed to be 10% as per SCC Clause 24 but Mwanza City Council paid Tshs 213,392,123 which is 25%. • Performance security was not submitted under Contract No. MCC/089/2012/2013/W/11 for Construction of Stone Pavement at Ihumilo (0.675km) and Sweya Road (0.53km) within Mkolani Ward. • All risks insurance was not provided but the Contractor was paid Tshs 3,000,000 under Contract No. MCC/089/2012/2013/W/11 for Construction of Stone Pavement at Capripoint – Maji (0.2km) and Nyakurunduma – Mkuyuni (0.5km) Road within Nyamagana and Mkuyuni Ward). • There was no quality control for some of the projects as observed on Contract No. LGA/089/2012/13/W/9/10 for Spot Improvement works along Majengo Mpya (0.4km) Pasiyasi – Lumala (0.5km) and Periodic Maintenance Works along Kijiji-Bigbite (1km) and Breweries (0.5km). It was observed that, the depth of the drainage ditch varied significantly from one place to another which indicated that quality controls were weak.
9.	Kondoa District Council	<ul style="list-style-type: none"> • No performance security was submitted despite the requirement under SCC 26 for Contract No. LGA/021/RF/2012/2013/75 for Upgrading Kondoa Township Roads to Bitumen Standard. • No performance security was submitted for Contract No. LGA/021/2012/2013/W/68 for Completion, construction and Provision of School Building Facilities at Goima Sec Sch, Kondoa DC despite the requirement under SCC 26 (55.1). • Payments of Tshs. 80,392,004 (40% of the contract) for Contract No. LGA/021/2012/2013/W/10/049 for Upgrading of Magereza Junction-Kondoa District Hospital Road to double Surface Dressing Standard was made to contractor without bank guarantee.

9.	Kondo District Council	<ul style="list-style-type: none"> • No retention was deducted on interim payments contrary to the requirements of contract provisions on Contract No. LGA/021/2012/2013/W/10/049 for Upgrading of Magereza Junction-Kondo District Hospital Road to double Surface Dressing Standard. • Contractors were paid not based on the actual quantities measured at the site as the results overpayment of Tshs. 62,508,495.93 was made by the council to the contractors. • Weak supervision of Contract No. LGA/0212012/2013/W/68 for Completion, construction and Provision of School Building Facilities at Goima Secondary School, Kondo DC. ✓ No 50mm sand blinding was provided on top of hardcore in the foundations. No polythene sheet was observed in the foundations. ✓ All door frames were poorly made in terms of workmanship and in certain instances cracks and bent over from their vertical position. ✓ Roofing of the staff house quarters was poorly done including the associated rear toilet and stores. ✓ All Doors frames and fascia board fixed in the Staff house, laboratory and classrooms were shoddy and poorly done. The dimensions and thickness of the frames were less than the specifications (height 2350mm against 2500mm, fascia board 200mm against 250mm); Laboratory Main entrance Door is 1200 X 2350mm against the required 1400X2500mm specified in the contract. ✓ Foundation concrete works thickness was 75mm which was below the thickness required in the drawings.
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5.4.6.4 Quality and quantity of executed works

Under this aspect, issues related to compliance with specifications, drawings, bills of quantities and quality plans were critically reviewed. Specifically, the following were assessed: overall quality of workmanship; quality of materials used; quality of riding surface; absence of defects; compliance to dimensions in the drawings and technical specifications, and; compliance to environmental management plans.

The overall score on quality and quantity of works was assessed to be fair at 63.1%. MDAs, PAs and LGAs performed fairly at 69.2%, 63% and 62.9% respectively. Fifty seven (57) projects equivalent to 27.8% of all audited projects with a total value of Tshs. 14,082,504,217.70 were assessed to have poor performance under the performance indicator.

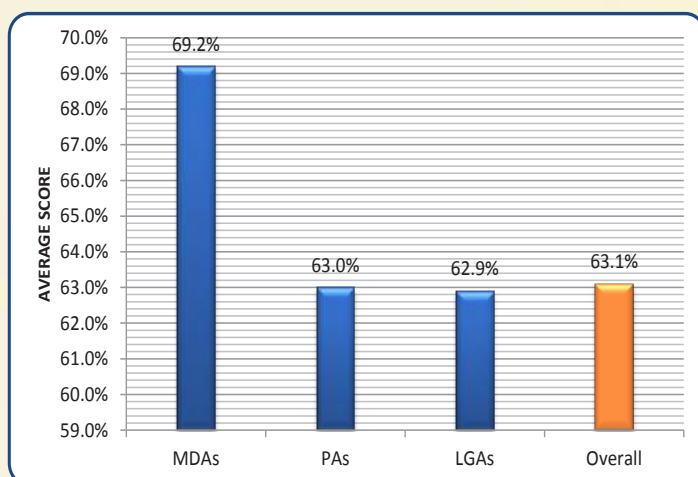


Figure 5-39: Overall VfM audit score on quality and quantity of works for MDAs, PAs and LGAs

The following major weaknesses were observed under this indicator: lack of/ or inadequate quality control system in checking and approving the designs, drawings, specifications, bills of quantities, payment certificates, pre-tender estimates; weak supervision of construction contracts and consultancy services; lack of quality control tools and equipment (especially in LGAs) leading to failure to test materials and completed works; approving and certifying payments for works with poor quality; approving and certifying payments for non-existing works, and; premature payment of works not completed to specifications.

The audits revealed that a total of **Tshs 1,685,100,527.58** was unjustifiably paid to contractors for works not done (exaggerated quantities of works) or/and for shoddy works. The amount paid is equivalent to **3%** of the total value of audited works contracts (with overpayments) which amounted to Tshs. **62,544,545,357.54**. The audited PEs and projects observed to effect dubious payments to contractors and the amount paid are shown in Table 515 below;

Table 5-15: Unjustified payments made to contractors

S/N	Name of the PE	Contract Amount (Tshs)	Detected Overpayment (Tshs)
1	Kigoma District council	133,980,500.00	27,404,136.66
2	Kibondo District Council	1,495,909,273.00	424,697,874.18
3	Tarime District Council	211,313,300.00	11,184,600.00
4	Musoma Municipal Council	233,266,458.00	39,484,501.86
5	Ukerewe District Council	384,819,978.00	2,700,856.25
6	Maswa District Council	360,401,360.00	57,455,787.00
7	Kishapu District Council	446,974,945.00	117,230,027.00
8	Mwanza City Council	1,647,366,318.32	359,775,524.24
9	Kilindi District Council	661,270,000.00	98,382,200.40
10	Lushoto District Council	1,341,802,800.00	150,942,480.00
11	Mkinga District Council	530,506,500.00	33,745,440.00
12	Bunda District Council	936,817,941.00	38,005,025.00
13	Butiama District Council	197,500,000.00	29,185,700.00
14	Rorya District Council	279,496,040.00	18,760,124.94
15	RAS -Lindi	104,535,900.00	22,301,500.00
16	Iramba District Council	1,131,476,375.20	38,813,863.00
17	Singida Municipal Council	1,119,735,843.00	42,229,391.12
18	Kondoa District Council	540,870,018.00	62,508,495.93
19	Songea District Council	333,132,000.00	110,293,000
	Total	12,091,175,549.52	1,685,100,527.58

Details of unjustified payments are shown in **Annex 5-4** of this report.

5.4.6.5 Project completion and closure

The following issues relating to project completion and closure were critically reviewed: quality and completeness of as-built-drawings; compilation and management of snag list; timely issuance of substantial completion certificates, final certificates and settlement of final account; management of defects liability period; compliance of final quantities paid with those reflected in the as-built-drawings, and; compliance of actual project completion time with the contract period.

The overall score on project completion and closure was assessed to be unsatisfactory at 40.6%. While PAs performed fairly at 60%, MDAs and LGAs performed poorly at 14% and 31.9% respectively. Fifty three (53) projects equivalent to 25.9% of all audited projects were assessed to have unsatisfactory performance under this indicator. The following major weaknesses were observed under this indicator: not preparing as-built-drawings where they are required under the contract; incomplete prepared snag list; delay in issuing completion certificates; not preparing final project reports; project time and cost overrun, and not inspecting works at the end of defects liability period.

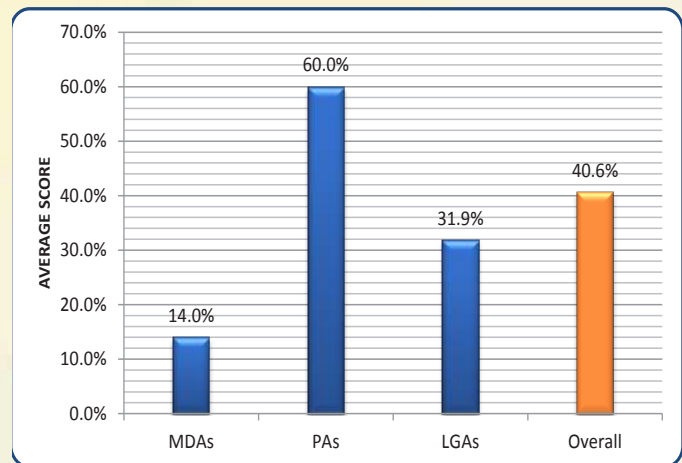


Figure 5-40: Overall VfM audit score on project completion and closure for MDAs, PAs and LGAs

5.4.7 Assessment of Corruption Red-flags

Red-flag checklists were filled for all 76 audited PEs and findings summarized in the specific audit reports. As explained above, all entities which scored 20% and above on Red-flags scale in any of the phases or the three phases combined, gave an indication that corruption has been involved. However, it is important to note that a detected red flag is not in itself an evidence of corruption because in some cases, the higher the number of red flags detected indicates that the weaknesses observed are not a result of existence of corruption in the procurement but rather operational deficiencies due to capacity gaps.

Thirteen (13) of the assessed PEs had scores of 20% or above on corruption red flags, all 13 PEs scored 20% or above on contracts management phase. Details of the assessment are shown in Table 516 below. Detailed assessment of corruption Red-flags for projects with corruption likelihood is as shown in **Annex 5-5** of the report.

Table 5-16: Assessment of corruption red-flags

S/N	Procuring entity	Pre-bid phase (%)	Evaluation and award phase (%)	Contract management phase (%)	Average score (%)
1	Kondoa District Council	36.08	27.70	27.07	30.25
2	Kilwa District Council	7.4	13.9	46	22.50
3	LUWASA	65	42	46	51.0
4	Ministry Health and Social Welfare	9.3	10.8	78.8	33.0
5	RAS - Lindi	8.84	20.9	56.95	28.9
6	Maswa District Council	6.95	6.59	79.31	30.95
7	Mwanza City Council	8.99	27.40	44.02	27.88
8	Kishapu District Council	49.96	53.84	84	62.6
9	Mwalimu Nyerere Memorial Academy	30.23	5.67	39.3	25.3
10	Monduli District Council	21	16	31	21.0
11	Musoma Municipal Council	33	17	31	27.0
12	Kinondoni Municipal Council	24	10	54	22.0
13	Dar es Salaam City Council	42	19	33	33.0
	Average	26.37	20.83	50.03	31.95

5.5 Verification of VfM Audit findings in FY 2012/13

5.5.1 Introduction

During the FY 2012/2013, PPRA carried out contract and performance audits (value for money audits) in 207 construction contracts which were executed in 47 entities. The entities included 36 LGAs, 1 Public Authority, and 10 MDAs including 3 TANROADS Regional offices.

Among others, the audits revealed unjustified payments amounting to Tshs.2,324,110,923.78 to contractors and suppliers in pursuing their obligations with procuring entities. The audited PEs with overpayment anomalies were; Mwanza City Council, Singida, Dodoma and Kinondoni Municipal Council, Kishapu, Igunga, Bahi, Kilwa, Mtwara, Mafia and Maswa District Councils, TANROADS Dar es Salaam, Muhimbili National Hospital, Dar es Salaam University College of Education, DAWASCO, Ministry of Health and Social Welfare and RAS Mtwara.

On the basis of the audit findings, the Technical Committee of the Board of Directors of PPRA at its 8th Extra Ordinary Meeting held on 21st October, 2013 directed that the above unjustified payments be verified by independent auditors. Thus, five Professional Engineers were engaged for the verification exercise. Eng. Kefa Masige was engaged to verify the audit findings at Mwanza CC, Kishapu DC, Maswa DC and Muhimbili National Hospital; Eng. Cyprian Sweke verified the audit findings at Singida MC, DUCE, Iramba DC, Igunga DC and Bahi DC; Eng.

Liviticus Bossa verified the audit findings at Dodoma MC, Kinondoni MC, Tanroads Dar es Salaam and Chamwino DC; Eng. Davis Baitani verified the audit findings at Kilwa DC, RAS Lindi and Ministry of Health and Social Welfare; and Eng. Dereck Mbanzendole verified audit findings at Mtwara DC, Mafia DC, DAWASCO, and RAS Mtwara. Before the verification exercise, the responsible PEs were informed on the Technical Committee's decision and were required to inform the responsible contractors, consultants and project managers on the verification exercise.

5.5.2 Objective of the verification exercise

The verification aimed at assessing quantum of work done, quality, establishing whether there were overpayments or not, and assessing adequacy of contract document. It also involved assessing the capacity of Council Engineer's office to manage and supervise construction projects. The following were the specific terms of reference provided to the Consultants:

- a) To visit the project sites and assess the quality as well as the quantity of work done in the presence of the Contractor's and Client's representatives;
- b) To review the responses provided by the procuring entities and contractors on the audit findings and provide an independent professional opinion;
- c) To assess the extent to which procuring entities have implemented the recommendations provided in the audit reports as far as overpayment is concerned;
- d) To assess the adequacy of the contract documents used;
- e) To assess the capacity of the Council Engineers' offices to supervise and manage construction projects; and
- f) To recommend measures to be taken on the basis of the findings of the verification exercise.

5.5.3 Outcome of the Verification Exercise

Among other shortfalls, the verification auditors verified overpayments amounting to Tshs. 1,139,356,146.09. However, it should be noted that although the total verified overpayments are less than what was detected initially, some of the projects were verified to have more overpayments than what was detected during the previous audit. The total verified overpayments were below the originally detected overpayments of Tshs. 2,324,299,733 due to the reason that, some of the audited projects were ongoing when they were audited. Therefore, the overpaid items identified during the value for money audits were rectified before the verification assignment. In addition, some of the documents which were not made available to the auditors to justify some of the payments were also given to the verification auditors. The table below shows the summary of the verified overpayments;

ATable 5-17: Summary of verification audit findings

Procuring Entity	Description of Contract	Detected Overpayment (Tshs.)	Verified Overpayment (Tshs.)
Mwanza City Council	Contract No. MCC/089/2012/2013/W/08 for construction of Theatre Building at Karume Health Centre at Mwanza City Council.	13,893,500.00	5,221,250.00
	Contract No. LGA/089/2012/2013 /W/08 Lot 2 for Maintenance of Mwanza City Roads.	49,260,882.00	44,491,260.00
	Contract No. LGA/089/2012/2013/08 -Lot 3 for periodic maintenance works along Nyamhongolo "A" and Mulunga Roads.	11,056,860.00	21,183,960.00
	Contract No. LGA/089/2012/2013/08 -Lot 4 for spot improvement along Hill Front - Kishiri, Buzuruga - Nyambiti & Thaaafa Roads (2.0Km).	20,789,460.00	39,295,848.00
	Contract No. LGA/089/2012/2013/08 - Lot 6 for periodic maintenance works along Mihama and Kabuhoro Roads.	4,894,232.00	17,902,500.00
	Contract No. LGA/089/2012/2013/08/5 - Lot 5 for spot improvement along Ilemela - Mahakamani, Tank - Kitangiri & HESAWA Roads.	21,679,786.00	26,775,520.00
Maswa District Council	Contract No. LGA 109/2011/2012/W/02/ RF/07 for periodic maintenance of Shisonta - Isuto Road; periodic maintenance of Maswa - Kadoto Road (3 km), Construction of culverts along Hinduki - Nyashimba Road (8 lines) and spot improvement of Maswa Town Roads (22Km).	36,745,050.00	39,906,180.00
	Contract No. LGA 109/2011/2012/W/02/ RF/07 for construction of Bukigi - Mwatigi (5.15km) Road	10,357,050.00	33,082,000.00

	Contract No. LGA 109/2012/2013/W/04/ RF/05 for spot improvement of Maswa Town roads (25km) and periodic maintenance of Maswa - Iyogelo - Bugarama road (4.5km) as executed by M/s MMETO Construction Co. Ltd.	21,028,750.00	17,160,000.00
Kishapu District Council	Contract No. LGA/108/2012/2013/ MMAM/HC/01 for Construction of Outpatient Department (OPD) at Ngw' anhalanga Health Centre District Hospital	6,523,197.00	8,443,170.00
	Contract No. LGA/108/ ADM. BLCK/2011-2012/01 for construction of fence, canteen, parking shed and access road	101,895,482.00	106,335,219.00
	Contract No. LGA/108/2012/2013/ CDG/ OPD/01 for completion of Outpatient Department (OPD) at Kishapu Hospital	36,472,230.44	34,007,290.00
	Contract No. LGA/108/2011/2012/ CDG/ W/02 for construction of two (2) Maternity Wards at Kishapu Hospital	30,540,030.44	14,311,552.00
	Contract No. LGA/108/2012/2013/ RF/W/ CPII-Lot 3 for spot improvement and maintenance works along Kishapu - Mwakipoya Road (15.21Km) Kishapu Town Road (9Km) and Sanjo Road (7Km)	3,571,440.00	3,571,440.00
Singida Municipal Council	Contract No. LGA/115/2012- 2013/W/04 for Matengenezo maalumu ya barabara za changarawe za manispaa kwa kuziwekea mifereji (barabara ya ukombozi na ya kituo cha afya sokoine)	25,316,561.00	12,560,843.75.00
	Contract No. HM/SI/ No.19/2008/2009/W for the construction of storm water Drains (600m) along Machinjio, NSSF and Roman Catholic	26,120,201.00	12,563,000.00
	Contract No. HM/ SGD/2009/2010/W/ U.71/10 for the construction of open channel Drains (600m) at Mitunduruni ward	11,569,674.10	5,725,500.00

	Contract No. LGA/115/2011/2012/W/09 for construction of Minga Open Drainage Channel (1440m)	25,571,400.00	22,475,960.00
	Contract No. LGA/115/2011-2012/W/08 for construction of Kindai Open Drainage Channel	30,844,850.00	32,971,050.00
	Contract No. HM/SGD/2009/2010/w/4 for construction of Ditches along Magereza - Veta Road	32,856,000.00	22,040,200.00
Iramba District Council	Contract No. LGA/118/2010/2011/11/ W/22-5 for Construction of Pump house, Pipe networks, Water storage tanks, water points and Cattle troughs for Nguvumali village.	24,315,056.80	24,315,056.80
	Contract No. LGA/118/2010/2011/W/26 for Rehabilitation/ Upgrading of Mlandala - Masimba Irrigation Scheme.	113,144,000.00	66,879,406.00
Chamwino District Council	Contract No. LGA/019/2012-2013/W/13 for periodic maintenance of Huzi-Chinungulu	12,248,000.00	7,698,585.00
	Contract No. LGA/019/2011-2012/B/05 for construction of new Administration Block for Chamwino District Council	64,155,000.00	64,155,000.00
	Contract No. LGA/019/2011-2012/B/03 for construction of new Administration Block for Chamwino District Council	30,000,000.00	30,000,000.00
Dodoma Municipal Council	Contract No. LGA/020/2010-2011/ TSCP/ W/01 for upgrading/ rehabilitation of Mwanza, Kondo, Hospital-Mwangaza, Siasa & Daima, Road No. 6-11, Mtendeni, Market, Tembo, Tabora, Nkuhungu & Chamwino - Changombe Roads as executed by M/s Nyanza Road Works Ltd Jv. M/s D.F Mistry & Co. (1974),	398,000,000.00	No overpayment. The excess amount was reallocated to another project.

	Contract No. LGA/020/2010-2011/ TSCP/ W/02 for upgrading/ rehabilitation of Town Bus Stand, Main Bus Stand, Workshop improvement and Skip Pads	100,750,598.00	13,851,700.00
	Contract No. LGA/020/2011-2012/W/55-LOT 1 for construction of Piped Water Supply Schemes and Civil Works in Dodoma Municipal Council	74,490,258.81	No overpayment. The VfM auditor was not availed with some payment records.
	Contract No. LGA/020/2011-2012/G/01 for supplying one (1) Toyota Station Wagon	53,765,200.00	60,434,850.00
Kilwa District Council	Contract No. LGA/055/ HQ/R/2011/ 2012/11 for emergency maintenance of Kipatimu - Kibata Road	35,825,000.00	34,825,000.00
	Contract No. LGA/055/ HQ/R/2012/ 2013/04 for periodic and spot improvement of Neda-Kiswele, Masoko Town and Mauuji - Mchakama Road	87,976,700.00	54,595,868.03
	Contract No. LGA/055/ HQ/B/2012/ 2013/01 for major rehabilitation of DED House at Kilwa Masoko	7,706,000.00	8,223,750.00
RAS - Lindi	Contract No. RAS-006/2011/2012/ HQ/ W/04 for construction of District Residential House at Kilwa Masoko - Phase I	41,610,340.00	9,563,900.00
	Contract No. RAS-006/2011/2012/ HQ/ W/08 for construction of Ilulu Girls Secondary Dormitory in Kilwa District	12,491,900.00	37,964,661.00
Ministry of Health and Social Welfare	Contract No. ME.007/2010-11/ HQ/W/31 for proposed construction, rehabilitation and extension of various buildings for enhancement of Health Workshop and Retention Centres at Dr. Hubert Kairuki Memorial University - Mikocheni Dar es salaam: Package 2.	124,452,400.00	82,903,180.00
Dar es Salaam University College of Education (DUCE)	Contract No. PA/087/2011-12/W/009 construction and expansion of Laboratory Building at DUCE	77,592,105.00	51,927,308.65

	Contract No. PA/087/2011-12/W/010 construction of Teacher Professional Centre at DUCE	6,500,000.00	43,611,373.12
RAS - Mtwara	Contract No. RAS/011/FY/2012-2013/W/02 for construction of emergency Care Unit Building at Ligula Hospital Phase II.	750,000	750,000.00
	Contract No. RAS/011/2011-2012/W/05 for Rehabilitation of Grade 1 Ward at Ligula Hospital in Mtwara Phase II	1,560,000.00	1,560,000.00
Mtwara District Council	Contract No. MDC/UJ/RW/10/2011/2012 for construction of Timber Bridge Ndumbwe Mambi River.	10,202,000.00	9,501,400.00
	Contract No. MDC/UJ/RW/24/2012/2013 for spot improvement of Lisoho - Mgao Road (8.3km).	15,343,600.00	No overpayment
	Contract No. MDC/UJ/RW/03/2012/2013 for periodic maintenance of Kabisela - Kitope - Namgogoli Road (14.7km)	20,262,000.00	No overpayment
	Contract No. MDC/UJ/RW/06/2012/2013 for periodic maintenance of Ngorongoro - Kitaya Road (11.8km)	18,750,000.00	No overpayment
Mafia District Council	Contract No. MDC/CTB/008/2011-12/20 for routine maintenance, spot improvement & periodic maintenance works along Jimbo - Jojo, Baleni - Kilombero and Magereza - Mlola roads	16,675,940.00	No overpayment
Dar es Salaam Water Supply and Sewage Corporation (DAWASCO)	Contract No. AE/032/2012-2013/HQ/ G/4E for new sewer connection at Kisutu.	10,417,738.00	No overpayment. The VfM auditor was not provided with some of the payment records.
	Contract No. AE/032/2012-2013/HQ/ G/4B for supplying Poly pipes.	5,618,990.00	No overpayment. The VfM auditor was not provided with some of the payment records.

	Contract No. AE/032/2012-2013/HQ/ G/04 for supplying PVC Pipes.	1,510,575.50	No overpayment. The VfM auditor was not provided with some of the payment records.
	Contract No. AE/032/2012-2013/HQ/ G/4F for supply of Polythene pipes.	79,622,550.00	No overpayment. The VfM auditor was not provided with some of the payment records.
Tanzania National Roads Agency (Tanroads) - Dar es Salaam	Contract No. AE/100/2008/2009/DSM/W/34 for upgrading of Kivukoni - Tungi Road - Phase I.	107,422,175.00	No overpayment. The VfM auditor was not provided with some of the payment records.
	Contract No. AE/100/2009/2010/DSM/W/49 for upgrading of Kivukoni - Tungi Road - Phase II.	36,302,345.00	No overpayment. A total of Tshs. 79,176,405 was detected to be paid over and above the contract price without TB approval.
	Contract No. AE 001/2010/2011/DSM/ W/16 for upgrading Kivukoni - Tungi Road - Phase III.	114,973,266.00	No overpayment. The VfM auditor was not provided with some of the payment records.
Kinondoni Municipal Council	Contract No. LGA/017/2012/2013/W/02-Lot 9 for proposed construction of Single Cell Box Culvert at Mdidimua River - Kwembe in Kinondoni Municipality	2,100,000	No overpayment
Muhimbili National Hospital	Contract No. PE/009/2011-12/HQ/W/13 for Supply and Installation of Security System at Cardiac Building.	14,543,309.00	No overpayment. The camera was installed after the audit.
	Contract No. PE/009/2012-13/HQ/W/18 for Part Renovation of Transport Building to Accommodate IPPM Pharmacy.	100,000.00	No overpayment
	Contract No. PE/009/2011-12/HQ/W/18 for remodeling lecture theatre for telemedicine.	2,688,000.00	1,402,500.00

Igunga District Council	Contract No. LGA/123/IDC/CTB/CONTR/W/2011/2012/13 for construction of 70m vented Drift at Mwamashiga village along Bulenya - Mwamashiga - Itunduru Road.	3,088,200.00	3,131,970.00
	Contract No. LGA/123/IDC/CTB/CONTR/W/2012/2013/08 for routine maintenance works along Mwisi - Mizanza - Nguriti Road and spot improvement works along Sungwizi - Mgunga Road & Igunga - Sungwizi Road.	9,020,650.00	8,406,894.74
Bahi District Council	Contract No. LGA/024/2012-2013/W/03 for periodic maintenance of Bahi Town Road (6km) and Rehabilitation of Bahi Sokoni Box Culvert.	2,740,000.00	3,630,000.00
	Contract No. BDC/LGA/2011-2012/W/08 for rehabilitation of Mchito Dam undertaken by M/s Shelembi General Supplies.	5,191,200.00	No overpayment
	Contract No. BDC/LGA/024/2011-2012/W/09 for Construction of Lukali Vented Drift.	59,408,000.00	No overpayment. The funds were reallocated to another project.
Total		2,324,299,733.00	1,139,356,146.09

5.6 Recommendations

On the basis of the compliance audit findings, the following is recommended;

- i.) All the seven PEs with good performance be commended for their performance.
- ii.) Accounting Officers of the six PEs with poor performance be required to show cause why the Authority should not recommend to the competent Authority to temporarily transfer their procurement functions to another procuring entity due to the observed persistent breach of the Public Procurement Act and Regulations. This recommendation is pursuant to the provision under Section 20(1)(d) of the PPA, 2011.
- iii.) All 42 PEs with performance below the 72% compliance target be required to organize training to their staff on the application of PPA, Regulations and, guidelines and systems prepares by the Authority. The training should be conducted by PPRA and be tailored to each PE (or a group of PEs) depending on the weaknesses observed during the audits. The cost for the training should be met by the respective PEs. Furthermore, the AOs of the respective PEs should be required to submit plans/ strategies within three months of communicating the audit reports, aimed at ensuring full compliance to PPA and PPR.

- iv.) In order to address weaknesses observed in LGAs under contracts management, collaborative capacity building strategies are required between PPRA, PMORALG, CRB and other stakeholders. The strategies should include: Strengthening the capacity of RAS offices to monitor the performance of LGAs; strengthen the capacity of Internal Audit Units in LGAs for them to audit adequately procurement issues and implementation of works contracts; strengthening the capacity of Council Engineers offices in terms of staffing, quality control equipment, and supervision vehicles/motorcycles; and strengthening the capacity of contractors in terms of technical skills, equipment, management skills; taking disciplinary and/or legal measures against fraudulent behaviours.
- v.) On the weaknesses observed in the implementation of PPRA's procurement information management systems, PPRA is currently assessing critically the causes for non-compliance for the purpose of improving the systems in order to make them more user friendly.

On the basis of Value for Money audit findings, the following are additional recommendations;

- i.) To recommend to the Accounting Officers of the 21 PEs in which 52 projects were assessed to have poor performance to take disciplinary measures against the responsible officers. This recommendation is made pursuant to the provision under Section 20(1)(c) of the PPA,2011.
- ii.) All the procuring entities with unsatisfactory and fair performance should be required to organize training on contracts management for their staff.
- iii.) The AOs of the audited entities should be required to implement the specific audit recommendations provided in the audit reports and submit a report of implementation status within three months of communicating the specific audit reports.
- iv.) On unjustifiable payments made to contractors, a verification team will be formed to carry out detailed measurements and analysis of the issues raised to be submitted to the Board for decision making. The measurements will be done jointly together with the responsible contractors, consultants, project managers and clients' representative.
- v.) This recommendation is made on the basis of the fact that in most of the audited projects, the responsible contractors/consultants/project managers were not at site when measurements were made. Furthermore, on the basis of the previous audits, it is considered important to seek clarification from the responsible contractors/ consultants and provide them with the opportunity to respond to the issues observed before making further decisions.

On the basis of the verification of FY 2012/13 audit findings, the following is recommended;

- i.) To recommend to the Accounting Officers of the PEs which have been verified to overpay contractors/ suppliers to take disciplinary measures to the officers who were responsible for measurements and approval of the detected overpayments.
- ii.) To direct the Accounting Officers of the PEs which have been verified to overpay contractors/ suppliers to ensure that the detected overpayments are recovered from the responsible contractors. For ongoing projects, a report on the final account should be submitted to PPRA for verification.
- iii.) Contractors, Engineers, Architects, Quantity Surveyors e.t.c who were involved in the verified malpractices to be reported to the relevant registration boards for their professional misconduct.

- iv.) The verification audit report to be submitted to PCCB for possible investigation on corruption further necessary action.
- v.) The Accounting Officers of the PEs which have been verified to overpay contractors/suppliers to be required to submit reports on the implementation of the Board's directives within three months of receiving the Board's decision.
- vi.) It is recommended that the audit reports for all PEs and projects with scores of 20% or above on a red-flag scale be forwarded to PCCB for possible investigation and further necessary action.

5.7 Conclusion

Although the overall compliance is below the targeted level of 72%, it is concluded that, generally the performance of the audited PEs was fair. However, in order to raise the compliance levels, PEs are urged to implement the specific audit recommendations provided in the audit reports. It is therefore expected that the results of these audits will be taken positively by the audited entities and considered as an opportunity for improving their performance to the required compliance level. The Authority will continue to provide training in order to address particular weaknesses related to inadequate knowledge in the application of PPA and PPR and contracts management.

The results of these audits are based on documents which were made available for the sampled tenders and therefore do not represent the entire assessment of all procurements in the audited entities. The primary responsibility of ensuring compliance with the public procurement law, and preventing and detecting fraud, rests with the audited entities. The above notwithstanding, the Auditors planned their review in a manner that would detect any material violation of the law or fraud.

Figure 5-41: A disclaimer on audits conducted by PPRA

6. CHALLENGES AND WAY FORWARD

6.1 Challenges

During the year under review, the Authority faced the following challenges:-

Operation of the Authority

The Authority has continued to experience insufficient budget allocation over a number of years and thus failed to carry out its strategic interventions on procurement reforms. The Authority has also not been able to implement its Medium Term Strategic Plan 2009/2010- 2013/14 as expected as it has not been able to populate its organization structure, open new zones, move to a permanent Head office as well as address capacity building needs.

Procurement sector

The major challenges that were faced during the year under review were :-

- i.) The Annual Performance Evaluation Report (APER) has not yet received the required audience and coverage at appropriate levels and time despite the useful information contained in the report. The information in the report is a tool that can assist PEs to improve procurement processes in their organizations and decision makers in making sound decision in improving the procurement system in the country and allocating adequate resources for oversight function.
- ii.) Misconception that the procurement law is a bottleneck that contributes to delays in project implementation instead of considering it as means to achieving transparency and accountability in the use of public funds.
- iii.) Low understanding of the new law, PPA, 2011 and the Public Procurement Regulations of 2013.
- iv.) Some PEs failed to comply with the requirement for timely submission to the Authority, information about approved budget, disbursed amount and awarded procurement contracts, as well as other procurement data, thus limiting the Authority's ability to complete analysis and publish the relevant statistics on time.
- v.) Little knowledge by bidders on the system for procurement of common use items (CUIS) to allow them prepare responsive bids.
- vi.) Slow pace of PEs to utilize systems and tools, including PMIS, developed and rolled out by the Authority to facilitate their operation and reporting.
- vii.) Non-existence of necessary environment for operation of e-Procurement has delayed implementation of the system in Tanzania. The prerequisite for e-procurement include establishment of Public Key Infrastructure and enactment of laws to address cyber security. There is also a low level of understanding among stakeholders of what exactly e-procurement is and the key issues on its implementation basing on best practice

6.2 *Way Forward*

To overcome the above challenges, the following measures will be taken:-

- i. To enhance IGF collection efforts including engaging a debt collector and disseminating the new law and regulations to PEs so that they can be aware of the mandate given by PPRA to charge on services they provide to them.
- ii. To continue to market PPRA so as to attract more interest from Development Partners.
- iii. To implement recruitment permit granted by PO-PSM and request the Government for additional financial support to match increasing staff compliment and expansion of operations in FY 2014/15.
- iv. To continue disseminate PPA, 2011 , its regulations and procurement implementation tools to Key stakeholders
- v. To conduct more workshops on PMIS to cover all entities that have not attended the workshop and enforce its use, through the regular audit exercises conducted by PPRA.
- vi. To consult with all key e-procurement stakeholders namely Ministry of Communication, Science and Technology, e-Government Agency, GPSA, MSD and the economic operators so as to ensure that all key prerequisites are put in place and there is a general understanding on the approach for adopting e-Procurement, in line with the existing legal framework.

7. PROSPECTS AND WORKPLAN FOR YEAR 2014/15

In FY 2014/15, the Authority will continue to consolidate all the achievements that have been made so far and shall ensure that all programmes and systems that have been developed are properly implemented and/or rolled out to PEs.

The following are major activities that will be undertaken in FY 2014/2015.

- a) Implementing various strategies and tools that have been developed; and monitor their effectiveness in improving procurement practices in the country. This includes implementation of PCBS and SCMP, PMIS, and the anti-corruption strategy. In particular, the Authority shall:-
 - i.) Carry out procurement audits to 105 PEs to determine levels of compliance with PPA and public procurement regulations;
 - ii.) Carry out procurement capability review assessment for two PEs;
 - iii.) Carry out investigations on cases of mis-procurement and advise PMG on retrospective approvals as presented by PEs;
 - iv.) Revise and issue standard bidding documents and other procurement implementation tools in line with PPA 2011;
 - v.) Preparing an action plan for implementing PPA 2011 and its Regulations in order to provide a road map and agenda for procurement reforms to be undertaken by the Government and our development partners between 2014 and 2018;
 - vi.) Disseminate PPA 2011 and its regulations to all key stakeholders;
 - vii.) To undertake research and survey on procurement-related matters;
 - viii.) Continue rolling out PMIS to PES and consider further improvement to the system that will provide a solution for record keeping which is a serious challenge in most of the audited PEs;
- b) The Authority will also finalise formulation of its next Medium Term Strategic Plan (MTSP 2) and start implementing it with consideration to the following important activities:-
 - i.) Carry out a public education and awareness on value for money public procurement and fighting against corruption in public procurement;
 - ii.) Prepare, print and circulate TPJ including improvements to the tender portal and marketing the mobile tender alert service to enable more users to join and get information on tender opportunities in real time;
 - iii.) Finalize the conduct of feasibility study for development of PPRA offices at Kurasini which will be used as a basis for soliciting financial support from development partners;
 - iv.) Open two zonal offices as per approved PPRA organization structure and renovate the existing building at Kurasini plot that will be used as the Authority's Head Office;
 - v.) Continue with efforts to have sustainable sources of income that will enable PPRA to carry out its mandates;
 - vi.) To engage with stakeholders towards implementation of e-Procurement system in Tanzania.

- vii.) Continue to monitor closely the performance of commercial operators that are awarded public contracts and where they fail to perform, to take appropriate action as provided in the Act;
- viii.) Working closely with Prime Minister's Office Regional Administration and Local Governments (PMO-RALG) to improve procurement performance of LGAs through the implementation of "Enhancement of Procurement Capacity of Local Government Authorities Project (EPC-LGP)";

ANNEXES

ANNEX 4 - 1: REVIEWED APPLICATIONS FOR RETROSPECTIVE APPROVAL FOR THE FINANCIAL YEAR 2013/2014

(1) Received applications in Financial Year 2013/2014

S/N	01
Applicant:	Medical Stores Department
Submission Date to PMG	24 th October, 2013
Forwarded to PPRA for Advice	29 th November, 2013
Details:	<ol style="list-style-type: none"> 1. Application by for retrospective approval of the tender for the supply of Laboratory Reagent for NACP under single source in tender no. IE-009/2010/2011/HQ/G/RES/13 2. Application for retrospective approval of the tender for procurement of laboratory reagents and HIV test Kits tender no. IE-009/2010-2011/HQ/G/RES/08
Amount of retrospective approval	<ol style="list-style-type: none"> 1. USD 3,263,654.24 2. USD. 390, 678
Findings/identified weaknesses	The Advisory Committee of PPRA's Board observed a number of procurement irregularities in both tenders.
Advisory Committee Decision	Instructed special investigation to be conducted before the Paymaster General is advised on the MSD's application for retrospective approval.
S/N	02
Applicant:	Same District Council
Submission Date to PMG	10/03/2014
Forwarded to PPRA for Advice	21/03/2014
Details:	Application for retrospective approval of emergency procurement for the tender for supply of maize to hunger affected citizens.
Amount of retrospective approval	TZS 42,503,000
Findings/identified weaknesses	<ol style="list-style-type: none"> a) The Council failed to submit report showing actual kilometers used in transportation of maize and whether the kilometers were verified. b) The Council failed to comply with Regulation 196(2) of the Public Procurement Regulations of 2013 which requires a procuring entity to open submitted tenders on the deadline time fixed for tender opening in the tendering document.

Decision by PPRA	<p>The review found the application in compliance with Section 65(1) and (2) (a) of PPA 2011 and Regulation 63 of the Public Procurement Regulations of 2013 due to the following justifications:</p> <p>(a) The instruction from the Prime Minister’s Office through a letter with ref. No. 2/HB.116/228/01 dated 23rd December, 2013 was received by the Council on 10th February, 2014 while the letter required distribution of the maize to be done within 30 days from the date of the PM’s instruction letter. Hence, it would have been difficult for the Council to distribute the maize within the given timeframe through a competitive procurement method.</p> <p>(b) Delay in distribution of the maize could have affected the wellbeing the affected citizens and cost their lives;</p> <p>(c) The procurement met the requirements of Section 65(6) which make it mandatory to a procuring entity to obtain tender board approval and to conduct evaluation on any emergency procurement.</p> <p>In view of the above findings, PMG was advised to grant retrospective approval through a letter with ref. No. PPRA/LGA/049/59 dated 31st July, 2014.</p> <p>However, the Council to be instructed to submit report showing actual kilometers used in transportation of the maize and the evidence that the Council verified the kilometers.</p> <p>The Council should also to be reminded to comply with procurement law in all procurement undertakings.</p>
S/N	03
Applicant:	Tanzania Railway Limited
Submission Date to PMG	18 th March, 2014
Forwarded to PPRA for Advice	1 st April, 2014
Details:	Application for retrospective approval on emergency procurement of works to rehabilitate the flood prone areas of Kilosa to Kikombo Section (Km 305/0-Km 426/0)
Amount of retrospective approval	1,427,549,543.00
Findings/identified weaknesses	Still under review
S/N	04
Applicant:	TANROADS
Submission Date to PMG	16 th April, 2014

Forwarded to PPRA for Advice	26 th May, 2014
Details:	Application for retrospective approval of emergency procurement of works to repair the wash out areas of New Bagamoyo Road, Kilwa Road, Kongowe to Mji Mwema Road and Chanika - Mbande Road.
Amount of retrospective approval	Tshs. 1,605,024,000.00
Findings/identified weaknesses	Still under review

Applications for Retrospective Approval carried forward from previous Financial Years

S/N	01
Applicant:	Tanzania Ports Authority
Submission Date to PMG	29 th June, 2012
Date Forwarded to PPRA for Advice	26 th July, 2012
Details:	Application for retrospective approval of the tender for emergency procurement of equipment and container stacking space to mitigate apparent congestion at Dar es Salaam Port.
Amount of retrospective approval	Tshs. 37,453,754,873
Advisory Committee's decision	In view of the observed weaknesses reported in the previous year, the Advisory Committee directed the procurement to be included in a special audit and the Accounting Officer to be summoned after the audit is completed.
Implementation status	<p>Necessary documents for the investigation were requested from TPA vide a summon with Ref. No. PPRA/AE/016/56 of October, 2012. TPA was given a deadline of up to 12th November, 2012 to submit the requested documents.</p> <p>However, TPA failed to submit the requested documents and the matter was reported to the Advisory Committee during its 20th ordinary meeting held on 9th October, 2013 and decided as follows:</p> <ol style="list-style-type: none"> a) PPRA in collaboration with the National Audit Office should carry out a forensic investigation on this tender. b) The Accounting Officer to be summoned and required to cooperate by providing the required documents and information for investigation.

Summon of TPA Accounting Officer and outcome	<p>TPA Accounting Officer was summoned to appear before the Advisory Committee meeting held on 27th January, 2014 but he failed to appear himself as instructed instead he sent representatives. The Committee did not accept the representation since the Accounting Officer was required to appear in person. He was hence ordered to appear in the 21st ordinary Advisory Committee meeting held on 11th February, 2014, which he complied.</p> <p>During the meeting, the Accounting Officer explained to the Advisory Committee about the reforms that were being undertaken at TPA. The Committee got assurance that the reforms would bring positive changes at TPA.</p> <p>TPA was however instructed to ensure that all requested documents relating to the tenders under investigation by PPRA would be submitted as soon as possible so that the investigation could be completed.</p>
Status of implementation of the Committee's decision	<p>TPA submitted the documents and the matter was under investigation.</p>
S/N	02
Applicant:	<p>Mzumbe University</p>
Submission Date to PMG	<p>30/11/2011</p>
Forwarded to PPRA for Advice	<p>2/01/2012</p>
Details:	<p>Application for retrospective approval of emergency procurement for construction of five storey building at Mzumbe University- Dar es salaam Campus College.</p>
Amount of retrospective approval	<p>Tsh. 1,500,000,000</p>
Summoning of the Accounting Officer	<p>In view of the observed weaknesses in this tender as explained in the previous year, the Advisory Committee required the Accounting Officer to appear before it to show cause why disciplinary action should not be taken against him for failure to comply with the procurement law.</p> <p>The Accounting Officer appeared before the Committee on 27th January, 2014 and provided explanations on the observed weaknesses. The Accounting Officer admitted that some of the identified weaknesses in this procurement were contributed internally. However, he was not ready to admit his interference with the procurement process as revealed in the review conducted by PPRA.</p> <p>The Accounting Officer also admitted that no any safeguards were put in the tender document to ensure that value for money would be achieved through single source procurement.</p>

Advisory Committee's decision	<p>The Advisory Committee was not satisfied with the explanations given by the Vice Chancellor on the observed weaknesses. The Advisory Committee reached the following decisions:</p> <ol style="list-style-type: none"> a) The Paymaster General should be advised not to grant retrospective approval due to unsatisfactory explanations by the Vice Chancellor. b) The Vice Chancellor to be instructed to submit requirements for tailor made to PPRA on procurement law and procedures within twenty one days after the date of communication of the Paymaster General's decision. c) The Vice Chancellor to be reminded to comply with PPA 2011 and its Regulations to all procurement undertakings by the University.
Final decision by PMG	<p>The Paymaster General through his letter with Ref. FA 2/418/01/11 dated 9/4/2014 maintained his decision of not granting the retrospective approval issued through letter with ref. No. PPU. AB/357/573/649/01/4 dated 3rd July, 2012. The accounting Officer is hence liable as per Regulation 42(5) of GN. No. 97 of 2005.</p>
Responses from the Accounting Officer following the decision	<p>The Accounting Officer through a letter with Ref. No. MU/CF/CB.2/8/XVII/199 dated 12th May, 2014 pleaded to PMG to grant the retrospective approval since the building was urgently needed to rescue the situation due to unexpected surge in student enrolment. He also pleaded to PMG not to be liable as per Regulation 42(5) of GN. No. 97 of 2005.</p> <p>The AO also submitted to PPRA requirement for tailor made training.</p>
S/N	03
Applicant:	TANESCO
Submission Date to PMG	24/04/2012
Forwarded to PPRA for Advice	08/05/2012
Details:	<ol style="list-style-type: none"> 1. Application for retrospective approval of USD 1,260,000.00 for emergency procurement of four 15MVA, 33/11KV Transformers Tender No. PA/001/12/HQ/G/102. 2. Application for retrospective approval of Tshs 264,320,000.00 for emergency procurement of a service provider for repairing 15000KVA, 33/11KV transformer at the City Centre Substation tender No.PA/001/12/HQ/G/027
Amount of applications	<ol style="list-style-type: none"> 1. USD 1,260,000.00 2. Tshs 264,320,000.00

Observed weaknesses and decisions made	<p>In view of the observed weaknesses in the two tenders as reported in previous years, the Advisory Committee decided to advise PMG not to grant the requested approval. PPRA was instructed to verify delivery of the four transformers and to check if they were inspected and accepted, fixed and in good working condition.</p> <p>The Paymaster General disapproved the application through his letter with Ref. No. PPU.AB/445/573/01/4 dated 30th August, 2012 because there were no circumstances to justify procurement on emergency basis. In line with his decision, PMG required the AO within fourteen days to give reasons why he should not be held accountable for failure to ensure the above mentioned procurement was conducted in accordance with PPA and its regulations.</p>
Status of implementation of PMG instructions by the Accounting Officer	<p>TANESCO could not comply with the 14 days timeframe as instructed by PMG.</p> <p>As to the verification of the transformers, TANESCO submitted the documents which were still under review.</p>
Decision to summon the Accounting Officer	<p>The Accounting Officer was summoned on 27th January, 2014 to provide explanations on the identified weaknesses in respect of the two tenders. The Accounting Officer complied with the summon and provided the required explanations.</p> <p>In view of the Accounting Officer's explanations, the Committee made the following observations:</p> <ol style="list-style-type: none"> 1) The weaknesses were to a large extent attributed due to lack of proper planning which always contribute to unnecessary emergency procurement by TANESCO. The Committee however observed that under the new administration, TANESCO has been implementing reforms which would improve capacity of the organization to carry out procurement activities; 2) TANESCO pledged to co-operate with PPRA and would seek for PPRA's advice whenever necessary and all documents and information required by PPRA would be timely provided; 3) The Committee was assured that the four new transformers have been installed and were in good working conditions. Log book for regular checks of transformers has been available for inspection at any time; 4) TANESCO has terminated the contract with the service provider (ABB) in the tender for repair of transformers at the city centre substation due to failure to perform the work. However, TANESCO has made decision to reimburse the service provider some costs he had incurred while attempting to repair the transformer, which in the Committee's opinion, was not the right decision.

	<p>5) The Committee was of the view that since the service provider failed to fulfill his obligation, he was supposed to pay damages to TANESCO and not otherwise. The fact that no formal agreement with clear terms and conditions was entered between TANESCO and the service provider, it would be difficult for TANESCO to claim for damages.</p>
Advisory Committee Decision	<p>The Advisory Committee however found the two applications not to meet the requirements for emergency procurement under the procurement law and hence decided as follows:</p> <ol style="list-style-type: none"> The Paymaster General to be advised not to grant retrospective approval; TANESCO to be required to ensure that in future it plans its procurement to avoid unnecessary emergency procurement; TANESCO to be informed that emergency procurement does not mean not to comply with laws and procedures. PPRA to prepare a comprehensive training program on the procurement law to all big procurement spenders such as TANESCO, TANROADS, etc.
Implementation status	The Paymaster was advised as instructed through a letter with Ref. No. Ref. No. PPRA/PA/01/"F"/77 dated 28 th April, 2014.
Final Decision by PMG	By the end of the review period no feedback was received by PPRA regarding the PMG's decision.
S/N	04
Applicant:	TANESCO
Submission Date to PMG	19/11/2012
Forwarded to PPRA for Advice	13/02/2013
Details:	Application for retrospective approval for emergency procurement of gas oil for Aggreko gas plants at Ubungo and Tegeta submitted by TANESCO.
Amount of retrospective approval	Tsh. 10,100,773,850
Advisory Committee Decision:	<p>In view of the observed weaknesses in this tender as reported in the previous year, the Advisory Committee made the following decision:</p> <ol style="list-style-type: none"> The Paymaster General should be advised not to grant retrospective approval as requested by TANESCO.

Advisory Committee Decision:	<ol style="list-style-type: none"> 2) TANESCO's Accounting Officer should be required to give explanations on the observed weaknesses and to show cause, why appropriate disciplinary actions should not be recommended against him for failure to ensure that the procurement is done in observance of the law. 3) The Accounting Officer's explanations should be given within fourteen (14) days of receiving the instructions. 4) Observed weaknesses which have possible elements of corruption in this procurement, should be referred to PCCB for further investigation.
Implementation Status	<p>The Accounting was informed of the decision of the Advisory Committee through a letter with ref. No. PPRA/PA/001/"E"/66 dated 11th June, 2013. The Accounting Officer was given 14 days to provide explanations on the observed weaknesses. Likewise, PMG informed the Accounting Officer through letter with Ref. No. FA 418/602/01/9 dated 17 July, 2013 that the request for retrospective approval could not be granted as the procurement process was not conducted in accordance with the law.</p>
Responses from the Accounting Officer	<p>The Accounting Officer submitted the requested explanations on 1st July, 2013 to the Authority and on 30th August, 2013 to PMG.</p>
Decision by PPRA Advisory Committee following Accounting Officer's explanations	<p>The Advisory Committee during its 20th ordinary meeting held on 9th October, 2013 decided that the Paymaster General to be advised as follows:</p> <ol style="list-style-type: none"> (1) To inform TANESCO that his decision not to grant the retrospective approval issued on the 19th July, 2013 through a letter to TANESCO with Ref. No. FA 418/602/01/9 should stand since no satisfactory explanations have been given by TANESCO. (2) Since this matter has been forwarded to PCCB for investigation, PCCB to be left to continue with the investigation. (3) The Authority should refer this issue to the competent authority to take disciplinary action against the accounting officer for failure to comply with Section 44(1) of PPA, 2004. <p>The matter on disciplinary action against the accounting officer for failure to comply with Section 44(1) of PPA, 2004 was referred to the Board of Directors of TANESCO through PPRA letter with Ref. No. PPRA/PA/01/"F"/10 dated 18th October, 2013.</p>
Further explanations by Accounting Officer and TANESCO Board Chairman	<p>The Accounting Officer of TANESCO submitted further explanations to PMG through a letter with Ref. No. SMP/MCC/PMU/13/06/040 dated 17th December, 2013. PMG forwarded the same to PPRA for advice through a letter with Ref. No. FA.418/545/01/2 dated 31st December, 2013.</p> <p>On 25th November, 2013 TANESCO's Board Chairman provided explanations on the observed weaknesses.</p>

Further decision by PPRA Advisory Committee following explanations submitted by TANESCO's Board Chairman	<p>During its 21st ordinary meeting held on 11th February, 2014, the Advisory Committee reviewed and discussed the submission by the Board Chairman and the Accounting Officer's explanations and observed the following:</p> <ul style="list-style-type: none"> (a) The Committee appreciated for the efforts by the Board Chairman to provide the explanations on the weaknesses although they were not different from those given by the Accounting Officer. (b) The Committee also understood the need for TANESCO to ensure availability of power supply in the holy day of Eid Al Hajj following religious tension in the country during that time. This situation could have warranted emergency procurement. Despite this, the essence of emergency had been watered down due to a number of procurement irregularities observed in this tender and the detected corruption red flags. (c) Since most of the given explanations on procurement irregularities and detected corruption red flags were not satisfactory, the Committee resolved that the Paymaster General should be advised as follows: <ul style="list-style-type: none"> (i) To inform the Board Chairman of TANESCO that the Paymaster General's decision not to grant retrospective approval issued on 19th July, 2013 through a letter with Ref. No. FA418/602/01/9 should stand since no satisfactory explanations have been provided by TANESCO. (ii) PCCB to be informed to continue with the investigation due to detected corruption red flags in this procurement.
Final decision by PMG	<p>On 9th April, 2014 through a letter with Ref. No. FA 418/602/01/15 PMG informed the Accounting Officer that PMG's decision not to grant retrospective approval stood as communicated to TANESCO through letter with FA 418/602/01/9 dated 19 July, 2013. The Accounting Officer shall be liable as per Regulation 42(5) of GN. No. 97 of 2005.</p>
S/N	05
Applicant:	Medical Stores Department
Submission Date to PMG	31/08/2012
Forwarded to PPRA for Advice	27/09/2012
Details:	Application for retrospective approval for procurement of cardiac center equipment and consumables for Muhimbili National Hospital.
Amount of retrospective approval	TZS 3,462,511,297.26

Advisory Committee decision	<p>In view of the observed weaknesses as reported in the previous year, the Advisory Committee made the following decisions:</p> <ol style="list-style-type: none"> (1) Due to a number of observed weaknesses in respect of this procurement, the Advisory Committee decided that MSD should be required to give explanations on the weaknesses including the status of delivery of all items and if the Cardiac Center started the operation on 3rd September, 2012, as promised by the Minister. (2) Procurement audit should be carried out in order to verify if all items were delivered. (3) The Committee decided further that the advice to the Paymaster General to grant or not to grant retrospective approval would depend on the explanations that would be provided by MSD and audit findings. (4) The Paymaster General should be informed of the decisions made by the Advisory Committee.
Implementation Status	<p>The Accounting Officer was given 14 days to provide explanations on the identified weaknesses through a letter with Ref. No. PPRA/IE/09/"G"/07 dated 7th June, 2013.</p>
Responses from the Accounting Officer	<p>The Accounting Officer submitted the explanations on 3rd September, 2013 through a letter MSD/003/2013/2014/80 dated 20th August, 2013. While the given timeframe was 14 days the Accounting Officer responded almost three (3) months later.</p>
Advisory Committee decision following the explanations from the Accounting Officer	<p>The Advisory Committee advised the Paymaster General not to grant the retrospective approval because the procurement did not meet the conditions for emergency procurement under Regulation 42(1) of GN. 97 of 2005.</p>

Final decision by PMG	<p>PMG gave his decision on the 13th November, 2013 through his letter with Ref. No. FA.26/254/01/10. PMG observed that:</p> <ul style="list-style-type: none"> (a) The procurement in question did not meet the conditions for emergency procurement under eg. 42 (1) of GN. 97 of 2005, this is due to the fact that the length of procurement process (ie 128 days) is long enough to water down the aspect of emergency. (b) It was not clear if all the requested items were delivered. (c) The implementation of the cardiac Center project was not the fulfillment of the Health Minister's promise in the Parliament. The Minister gave the promise to the Parliament that the heart surgery would be performed in the country soon because he knew the project was in progress. (d) Without any justifiable reasons, the directives by Advisory Committee were delayed to be implemented by MSD for three months. The directives were issued on 11th June, 2013 and there were 14 days to act on but MSD's response was made on 3rd September, 2013. <p>PMG therefore did not grant retrospective approval as the procurement did not fulfill the requirements for emergency procurement.</p>
S/N	06
Applicant:	Tanzania Building Agency
Submission Date to PMG	03/07/2012
Forwarded to PPRA for Advice	05/03/2013
Details:	Application for retrospective approval by TBA of USD 1,100,000 for procurement of household furniture for members of the Constitutional Review Commission.
Amount of retrospective approval	USD 1,100,000
Action taken by the Authority	The Accounting Officer was issued by the Authority a summons to produce documents with Ref. No. PPRA/AE/012/"A"/44 dated 7 th March, 2013. The documents were supposed to be submitted within seven days from the date hereof. However, no documents were submitted by TBA by the end of the review period despite several reminders.
Advisory Committee decision	The status was reported to the Advisory Committee during its 20th ordinary meeting held on the 9th October, 2013. The Committee decided that the application should be rejected for failure by the accounting officer to submit the required documents and PMG to be advised accordingly.

Advisory Committee decision	The decision was communicated to PMG through a letter with Ref. No. PPRA/AE/012/"A"/7 dated 18 th October, 2013.
PMG Decision	PPRA has not received feedback on PMG's decision
S/N	07
Applicant:	The then Ministry of Public Safety (now Ministry of Home Affairs).
Submission date	19/12/2007
Details:	Procurement of 85 Land Rover vehicles
Amount of retrospective approval	GBP 2,191,014.55 and Tshs. 183,600,000.00 as local charges
Advisory Committee Decision:	<p>As reported in the previous reviews, a number of weaknesses were observed in this tender after the investigation conducted by PPRA. The Advisory Committee held a meeting with the Ministry on 8th October, 2010 on the investigation findings.</p> <p>During the meeting it was decided that the Ministry would inspect all the vehicles and report their functionality. The Ministry was also required to liaise with the Ministry of Finance and get all documents regarding this procurement and submit the same to PPRA.</p> <p>However, the Ministry could not submit the documents as agreed during the meeting despite some reminders, the last reminder was made on 18th July, 2013 through a letter with ref. No. PPRA/ME/14/"F"/10.</p>
Advisory Committee final decision	<p>The status was reported to the Advisory Committee during its 20th ordinary meeting held on the 9th October, 2013. The Committee decided that the application should be rejected for failure by the accounting officer to submit the required documents and PMG to be advised accordingly.</p> <p>The decision was communicated to PMG through a letter with Ref. No. PPRA/AE/012/"A"/7 dated 18th October, 2013.</p>
PMG Decision	No feedback has been given to PPRA on PMG decision.
S/N	08
Applicant:	Ministry of Lands, Housing and Human Settlements Development
Submission Date to PMG	2/4/2013
Forwarded to PPRA for Advice	16/04/2013
Details:	Application for retrospective approval for emergency procurement of a consultant to conduct an assessment and evaluation of ownership of farms above 50 acres in Tanzania mainland.

Amount of retrospective approval	TZS 757,151,002.50
Findings/identified weaknesses	<ol style="list-style-type: none"> (1) There was a contradiction between the award price approved by the tender board and the one which was communicated in the letter of award. The contract signed and the letter of award issued indicated that the contract would be TZS 757,151,002.50/= whereas the tender board accepted the work to be awarded at the contract price of Tshs. 785,810,993/=. (2) There was no record to show whether negotiation was conducted as approved by the tender board. No minutes of negotiations were submitted to evidence the same. (3) The terms of reference prepared for this assignment showed that the Ministry had assigned M/s University of Dar es Salaam, Department of Economics to conduct an assessment and evaluation of ownership of farms above 50 acres in Tanzania mainland. It was not clear why the ToR showed that the work was already assigned to M/S University of Dar es Salaam, Department of Economics because the ToR was prepared so as to invite intended consultants to submit their proposals. (4) The Ministry submitted that the emergency procurement of consultant to conduct an assessment and evaluation of ownership of farms above 50 acres was due to the advice from the Parliament in its 11th meeting of the National Assembly. However, no evidence has been submitted by the Ministry to prove that there was such advice and directive from the Parliament. (5) The evaluation team applied a selection procedure which was inconsistent with the method of procurement, since procurement was done under single source procurement method there was no need for combined technical and financial scores.
Advisory Committee decision	<p>The Advisory Committee of the Board of Directors of PPRA during its 20th ordinary meeting held on 9th October, 2013 decided that the Accounting Officer to be instructed to give clarifications on the observed weaknesses.</p>
Implementation status	<p>The Accounting Officer was informed of the Advisory Committee decision through a letter with Ref. No. PPRA/ME/017/"A"/42 dated 17th October, 2013 and was given 14 days to submit the required explanations. The Accounting Officer submitted responded on the weaknesses through a letter with Ref. No. CEA 127/303/01/01 dated 29th October, 2013. The Ministry also submitted the assessment report prepared by the consultant.</p>

Final decision by PPRA Advisory Committee	<p>The Advisory Committee was satisfied with the grounds which prompted the Ministry to conduct emergency procurement. There was a need for the Ministry to take immediate action at that time due to unrest situation following unscrupulous land grabbing in some parts of the country. The committee advised the Paymaster General to grant the retrospective approval.</p> <p>The Advisory Committee decision was communicated to PMG through a letter with Ref. No. PPRA/ME/017/"A"/59 dated 17th February, 2014.</p>
Decision by PMG	<p>PMG granted the retrospective approval through a letter with Ref. No. FA.204/634/01/5 dated 9th April, 2014. The Accounting Officer was instructed to submit to PPRA requirement for a tailor made training and reminded to abide with the procurement law in all procurement undertakings of the Ministry.</p>

ANNEX 4 - 2: PROCUREMENT CAPABILITY ASSESSMENT

1.0 *Procurement Capability Assessment for TPA and TRA*

1.1 Introduction

The Public Procurement Regulatory Authority (PPRA) is an autonomous body established under Section 7 of the Public Procurement Act (PPA) 2011. The objectives of PPRA are spelt out in Section 8 of PPA 2011, being to:

- (a) Ensure the application of fair, competitive, transparent, non-discriminatory and value for money procurement standards and practices;
- (b) Set standards for the public procurement systems in the United Republic of Tanzania;
- (c) Monitoring compliance of procuring entities; and
- (d) Build, in collaboration with Public Procurement Policy Division and other professional bodies, procurement capacity in the United Republic.

In line with the fourth objective: to build procurement capacity, the Public Procurement Regulatory Authority (PPRA) has developed a Procurement Capability Assessment Programme (PCAP) to facilitate public entities to:

- (a) Improve their procurement capabilities in order to support delivery of better public services;
- (b) Increase the cost effectiveness of procurement; and
- (c) Establish appropriate procurement policies and best practice in order to ensure fair and efficient procurement practices.

The assessment helps public entities to identify where capacity gaps exist and where continuous improvements and efficiencies can be implemented. In particular, the assessment assists procuring entities to improve their structure, procurement processes, internal controls and ultimately performance by attaining the best standards that are appropriate to the scale and complexity of their businesses.

1.2 Objectives

Following the development of the PCAP PPRA was contracted by the Tanzania Ports Authority (TPA) and the Tanzania Revenue Authority (TRA) to conduct procurement capability assessment in order to identify capacity gaps and provide recommendations. Specifically, the objectives of procurement capability assessments were to assess the:

- (a) Suitability and effectiveness of the procurement organization set up for both headquarter and regional offices;
- (b) Capacity and efficiency of Tender Boards (TB) Delegated Tender Boards, Procurement Management Unit (PMU) and Delegated Procurement Management Unit in managing procurement;
- (c) Effectiveness of procurement planning;
- (d) Management of the procurement cycle to identify sources and causes for inefficiencies (if any);

- (e) Adequacy of contracts management;
- (f) Adequacy of internal controls as far as the procurement function is concerned; and
- (g) Training needs for the Tender Boards, PMU staff, Regional officers and staff in User Departments at all levels.

1.3 The assessment results for TPA

In summary, it was revealed that the tender board at HQ was overloaded, the PMU organization structure was not effective, the PMU and user departments were inefficient and lacked necessary capacity to support the procurement function, procurement planning was ineffective, contracts management was weak, and the Internal Audit Unit lacked necessary capacity to audit the procurement function.

It was therefore recommended to: Reduce the tender board workload by applying framework contracts and consider increasing thresholds for delegated TBs so as to offload some of the work load; Restructure the PMU; Build the capacity of user departments and PMU to handle procurement at both head quarter and ports; Revisit the procurement planning process and build the capacity of staff in procurement planning; Build the capacity of staff in contracts management, and; Build the capacity of the Internal Audit Unit to audit procurement function.

Specific observations and recommendations provided are highlighted below:

1.3.1 The efficiency of the tender board

Observations

The tender board at HQ was extremely loaded with procurement functions to the extent that their efficiency and effectiveness in performing their duties for the tender board, their departments or both, could be affected.

The Dar es Salaam Port Tender Board comprised staff from TPA HQ including Deputy Director General and other two staff contrary to the requirement of Reg. 46(2) of GN No. 446 of 2013.

Recommendations

In order to reduce the workload to the tender board, the following was recommended:

- a) To consider increasing thresholds for delegated TBs so as to off load some of the work load of the Central Tender Board (CTB). This should go hand in hand with capacity strengthening at delegated levels.
- b) To use appropriate methods of procurements such as framework contracts in order to reduce the workload (the number of procurement transactions) to a manageable level.
- c) The delegated tender boards should be re-established appropriately.
- d) The Dar es Salaam Port tender board should be re-established by not including staff from Head quarter since it overrides the essence of delegation. Also Deputy Director General should not be part of the Tender Board as he is also the Accounting Officer when the Director is not in the office.

1.3.2 The efficiency of the Procurement Management Unit (PMU)

Observations

Inefficiencies were observed within PMU (at the headquarters and delegated PMUs) contributing to the delays in the procurement process. Critical areas included processing of requirements from User Departments, preparing tender documents, reviewing tender evaluation reports and preparing contract documents. The main reasons for inefficiencies within PMU included: Emergence and adhoc procurements due to poor procurement planning; inadequate knowledge and experience in procurement matters for some of the staff; Lack of experienced technical staff within PMU (inappropriate staff composition); inappropriate structure; inappropriate job allocations; inappropriate performance appraisal system; and poor records management.

The assessment also revealed shortage of staff not only at HQ but also within delegated PMUs, given the volume of procurements and approved establishment.

The assessment team also observed that the Head of PMU of Dar es Salaam Port does not possess the required academic and professional qualification to fill the position. The Head of Procurement Management Unit of DSM Port is a Quantity Surveyor and does not have any procurement professional qualification including CPSP or Registered as Authorised Procurement professional contrary to the requirement of Section 37 (3) of PPA, 2011.

Recommendations

On the basis of the above observations, the following measures were recommended:

- a) The PMU to be composed of procurement specialists as well as experienced technical staff. The experienced technical staff will be useful in providing technical assistance in reviewing requirements/inputs from technical departments and in reviewing tender evaluation reports;
- b) Appropriate training to be provided on procurement planning, appropriate application of procurement methods, tender evaluation, records management, preparation of tender and contract documents, and contract administration;
- c) Performance appraisal system to reviewed to be realistic and in line with the nature of activities in the PMU;
- d) Procurement records management to be improved in order to minimize time wastage;
- e) The PMU to be restructured and staffed appropriately in order to increase efficiency;
- f) The Dar es Salaam Port Procurement Management Unit should be headed by a person with appropriate academic and professional qualifications and experience in procurement functions registered by the procurement professional Body as required under Section 37(3) of PPA, 2011
- g) The vacancies should within PMU be filled, issues regarding suspended staff should be resolved and appropriate action should be taken. Also to ensure that staff are placed appropriately in line with approved established structure.

1.3.4 The efficiency of User Departments

Observations

The assessment has revealed cases which contributed to inefficiencies within the User Departments causing delays in the procurement processes as follows;

- a) Inadequate assessment of the requirements during the planning stage which cause unnecessary emergencies/ adhoc procurement during the implementation stage;
- b) Inappropriately prepared statement of requirements/technical specifications.

Recommendations

On the basis of the above observations, the following was recommended:

- a) To establish a quality control system that will ensure that specifications/statement of requirements, schedules of requirements are checked and approved within the User Departments before they are submitted to PMU;
- b) To establish a system of periodically reviewing and updating standard specifications by taking into considerations relevant issues raised by bidders during tendering period;
- c) To provide appropriate training on procurement planning including packaging, aggregating and scheduling of requirements. In addition to the training, staff with appropriate seniority should be involved in the planning stages.

1.3.5 The adequacy of procurement planning

Observations

The assessment revealed existence of activities that were implemented but were not included in the procurement plans. When reviewing the procurement planning process, the following major weaknesses were observed:

- a) Inadequate knowledge of preparing annual procurement plan;
- b) Inaccurate assessment of the requirements by User Departments;
- c) The plans were not updated to accommodate necessary changes.

Recommendations

- a) PMUs to ensure that APPs are realistic and comprehensive and that implementation adhere to the approved plans. This require effective participation of user departments at all levels (planning to implementation) and integration of the planning process with budgeting process;
- b) To provide training to staff in PMU and User departments on procurement planning; and
- c) Update APP to reflect changed circumstances and details of actual implementation.

1.3.6 Inefficiencies within the tender process

Observations

A number of cases were observed contributing to inefficiencies within the tender processes. The key areas were as follows:

- a) Delays were observed within the PMU in processing requirements from User Departments caused by unclear specifications/statement of requirements from User Departments; disruptions caused by ad hoc/emergency procurements; and poor records management;
- b) The time given to bidders to prepare bids was unnecessarily too long mainly due to extensions arising from requests for clarifications;
- c) Delays in tender evaluation process were observed occasioned by inadequate knowledge and experience of some of the evaluation committee members;
- d) Delays within PMU in reviewing tender evaluation reports before they were submitted to the TB for adjudication were also observed. These were due to disruptions caused by ad-hoc procurements; lack of experienced technical personnel in the PMUs; inadequate knowledge of the evaluation process; and poor quality of the submitted evaluation reports.
- e) Delays were also observed in the process of communicating award decisions and signing contracts, caused by: insufficient funds for the procurement; delays in preparing a briefing of the tender board meeting to the AO for approval; Delays in preparing contract documents by PMU and; Delays in vetting contract documents by the Legal Department, delays by TB to approve the award decision, delays resulted from the evaluation team to disqualify bidders with the criteria not stated in the bidding document hence give rise to some complaints.

Recommendations

On the basis of the above inefficiencies in the tender process, the following measures were recommended:

- a) To establish a quality control system that will ensure that specifications/statement of requirements are checked and approved within the User Departments before they are submitted to PMU.
- b) To restructure the PMU in order to improve efficiency;
- c) Appropriate and realistic procurement plan to be prepared in order to avoid unnecessary emergencies and ad-hoc procurements;
- d) Appropriate records management system to be established;
- e) Staff in User Departments and PMU to be provided with appropriate training on preparation of bidding documents and tender evaluation; and
- f) The composition of PMU staff to include experienced technical staff to assist in dealing with technical matters such as reviewing specifications, reviewing tender evaluation reports, preparing contract documents, etc.
- g) Avoiding delays by making sure that the procurement of goods, works, non-consultancy and consultancy services follows the PPA, 2011 and it's Regulations of 2013.

1.3.7 The adequacy of contracts administration

Observations

The assessment revealed the following weaknesses in contract administration:

- a) Inappropriate appointment of goods inspection and acceptance committees and inadequate record keeping of inspection and acceptance reports;
- b) Absence of records to confirm or otherwise that proper procedures were followed in enforcing warranties and remedies for delays in contract completion;
- c) Few cases of failure to obtain appropriate performance securities were observed;
- d) Delays were observed in making payments to suppliers, contractors and service providers;
- e) Knowledge gaps in contract administration among the staff in PMUs, UDs and Internal Audit unit;
- f) Inadequate monitoring of contracts implementation- contracts progress is not closely monitored. There were no progress and contract close-out reports.

Recommendations

- a) Further, an adequate and reliable information system must be created in order to collect and maintain information on contracts implementation;
- b) The capacity of IAU should be strengthened for it to perform its audit function efficiently and effectively, in particular capacity to undertake audit of the whole procurement cycle, including contract administration and undertake value for money audits. Further, the management should put in place a system of ensuring that IAU recommendations are implemented. Otherwise, all efforts to build the capacity of IAU staff will not be useful.
- c) PMUs and UDs staff should be trained on legal aspects of contracts and contracts administration.

1.4 *The assessment results for TRA*

The assessment indicates that the TRA and TRA HQs tender boards are handling excessive workloads; the PMUs are not appropriately placed in the organization structure of TRA; inefficiencies exist of PMUs and UDs in managing the procurement cycle and generally the capacities of PMUs need strengthening in terms of increasing staff numbers and providing them with the relevant knowledge and skills. Further, improvements in procurement planning, contract management and capacity of Directorate of Internal Audit (DIA) to undertake quarterly procurement audits are necessary to achieve higher levels of efficiency and effectiveness. The assessment further noted that record keeping at all levels is poor and need improvement and that internal control over the procurement function is weak particularly at the delegated levels.

In view of the above general observations we recommended the following actions:

- (a) Reduction of the tender board workload by increasing thresholds for delegated TBs so as to offload some of the work currently handled by TRA TB and TRA HQ TB. This will also make the delegated TBs more active than the current situation;

- (b) Restructuring the TBs by merging the TBs of the Revenue Departments currently under one roof and the TRA HQs TB into the TRA Tender Board (Main Tender Board). The recommendation takes into consideration future plans to have the revenue departments and head office housed in the same building.
- (c) Restructuring the PMUs by formally establishing them as independent units (not part of the Directorate of Human Resources and Administration), reporting to the Commissioner General (Accounting Officer) or Delegated Accounting Officers as appropriate. The PMUs should also be adequately staffed;
- (d) Building the capacity of user departments and PMUs to handle procurement at both headquarters and delegated levels. Capacity building should aim at increasing capacity in procurement planning, tendering process, contracts management and records management; and
- (e) Increasing staffing level in the Directorate of Internal Audit and build their capacity to carry out procurement audit and prepare timely reports. Creating zonal internal audit teams could also be considered as an option to facilitate timely audits and ensure wider and in depth coverage (scope) of the audits.

We highlight below specific key observations and recommendations:

1.4.1 The efficiency of the tender boards

Observations

The TRA and TRA HQs tender board members handle excessive workloads. This may affect their effectiveness and efficiency not only in performing their duties as TB members but also in their departments. The excessive volume of transactions they handle as TB members is caused by existence of many extraordinary TB meetings resulting from unplanned procurements, some of which originate from projects that TRA is requested by the Government to handle. The assessment noted further that due to other commitments of TB members it was difficult for the two TBs to meet on scheduled dates, causing delays in obtaining TB approvals.

At the regional offices and revenue departments the TBs are not very active because most of the procurement activities are done through framework agreements processed at the Head Office and the low thresholds assigned, which limits the volume of transactions at delegated levels (transactions beyond the limits are referred to the TRA HQs TB).

The assessment further noted that TRA plans to move to a new building that will accommodate not only the head office but also the revenue departments. It is the opinion of the assessment team that there will be no need for TRA to maintain five TBs in the same building. Doing so will not be cost effective as it will increase the procurement transaction costs.

In terms of composition the assessment team noted that all delegated tender boards had less than the required number of members. Further, the chairman of one delegated TB (Customs and Excise Department) is also a member of the TRA HQs TB. This defeats the purpose of delegation.

Recommendations

The following recommendations are made in order to reduce the workload to the level that can be effectively and efficiently managed by the tender boards and eliminate the observed shortcomings:

- a) Increase thresholds for delegated TB so as to off load some of the transactions handled by the TRA & TRA HQs TBs. This has to go hand in hand with capacity strengthening at delegated levels to enable them manage not only increased volume of transactions but also procurements with higher values.
- b) The AO to replace members who are in both the delegated tender boards and the HQ Tender Board.
- c) The AO should restructure the TBs by merging TRAHQ TB and the Revenue Departments TBs into the TRA TB (main TB)
- d) Procurement planning and its implementation should be improved in order to reduce unplanned procurement.

1.4.2 The efficiency of the Procurement Management Units (PMUs)

Observations

There are inefficiencies within PMU (at the headquarters and delegated PMUs) contributing to the delays in the procurement process. Areas where inefficiencies have been observed include: processing of requirements from UDs, preparation of bids documents, review of tender evaluation reports and preparation of contract documents for signing.

The inefficiencies within PMU were caused by: existence of unplanned procurements arising from the Government requests for TRA to undertake activities/projects that were not in their plan; inadequate knowledge and experience in undertaking procurement processes for some of the staff (particularly at delegated PMUs); lack of technical specialists in PMU (inappropriate staff composition); inappropriate structure (Procurement Management Unit being under DHRA) and related performance appraisal for staff (inclusion of KPIs that are not procurement related); and poor records management.

The assessment has also revealed shortage of staff particularly at delegated PMUs, given the volume of procurements they handled.

The assessment team also observed that the Main PMU is not effectively supervising the delegated PMUs and monitoring their performance. This includes auditing the delegated PMUs to ensure they perform and operate in accordance with the law and its regulations and that they submit periodic reports to the main PMU.

Recommendations

The assessment team recommends the following:

- a) TRA to revisit its organisation structure and separate PMU from DHRA. PMUs to report to the respective delegated Accounting Officers and the Main PMU to the Commissioner General (Accounting Officer);
- b) The AO to ensure that PMUs include not only procurement but also technical specialists in other fields that are relevant to TRA given its nature of operations and type of procurements. The technical specialists will provide technical inputs in reviewing requirements/technical specifications from user departments, reviewing tender evaluation reports and contract management;
- c) TRA to provide appropriate training on procurement planning, appropriate application of procurement methods, tender evaluation, records management, preparation of tender and contract documents, and contract management;
- d) TRA to review the performance appraisal system (balanced score cards for procurement staff) to reflect procurement related KPIs i.e. eliminate HRA related KPIs currently included in balanced score cards for procurement staff since they also carry out administration related tasks;
- e) Procurement records management to be improved in order to minimize time wastage. Maintain separate procurement case files properly, arranged and indexed for easy retrieval of records;
- f) The PMU to be adequately staffed in order to increase efficiency and strengthen internal control;
- g) The Main PMU to set up a mechanism for monitoring the performance of delegated PMUs, including periodic audit of the PMUs and ensuring that the delegated PMUs submit reports to the main PMU. The main PMU to assign staff in monitoring and compliance section responsibilities for supervising and monitoring performance of specific delegated PMUs.

1.4.3 The efficiency of User Departments

Observations

Inefficiencies in the UDs that led to delays in the procurement processes were occasioned by:

- a) Inadequate assessment of the requirements during the planning stage, leading to emergency procurements and time lags during implementation;
- b) Delays in initiation of procurement process in accordance with scheduled dates in the APP. These were caused by laxity and failure to prepare and submit comprehensive requirements/technical specifications to PMU. Consequently PMU takes more time to refine the statement of requirements/technical specifications.

Recommendations

We recommend the following:

- a) TRA to provide training on procurement planning, including identification and scheduling of the requirements. In addition, the user departments should participate in the planning process and approval of the plan to ensure that all the requirements in their activity plans are incorporated in the APP;
- b) TRA to establish and implement a system of reviewing and approving the specifications/statement of requirements prior to submission to PMU;
- c) Heads of UDs should from time to time revisit the APP in order to monitor progress of implementation and trigger timely actions, including timely initiation of procurement activities. A tool for monitoring implementation of activities that raises alerts to responsible officers to enable them take appropriate actions (such as TRAMED) would be useful in this area.

1.4.4 The adequacy of procurement planning

Observations

The assessment observed existence of activities that were implemented but were not included in the initial procurement plans and there were no evidences that the plans were updated. The following additional shortcomings were observed in the planning process:

- a) Inadequate knowledge and experience in preparing annual procurement plan, particularly at delegated levels;
- b) Inaccurate assessment of the requirements by UDs and in some cases weak participation of UDs in preparation and approval of APP;
- c) Unplanned activities arising from requests from the government for TRA to undertake projects that were not initially in TRA's plans.

Recommendations

- a) PMUs to ensure that APPs are realistic and comprehensive and that implementation adhered the approved plans. This require effective participation of user departments at all levels (planning, approval and implementation) and that the planning process is linked to the budgeting process and maintenance planning;
- b) TRA to provide training to staff in the PMU, DPMU and User departments on the preparation of the annual procurement plan; and
- c) To update the APP to accommodate procurement changes.

1.4.5 Inefficiencies within the tender process

Observations

Inefficiencies in the tendering process were observed in the following areas:

- a) Delays in processing requirements from UDs caused by inadequate technical specifications/ statement of requirements from User Departments; disruptions arising from handling unplanned procurements; and poor records keeping;
- b) Delays in tender evaluation process occasioned by inadequate knowledge and experience of some of the evaluation committee members and existence of unclear evaluation criteria;
- c) Delays in reviewing evaluation reports prior to submission to the TB for adjudication. The delays were occasioned by disruptions caused by unplanned procurement activities; lack of technical personnel in the PMUs; inadequate knowledge of the evaluation process; excessive workload due to shortage of staff at delegated levels and at head office due to one PMU serving two TBs; and poor quality of the submitted evaluation reports.
- d) Delays in the process of communicating award decisions and signing contracts, caused by: delays in preparing a briefing of the tender board meeting to the AO for approval; delays in preparing contract documents by PMU and; delays by TB to approve the award decision. Delays by TBs especially at head office (TRA TB and TRA HQs TB) were a result of difficulties in convening the meetings caused by busy schedules of TB members.

Recommendations

The following measures are recommended:

- a) Establish and implement a system of reviewing and approving the specifications/ statement of requirements prior to submission to PMU.
- b) Increase the staffing levels commensurate with the workload handled by each PMU. The composition of PMU should include experienced technical staff to assist in dealing with technical matters such as reviewing specifications, reviewing tender evaluation reports, preparing contract documents, etc.
- c) Establish an appropriate records management system in order to save time taken to retrieve documents;
- d) Provide training to User Departments and PMU on preparation of bidding documents and tender evaluation process. One approach for consideration could be to attach staff to more experienced staff during preparation for example, of bidding documents in order for them to get hands on experience;
- e) Ensure proper time allocations during implementation of activities in accordance with standard processing periods.

1.4.6 The adequacy of contracts administration

Observations

The following weaknesses in contract administration were observed:

- a) Non submission or submission of inadequate performance securities;
- b) No evidence on the appointment of goods inspection and acceptance committees and therefore absence of goods inspection and acceptance reports;
- c) Absence of records to confirm or otherwise that proper procedures were followed in enforcing warranties;
- d) Knowledge gaps in contract administration among the staff in PMUs and UDs;
- e) Weak monitoring of contracts implementation evidenced by absence of progress and contract close-out reports;
- f) Generally poor record keeping and in many cases absence of records on contract management. Mostly records are available up to the contract award and signing stage, thereafter scanty records exists making it difficult to assess many of the issues falling under contract management.

Recommendations

- a) Strengthen the PMUs to enable them to monitor contracts implementation effectively;
- b) PMUs and UDs staff to be trained on contracts administration and their roles and responsibilities in this process;
- c) PMUs to create procurement files and ensure all records are properly filed, including records relating to contract management such as project implementation programme, quality assurance plan, inspection reports, payment records, implementation progress reports, records of quality tests, etc.

1.4.7 Effectiveness of internal control system

The assessment noted that effectiveness of internal control system over the procurement function is affected by:

- a) Shortage of staff which limits the application of certain controls such as segregation of duties, resulting in absence of checks and balances when implementing procurement activities;
- b) Limited capacity of internal audit unit to undertake procurement audits and prepare reports that highlights areas of weaknesses and propose actions to strengthen controls;
- c) Inadequate records of the tendering and contract management processes; and
- d) Undertaking procurement processes without obtaining relevant approvals.

Annex 4 - 3: PEs which submitted APPs

1. Tanroads-Arusha
2. Singida District Council
3. RAS - Tanga
4. Tanzania Civil Aviation Authority
5. Musoma Urban Water Supply and Sanitation Authority
6. Marine Services Company Limited - Mwanza
7. Babati District Council
8. Ministry of Home Affairs
9. Tanzania Police Force
10. Tanroads Mbeya
11. Ministry of Industry and Trade
12. Geological Survey of Tanzania
13. Social Security Regulatory Authority
14. Tanzania Food and Nutrition Centre
15. Mbeya City Council
16. Drilling and Dam Construction Agency
17. Tanzania Petroleum Development Corporation
18. Office of National Assembly
19. Ngara District Council
20. Tanroads Simiyu Region
21. Reli Assets Holding Company
22. Ras - Mwanza
23. National Electoral Commission
24. Board of Trustee of National Social Security Fund
25. Service Remuneration Board
26. Ilemela Municipal Council
27. Higher Education Students' loans Board
28. Ministry of Information, Youth, Culture and Sports
29. Tanzania Food and Drugs Authority
30. Ras - Shinyanga
31. Dar Es Salaam Stock Exchange
32. Ministry of Defence and National Services
33. Public Service Pensions Fund (NSSF)
34. Mzumbe University
35. Capital Development Authority (CDA)
36. Tea Board of Tanzania
37. Pangani District Council
38. Public Service Remuneration Board
39. Open University of Tanzania
40. Kahama Town Council
41. Ministry of East African Cooperation
42. Masasi District Council
43. Surface and Marine Transport Regulatory Authority (SUMATRA)
44. Vocational Education And Training
45. Medical Stores Department (MSD)
46. Tanzania Public Service College
47. Roads Fund Board
48. RAS - Kibaha
49. RAS - Singida
50. Dar Rapid Transit Agency
51. Vice President Office
52. Urambo District Council

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| 53. RAS - Mbeya | 79. Institute of Social Work |
| 54. Fair Competition Tribunal | 80. Tanzania Commission For Universities |
| 55. The Mwalimu Nyerere Memorial Academy | 81. Cooperative Audit And Supervision Corporation |
| 56. Ministry of Community Development Gender and Children | 82. Tanzania Insurance Regulatory Authority |
| 57. Government Chemist Laboratory | 83. Tanzania National Parks |
| 58. Dar es Salaam Marine Institute | 84. Tanzania Institute of Education |
| 59. Tanzania Education Authority (TEA) | 85. Morogoro Municipal Council |
| 60. Tanzania Petroleum Development Corporation | 86. RAS-Mtwara |
| 61. Tanroads Mtwara | 87. Simanjiro District Council |
| 62. National Environment Management Council | 88. Kilosa District Council |
| 63. Ministry of Lands, Housing And Human Settlements Development | 89. Local Authorities Pensions Fund |
| 64. Bukoba District Council | 90. University of Dar es Salaam |
| 65. Business Registrations And Licensing Agency | 91. President's Delivery Bureau |
| 66. Institute of Finance Management | 92. National Institute For Medical Research |
| 67. Public Service Commission | 93. Ministry of Community Development Gender And Children |
| 68. Export Processing Zones Authority | 94. Magu District Council |
| 69. Ukerewe District Council | 95. Tanzania Standard (Newspapers) Limited |
| 70. The National Examinations Council of Tanzania | 96. Tanroads-Dodoma |
| 71. Ikungi District Council | 97. National Board of Accountants And Auditors |
| 72. Judicial Service Commission | 98. Registration Insolvency and Trusteeship Agency (RITA) |
| 73. Ministry of Constitutional and Legal Affairs | 99. Uwasa Bukoba |
| 74. National Economic Empowerment Council | 100. KASHWASA |
| 75. Law Reform Commission of Tanzania | 101. Mkwawa University College of Education |
| 76. Law School of Tanzania | 102. Dar Es Salaam City Council |
| 77. Mufindi District Council | 103. Kogwa District Council |
| 78. National Land Use Planning Commission | 104. Songea Municipal Council |
| | 105. Tanroads Head Quarter |

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| 106. Shinyanga Municipal Council | 132. National Environment Management Council (NEMC) |
| 107. Iramba District Council | 133. Tanzania Revenue Authority (TRA) |
| 108. Kyerwa District Council | 134. Tanzania Meteorological Agency (TMA) |
| 109. Contractors Registration Board | 135. Public Procurement Regulatory Authority (PPRA) |
| 110. Nanyumbu District Council | 136. Muhimbili National Hospital |
| 111. National Insurance Corporation (T)Limited | 137. Procurement and Supplies Professionals and Technicians Board (PSPTB) |
| 112. Tanzania Trade Development Authority | 138. Muhimbili Orthopaedic Institute (MOI) |
| 113. President's Office-Ethics Secretariat | 139. Tanzania National Roads Agency - GEITA |
| 114. DAWASCO | 140. Government Procurement Services Agency (GPSA) |
| 115. Architects and Quantity Surveyors Registration Board | 141. Tanzania Ports Authority (TPA) |
| 116. Tanzania Tourist Board | 142. Arusha City Council |
| 117. Tanzania National Roads Agency - IRINGA | 143. Energy And Water Utilities Regulatory Authority (EWURA) |
| 118. Tanzania National Roads Agency-MARA | 144. Arusha Urban Water and Sewerage Authority |
| 119. Tanzania Social Action Fund (TASAF) | 145. Tanzania National Roads Agency-HQ |
| 120. Government Employees Provident Fund (GEPF) | 146. National Health Insurance Fund (NHIF) |
| 121. Tanzania National Roads Agency-KIGOMA | 147. Shinyanga Urban Water Supply and Sewerage Authority |
| 122. Commission for Mediation and Arbitration (CMA) | 148. Ministry of Finance |
| 123. Tanga Urban Water and Sewerage Authority (UWASA) | 149. Moshi Urban Water Supply and Sewerage Authority |
| 124. Ministry of Health And Social Welfare | 150. Tanzania Electric Supply Company Ltd - HQ |
| 125. Prevention and Combating of Corruption Bureau (PCCB) - HQ | 151. Arusha Institute of Technology (AIT) |
| 126. Pangani District Council | 152. Tanzania Airports Authority |
| 127. Morogoro Urban Water Supply and Sewerage Authority (MORUWASA) | 153. Tanzania National Roads Agency-DSM |
| 128. RAS - Kilimanjaro | 154. National Accreditation Council of Technical Education (NACTE) |
| 129. National Housing Corporation (NHC) | 155. Ardhi University |
| 130. Weights and Measures Agency | |
| 131. Iringa Urban Water Supply and Sewerage Authority (IRUWASA) | |

156. Ilala Municipal Council
157. Tanzania Commission for Science and Technology (COSTECH)
158. Institute of Accountancy Arusha (IAA)
159. Rural Energy Agency (REA)
160. Tanzania National Roads Agency-SHINYANGA
161. Tanzania Broadcasting Corporation (TBC)
162. Temeke Municipal Council
163. Sokoine University of Agriculture(SUA)
164. National Institute of Transport (NIT)
165. RAS - Dar Es Salaam
166. Tanzania Bureau of Standards (TBS)
167. Sumbawanga District Council
168. Pangani Basin Water Office (PBWO)
169. PPF Pensions Fund (PPF)
170. Kibaha Town Council
171. Kahama Urban Water Supply and Sanitation Authority(KUWASA)
172. Longido District Council
173. Tanzania Coffee Board (TCB)
174. Ileje District Council
175. Agricultural Input Trust Fund (AGTF)
176. Dodoma Urban Water Supply and Sewerage Authority
177. Dar es Salaam Water and Sewerage Authority(DAWASA)
178. Mbeya Urban Water Supply and Sewerage Authority

ANNEX 4 - 5: COMPLAINTS REVIEWED BY THE PUBLIC PROCUREMENT REGULATORY AUTHORITY IN FY 2013/2014

1	Tender details	Tender No. AE/001/2010-11/HQ/C/97 for consultancy services for supervision of upgrading of Uyovu-Bwanga-Bihalamulo Road (112KM) to bitumen standard, Lot 2: Bwanga-Bihalamulo Section (67 KM).
	Complainant	M/S Design Partnership Ltd
	Respondent	Tanzania National Roads Agency (TANROADS
	Submission date	10/06/2013
	Nature of complaint	The Complainant was dissatisfied with the decision of the Accounting Officer of TANROADS for considering negotiations to have been failed pursuant to ITC, Clause 45 of the RFP hence rejection of the complainant's offer.
	Date of decision by the Committee	9/07/2013
	Decision	CRC hereby made the following decisions: (a) The Complainant's application had merit and was upheld; (b) TANROADS was directed to proceed with negotiations with the Complainant on the basis of professional staff/experts named in the Complainant's technical proposal which scored 81.53% above the minimum score of 80% as provided in the RFP; (c) TANROADS was further directed to clarify/confirm if the sender (Wilson Medard) of an email which forwarded a request to the Complainant to extend its tender validity period was an employee of TANROADS. If the answer was yes, TANROADS was required to give explanations why the official communication was done through a private email address.
	Date of communicating the Authority's/ Committee's decision	09/7/2013
2	Tender details	Tender no. PA/004/2012-2013/HQ]/W/05 lot 3A for pre-qualification for sub contractors of air conditioning installations for the proposed construction of Mzizima Towers on Plot No. 2163/2 along Kisutu Street, India Street and Maktaba Street, Dar Es Salaam.
	Complainant	M/S Cool Care Services Limited
	Respondent	National Social Security Fund
	Submission date	01/07/2013
	Nature of complaint	The complainant was dissatisfied with the grounds for rejection of his application for pre-qualification. The complainant also alleged that some of the shortlisted applicants did not meet some of the criteria provided in the pre-qualification document.

	Date of decision by the Committee	31/07/2013
	Decision	<p>CRC made the following decisions:-</p> <p>(a) The complaint was upheld because it was found partly to have merit.</p> <p>(b) NSSF was ordered to re- evaluate all applications submitted in this tender using the evaluation criteria expressly provided in the pre-qualification document.</p> <p>(c) NSSF was ordered to ensure that it complies with Regulation 97 (11) of GN. No. 97 of 2005 in order to rectify the weaknesses observed as a result of this review.</p> <p>(d) The Head of PMU of NSSF was directed to submit to the Accounting Officer a copy of the re-evaluation report following the tender board's directive in its meeting No. 13 held on 27th November, 2012, failure of which, the Accounting Officer should take disciplinary action against the Head of PMU.</p>
	Date of communicating the Authority's/ Committee's decision	31/07/2013
3	Tender details	Zabuni ya kukodisha maduka ya nyama Soko la Nansio- Ukerewe
	Complainant	Bundala S. Bundala, Revocatus N. Munaku, Joseph M. Mkama, Ramadan S. Malupu
	Respondent	Nansio District Council
	Submission date	08/07/2013
	Nature of complaint	<p>Walalamikaji walilalamikia uamuzi wa kufuta na kutokutolewa majibu kwa tangazo la zabuni namba LGA 092/CTB/2013-14/70 la tarehe 02/04/2013 na badala yake zabuni hiyo kutangazwa upya katika tangazo la zabuni Na. LGA 092/CTB/2012-13/02/03 tarehe 27/5/2013 bila sababu za msingi za kufuta tangazo la awali. Pia wanalalamikaji walidai kuwa katika zabuni hiyo ya kundi "D" hapakuwa na nyaraka ya zabuni kama matakwa ya kifungu cha 62(5) cha Sheria ya Ununuzi wa Umma kinavyotaka; lakini Afisa Masuuli aliwatoza kiasi cha shilingi Tshs. 30,000/- ambacho walalamikaji hawakuelewa msingi wa kiwango hicho kwa kuwa hapakuwa na nyaraka za zabuni walizonunua kutoka ofisi ya Afisa Masuuli.</p>
	Date of decision by the Committee	07/08/2013

	Decision	<p>Kamati ya Malalamiko ilitoa uamuzi ufuato:</p> <p>Kuanza upya mchakato wa zabuni ya Kundi “D (ii)” inayohusu upangishaji wa maduka ya nyama soko kuu Nansio kwa kutekeleza yafuatayo:</p> <p>(a) Kuandaa nyaraka ya zabuni kwa ajili ya zabuni hii na kuhakikisha imeidhinishwa na Bodi ya Zabuni kwa mujibu wa Kanuni 54 kanuni ndogo ya (1) ya Tangazo la Serikali Na. 97 la mwaka 2005;</p> <p>(b) Kutoa nyaraka hiyo kwa wazabuni wote walioshiriki zabuni ya awali iliyotangazwa na Tangazo la zabuni Kumb. Na. LGA 092/CTB/2013-14/7002.04.2013 pamoja na wazabuni wengine kwa mujibu wa Kanuni 20(6) (b) ya Tangazo la Serikali Na. 97 la mwaka 2005.</p> <p>(c) Kuwapa muda wa kutosha wazabuni kuandaa zabuni zao na kuziwakilisha. Kwa mujibu wa Jedwali la Tatu la Tangazo la Serikali Na.97 la mwaka 2005, ni siku zisizopungua thelathini (30).</p> <p>(d) Kutokuwatoza ada ya zabuni wazabuni ambao walilipa ada wakati zabuni hii ilipotangazwa awali.</p>
	Date of communicating the Authority’s/ Committee’s decision	07/08/2013
4	Tender details	Tender no. me-on/2008-2009/w/02 Chalinze water supply project - phase II - package F & H.
	Complainant	M/S Oriental Construction Company Limited
	Respondent	Ministry of water
	Submission date	10/07/2013
	Nature of complaint	The Complainant was not satisfied with the decision of the Ministry not to award the tender to its company which had offered the lowest and fully technically compliant bid. The Complainant also alleged that the Accounting Officer of the Ministry of Water had failed to issue a decision on the application for administrative review submitted to him on 3 rd July, 2013.
	Date of decision by the Committee	12/08/2013

	Decision	<p>The Complaints Review Committee made the following decision:</p> <ul style="list-style-type: none"> (a) The Complainant's application was rejected for lack of merit. (b) The Accounting Officer was ordered to re-evaluate the bid by M/s Badr East African Enterprises Ltd and the bid by Db Shapriya Engineering and Construction Company Ltd due to the weaknesses observed in item 8.0 of this report. (c) The Accounting Officer was required to order the Head of PMU to show cause why disciplinary action should not be taken against him for: <ul style="list-style-type: none"> (i) Failure to submit all the required documents in original copies as most of the submitted documents were only copies with some missing pages in them; (ii) Violating Regulations 89(18) and 90(6) of G.N. No. 97 of 2005. In this case, the PMU's office sought clarification from the Complainant verbally on item relating to priced BoQ contrary to the cited Regulations. (d) The Accounting Officer was required to order the Chairman of the evaluation team to show cause why appropriate disciplinary action should not be taken against the team for indicating in the evaluation report areas of negotiations which were supposed to be handled at evaluation stage. (e) The Accounting Officer was also required to order the Chairman of negotiation team to show cause why appropriate disciplinary action should not be taken against the team for violating Regulation 95(2) (e) of G.N. No. 97 of 2005 which prohibits negotiation on issues which can substantially alter anything which formed crucial or deciding factor in the evaluation of a tender. (f) The Accounting Officer was ordered to report implementation of the above mentioned directives within 21 days from the date of communication. (g) The Complainant was informed of his right to appeal to the Public Procurement Appeals Authority if not satisfied with the Committee's decision.
	Date of communicating the Authority's/ Committee's decision	12/08/2013
5	Tender details	Tender no. PA/108/2013-14/C/NO. 06 for the proposed construction of fence around residential house no. 121 at Shangani East Mtwara
	Complainant	M/S Fyosa Limited
	Respondent	Cashewnut Board of Tanzania
	Submission date	01/08/2013

	Nature of complaint	The Complainant was not dissatisfied with the tender board decision to return his opened bid document on the ground that he did not submit the original document contrary to Clause 25.6 of ITT.
	Date of decision by the Committee	30/08/2013
	Decision	The Committee made the following decision: 1) The complainant's application for administrative review was upheld; 2) The Cashewnut Board was ordered to re-start the procurement process in observance of PPA and its Regulations; 3) The Accounting Officer was instructed to order the Chairman of the tender board to show cause why appropriate disciplinary action should not be taken against him and the involved tender board members for: a) Failure to comply with Section 66(3) of PPA, 2004, Regulation 89 of G.N. 97 of 2005 and ITB Clause 25.6; b) Failure to comply with Section 38 of PPA, 2004. 4) The Accounting Officer was directed to submit implementation status of the above directives within twenty one (21) days of receiving the same.
	Date of communicating the Authority's/ Committee's decision	30/08/2013
6	Tender details	Tender No. PA038/HQ/2012/W/3AV for air conditioning and ventilation for the proposed college of informatics and virtual education for University of Dodoma (It Laboratories Building)
	Complainant	M/S Cool Care Services Limited
	Respondent	PPF
	Submission date	30/08/2013
	Nature of complaint	The complainant was disputing the decision of the PE to restrict the submission of bid security in the form of either a bank's cheque or a bank guarantee. He sought for an order to be issued to the PE to accept an insurance bond as a bid security.
	Decision	The Authority found that the complaint submitted has been overtaken by events as PPF had accepted to consider the insurance bond submitted to them by the complainant as bid security.
	Date of communicating the Authority's/ Committee's decision	16/09/2013

Complaints wrongly submitted to PPRA and forwarded to PPAA

1	Tender details	Tender No. AE/023/2013- 14/MWZ/NC/001 for provision of safety and security services at TRA Regional Office
	Complainant	Mara Security Guards & Patrol Services Company Ltd,
	Respondent	TRA
	Submission date	18/07/2013
	Nature of complaint	The complainant was complaining against the evaluation of the tender, the criteria used and the award of the tender to another bidder.
	Date of decision by the Committee	NIL
	Decision	The Authority found that, it cannot entertain the complaint as the procurement contract has already entered into force. The complainant was advised to submit his complaint to PPAA
	Date of communicating the Authority's/ Committee's decision	22/7/2013
2	Tender details	Tender no. PA/036/2012-13/C/03 for provision of consultancy services for tourism marketing representative in India
	Complainant	Jilesh Babla, Mumbai, India
	Respondent	Tanzania Tourist Board
	Submission date	29/08/2013
	Nature of complaint	The complainant was dissatisfied with the tender results which disqualified his proposal.
	Date of decision by the Committee	NIL
	Decision	The Authority found that, it cannot entertain the complaint as the procurement contract has already entered into force. The complainant was advised to submit his complaint to PPAA
	Date of communicating the Authority's/ Committee's decision	4/09/2013
3	Tender details	Tender no. LGA/048/213/2014/02 for publication and printing of various documents for Mwanga District council for 2013/2014.
	Complainant	DK Investment Group Company Limited
	Respondent	Mwanga District council
	Submission date	28/10/2013
	Nature of complaint	The complainant was complaining against the tender results which led to the disqualification of his tender.

	Decision	The Authority found that, it cannot entertain the complaint as the procurement contract had already entered into force. The complainant was advised to submit his complaint to PPAA.
	Date of communicating the Authority's/ Committee's decision	01/11/2013
4	Tender details	Tender no. LGA/036/G/WS/13/14/01 for the supply of assorted HDPE and GS pipes
	Complainant	M/S EAC Trade Hub Co. Ltd
	Respondent	Ngara District Council
	Submission date	15/11/2013
	Nature of complaint	The complainant was dissatisfied with the disqualification of his tender.
	Decision	The Authority found that, it cannot entertain the complaint as the procurement contract had already entered into force. The complainant was advised to submit his complaint to PPAA
	Date of communicating the Authority's/ Committee's decision	19/11/2013
5	Tender details	Tender No. PA/044/2012/2013/NC/01 for provision of pre-shipment verification of conformity to standard services for used motor vehicles for Tanzania Bureau of Standards
	Complainant	Auto - terminal Japan Ltd,
	Respondent	Tanzania Bureau of Standards
	Submission date	21/01/2014
	Nature of complaint	The bidder was complaining against the decision of TBS to disqualify him from the tender and failure by TBS to provide him with the reasons for his disqualification.
	Decision	The Authority found that, it cannot entertain the complaint as the procurement contract has already entered into force. The complainant was advised to submit his complaint to PPAA
	Date of communicating the Authority's/ Committee's decision	22/01/2014

ANNEX 4 - 6: COMPLAINTS REVIEWED BY THE PUBLIC PROCUREMENT APPEALS AUTHORITY FOR THE FY 2013 / 2014

1	Tender Details	<p>Tender no. PA/113/2012-13/ME/G/0E/014 for supply of new goods wagon</p> <p>Lot 1: supply of 174 covered large bogie wagons</p> <p>Lot 2: supply of 50 petrol tank bogie wagons</p> <p>Lot 3: supply of 50 container carrier bogie wagons</p>
	Complainant	Boutou Beifang Chuangye Co. Ltd
	Respondent	Tanzania railways Limited (TRL)
	Appeal Case number	Appeal case no. 150 of 2013
	Submission date	31/05/2013
	Nature of Complaint	The appellant was dissatisfied with the award of the tender to the successful tenderer and the replies provided by the respondent concerning the appellant complaint.
	Decision by PPAA	<p>PPAA delivered its decision on the 3rd July, 2013.</p> <p>PPAA concluded that the appeal was not properly before it as it was filed out of time by a person not legally authorized to do so.</p>
2	Tender Details	Tender no. PA/113/2012-13/ME/G/0E/013 for supply of 25 new ballast hopper bogie wagons
	Complainant	Tanzania railways Limited (TRL)
	Respondent	Boutou Beifang Chuangye Co. Ltd
	Appeal Case number	Appeal case no 151 of 2013
	Submission date	31/05/2013
	Nature of Complaint	The appellant was dissatisfied with the award of the tender to the successful tenderer and the replies provided by the respondent concerning the appellant complaint.
	Decision by PPAA	<p>PPAA delivered its decision on the 3rd July, 2013.</p> <p>PPAA concluded that the appeal was not properly before it as it was filed out of time by a person not legally authorized to do so.</p>
3	Tender Details	Tender no. PA/038/HQ/2012/W/3AV for Air conditioning and ventilation installation for proposed college of informatics and virtual education for University of Dodoma for IT laboratory building
	Complainant	M/s Cool Care Services Ltd
	Respondent	Parastatals Pension Fund (PPF)

	Appeal Case number	Appeal case no. 152 of 2013
	Submission date	20/06/2013
	Nature of Complaint	The complainant was dissatisfied for the reasons of disqualification of his tender. The reasons were that the appellant submitted a bid securing declaration instead of a bid security.
	Decision by PPAA	PPAA delivered its decision on the 9 th July, 2013. PPAA upholds the appeal and ordered PPF to nullify the tender to the successful tenderer; to let the eight tenderers who were disqualified to submit bid security within two weeks from the date of this decision so as to allow a fair re-evaluation of tenders. PPAA also ordered PPF to pay the appellant a sum of Tsh. 1,620,000 being appeal filing fees and legal fees.
4	Tender Details	Tender no. PA/106/2013 Lot 1 for revenue collection at the basement are (Shimoni), Kariakoo Market
	Complainant	M/s Sokoni Partners
	Respondent	Kariakoo Markets Corporation
	Appeal Case number	Appeal case no. 3 of 2013-14
	Submission date	10/07/2013
	Nature of Complaint	The appellant was appealing against the decision of awarding the tender to an unqualified tenderer whose tender was rejected during the tender opening ceremony.
	Decision by PPAA	PPAA delivered its decision on the 22 nd August, 2013 and ordered the respondent to re-start the tender process in observance of the law and also pay the appellant a sum of Tshs. 1,240,000/-
5	Tender Details	Tender No. PA038/HQ/2013/W/1A for air conditioning and ventilation installation for the proposed construction of PPF plaza on plot No. 15 corridor area in Arusha Municipality
	Complainant	M/s Cool Care Services Ltd
	Respondent	PPF
	Appeal Case number	Appeal case no. 4 of 2013/14
	Submission date	12/07/2013
	Nature of Complaint	M/S Cool Care Services Ltd was dissatisfied with the grounds for their disqualification that they submitted a bid security in the form of an insurance Bond instead of Banker's cheque or a bank guarantee.
	Decision by PPAA	PPAA delivered its decision on the 23 rd August, 2013. PPAA upheld the appeal and ordered PPF to re-evaluate the tenders in accordance with the law. PPF was also ordered to compensate Cool Care Services Ltd Tshs. 1,120,000/- been appeal filling fees and Legal fees.

6	Tender Details	Tender No. LGA/128/2013/2014/NC/01 for revenue collection outside the bus stand within Tanga City Council
	Complainant	M/s Modhan Car Parking System
	Respondent	Tanga City Council
	Appeal Case number	Appeal case no. 5 of 2013/14
	Submission date	17/07/2013
	Nature of Complaint	M/s Modhan Car Parking System was dissatisfied with their disqualification for the reason that they had been a difficulty character (usumbufu) to the respondent which is un founded in law.
	Decision by PPAA	PPA delivered its decision on 07 th August, 2013 whereby PPAA upheld the appeal and ordered the respondent to re-evaluate the tender and also to pay the appellant a sum of Tshs. 2,500,000/-
7	Tender Details	Tender No. PA/016/2013-6/2013 Lot 3 for provision of Toilet Service at ground floor women's toilet-North, at Kariakoo Market
	Complainant	Teljoj Company limited
	Respondent	Kariakoo Markets Corporation
	Appeal Case number	Appeal case no. 7 of 2013/14
	Submission date	22/07/2013
	Nature of Complaint	The appellant was appealing against the decision of awarding them the tender for provision of toilet services to the women's toilet instead of the men's toilet.
	Decision by PPAA	PPAA delivered its decision on 04/9/2013 and the appeal wa dismissed for lack of merit and ordered each party to bear their own costs.
8	Tender Details	Tender No. AE/016/2012-2013, TA/NC/02 for provision of Operational and Non Operational Services.
	Complainant	M/S Seamens Co-operatives Society Tanga limited
	Respondent	Tanzania Ports Authority
	Appeal Case number	Appeal case no. 8 of 2013/14
	Submission date	22/07/2013
	Nature of Complaint	The appellant was dissatisfied with the award of the tender to the successful tenderer which was done beyond the bid validity period of ninety days contrary to the requirements of the law. Also one member of the evaluation committee was a PMU staff hence contravened Section 38 of PPA, 2004. Also, the whole tender process was tainted with irregularities due to the respondent's failure to read out the quoted prices during the opening ceremony as per requirement of the law.

	Decision by PPAA	PPAA delivered its decision on the 5 th September, 2013. PPAA ordered the respondent to start the tender process afresh in observance of the law and also pay the appellant a sum of Tsh. 692,000/=
9	Tender Details	Tender no. LA 063/2/2013/2014/NC/31 for revenue collection with respect to billboards (Ushuru wa mabango)
	Complainant	M/S Damo General Enterprises
	Respondent	Serengeti District Council
	Appeal Case number	Appeal case no. 9 of 2013/14
	Submission date	17/07/2014
	Nature of Complaint	The appellant was dissatisfied with the disqualification of their tender since they quoted the highest amount.
	Decision by PPAA	PPAA delivered its decision on the 28 th August, 2013. PPAA partly uphold the appeal and ordered the respondent to re-start the tender process afresh in observance of the law and also to compensate the appellant the sum of Tsh. 1,182,000/=.
10	Tender Details	Tender No. LGA/128/2013/2014/NC/01 Lot 9 on revenue collection on Billboards within Tanga City
	Complainant	M/s United Talents Service Limited
	Respondent	Tanga City Council
	Appeal Case number	Appeal No. 10 of 2013-14
	Submission date	02/8/2013
	Nature of Complaint	The complainant was disputing the entire tender process and the award of the tender made by the respondent to M/s Lemita Company Ltd
	Decision by PPAA	PPAA delivered its decision on 11/09/2013 and dismissed the appeal for lack of merit, and ordered each party to bear their own cost.
11	Tender Details	Tender No. LGA/128/2013/2014/NC/01 Lot No. 3 for revenue collection of car parking at all markets allocated at central ward, North Ngamiani, Central Ngamiani, Mwenzange and Majengo
	Complainant	M/s Modhan Car Parking System
	Respondent	Tanga City Council
	Appeal Case number	Appeal case no. 11 of 2013/14
	Submission date	13/08/2013
	Nature of Complaint	The complainant was dissatisfied with their disqualification which was based on their failure to indicate the amount of money to be remitted to the respondent per month. That, they were unfairly disqualified from the tender requirement that, even the successful tenderer did not meet.

	Decision by PPAA	PPAA delivered its decision on 12/09/2013 whereby the appeal was dismissed for lack of merit, and ordered each party to bear its own costs.
12	Tender Details	Tender no IE/011/2012-13?HQ/G/02 for supply of ICT and office equipment Lot No. 5 - supply of office equipment
	Complainant	MFI Office Solutions Limited
	Respondent	Tanzania Social Action Fund (TASAF)
	Appeal Case number	Appeal case no. 14 of 2013-14
	Submission date	3/09/2013
	Nature of Complaint	The appellant was dissatisfied with the award of the tender to the successful tenderer.
	Decision by PPAA	PPAA delivered its decision on the 27 th September, 2013. PPAA ordered the respondent to restart the tender process afresh in observance of the law and to compensate the appellant the sum of Tsh. 500,000/=.
13	Tender Details	Tender No. AE-027/2011-12/JNIA/68 for provision of ground handling services at Julius Nyerere International Airport
	Complainant	The 1 st appellant was M/s Equity Aviation Services (T) Ltd; M/s Entebbe Handling Services Ltd; M/s Precision Air Ground Handling Ltd and National Aviation Services Ltd; M/s Wings Flight Services Ltd, M/s National Aviation Service Ltd; and the 2 nd appellant was Aviation Handling Services (T) Ltd.
	Respondent	Tanzania Airports Authority (TAA)
	Appeal Case number	Appeal Case No. 15 of 2013-14
	Submission date	01 st September, 2013
	Nature of Complaint	The appellants were complaining about their dissatisfaction for rejection of their tenders. They claimed to be eligible and capable firms to execute the contract. That the respondent's reasons for rejection of their tenders were not correct as the tendering process was improper in the face of the law.
	Decision by PPAA	PPAA delivered its decision on 09 th October, 2013 whereby the appeal was upheld and ordered TAA to re-start the tender process in observance of the law and; compensate the 1 st appellant a sum of Tshs. 7,500,000/- and to compensate the 2 nd appellant Tshs. 500,000/-
14	Tender Details	Tender No. PA/076/2013/DC/02 for Outright purchase of Tanganyika Parkers Limited, Mbeya Meat Plant together with its Nsalala Holding ground
	Complainant	M/s Tandan Farms Limited
	Respondent	Consolidated Holding Corporation
	Appeal Case number	Appeal Case No. 16 of 2013-14

	Submission date	03 rd October, 2013
	Nature of Complaint	The appellant was aggrieved by the decision of the tender board to consider their tender unsuccessful.
	Decision by PPAA	PPAA delivered its decision on 06 th November, 2013 whereby the PPAA struck out the appeal and ordered the each party to bear their own costs.
15	Tender Details	Tender No. AE/027/2012-13/HQ/N/58 for grass cutting works at Julius Nyerere International Airport.
	Complainant	M/s Builders Paint & General Enterprises
	Respondent	Tanzania Airport Authority
	Appeal Case number	Appeal Case No. 17 of 2013-14
	Submission date	07 th October, 2013
	Nature of Complaint	The appellant was dissatisfied with the whole process of awarding the tender since they were ranked as the second winner but the tender had been awarded to the fifth winner without reasonable explanation
	Decision by PPAA	PPAA delivered its decision on 31 st October, 2013 whereby the appeal was dismissed for lack of merit and ordered each party to bear their own costs.
16	Tender Details	Tender No. LGA/090/W/2012/2013/26 tender for supply of materials and refurbishment (two storage tanks, pipe line from 135m³Nyanguge tank to 90m³Muda tank and civil works) for Nyanguge-Muda piped water supply in Magu District Council.
	Complainant	M/s Y.N Investment
	Respondent	Magu District Council
	Appeal Case number	Appeal Case No 18 of 2013-14
	Submission date	03 rd October, 2013
	Nature of Complaint	The appellant was dissatisfied with the award of the tender to the successful bidder. That the Tender document contained a BoQ showing that the project could not exceed 430 million. That the award of the tender over and above their estimated price was in contravention of the law and practices, as the outcome of increased funds, the council ought to have made adjustments on the scope of the work through an addendum or should have re-advertised the tender. The successful tenderer had never tendered for to the increased funds and scope, and the latter is registered as Class V contractor therefore they would not be awarded contract whose value over and above the threshold for the class which is Tshs. 750 million.

	Decision by PPAA	PPAA delivered its decision on 21 st November, 2013 whereby PPAA ordered Magu District Council to re-start the tender process afresh in observance of the law and compensate the appellant a sum of Tshs. 685,000/-
17	Tender Details	Tender No. LGA/017/2013-14/NCS/01 for provision of agency services for electronic payment system for taxes collection in Kinondoni Municipal Council
	Complainant	M/s Easy Payment Limited
	Respondent	Kinondoni Municipal Council
	Appeal Case number	Appeal Case No 19 of 2013-14
	Submission date	04 th October, 2013
	Nature of Complaint	The appellant was dissatisfied with the rejection of their tender on the ground that there was a political interference by the respondent's Finance Committee to require all tenderers to present their technology before the counselors who were not mentioned in the tender document, that the tender was awarded to the successful tenderer at 6% while the appellant quoted 5.5%. the document submitted by the successful tenderer was in a box file hence it was easy to temper with.
	Decision by PPAA	PPAA delivered its decision on 15 th November, 2013 whereby it ordered Kinondoni Municipal Council to re-start the tender process afresh in observance of the law.
18	Tender Details	Tender no. IE/018/2012-13/HQ/G/19 for supply of Biometric Voters Registration Kits
	Complainant	M/S Safran Morpho M/S Iris Corporation Technology
	Respondent	National Electoral commission
	Appeal Case number	Appeal case no. 20 of 2013/2014
	Submission date	22/10/2013
	Nature of Complaint	The appellants were dissatisfied with the award decision by the Tender Board, which was contrary to the requirements of the law and the tender document in that it ignored their financial and technical proposals, which were superior to the one submitted by the other bidders.
	Decision by PPAA	PPAA delivered its decision on the 29 th November, 2013. PPAA partly upholds the appeal and orders NEC to restart the tender process afresh in observance of the law ordered NEC to pay Safran Morpho a sum of USD 9000 being the advocate's fee, costs of transport and accommodation.

19	Tender Details	Tender No. PA/001/12/HQ/W/037 for Supply, Installation and Commissioning of a Complete set of a Water Cooled Liquid Chiller
	Complainant	M/s M.A.K Engineering Company Ltd
	Respondent	Tanzania Electric Supply Company Ltd
	Appeal Case number	Appeal Case No 22 of 2013-14
	Submission date	27 th November, 2013
	Nature of Complaint	The appellant was aggrieved by the decision to disqualify their tender because of the failure to indicate the manufacturer's address for the purpose of verification. Failure to notify them on tender results within the Bid Validity Period.
	Decision by PPAA	PPAA delivered its decision on the 9 th January, 2014. PPAA observed that the tender board's decision was made as well outside the Bid Validity Period, contrary to Section 64 of the PP, 2004 and Regulation 87 (2) of GN. 97 of 2005, the said decision and subsequent notification were a nullity in the eyes of the law and of no legal effect. PPAA ordered Tanesco to pay the appellant appeal a sum of Tshs. 120,000/- as filing fee since the appeal had merit.
20	Tender Details	Tender No. LGA/155/2013-14/W/ROAD/04-001 for upgrading of Kahama town to roads to Bitumen standard
	Complainant	M/s Palemo Beta Bidding JV
	Respondent	Kahama Town Council
	Appeal Case number	Appeal Case No 23 of 2013-14
	Submission date	16 th December, 2013
	Nature of Complaint	The appellant was claiming that despite the respondent's invitation, the tender was not widely advertised as the law requires. Hence the tender lacked transparency and the need to maximize competition was not achieved. The appellant further claimed that the award of the tender was made to a foreign firm which was not supposed to tender, since the threshold for the tender was below the minimum threshold of Tshs. 10 billion approved by the government. The appellant claimed further that, the respondent did not communicate the award of the tender to the appellant except to M/s China Henan International Cooperation Group Co. Ltd who won the tender and added that this led to unequal treatment of tenderers. The award was marred by procedural irregularities, favoritism and political interference. The appellant finally stated that the tender was suited for local contractors only, since the government had changed the exclusive preference of margin for local contractors from Tshs.1 billion to 10 billion. Thus, it was not proper for the respondent to award the tender to a foreign firm.

	Decision by PPAA	PPAA dismissed the appeal for lack of merits and ordered each party to bear their costs.
21	Tender Details	Tender No. PA/106/2013-1/2013 for Revenue Collection at the Basement area at Kariakoo Market
	Complainant	M/s Sokoni Partners
	Respondent	Kariakoo Markets Corporation
	Appeal Case number	Appeal Case No 24 of 2013-14
	Submission date	20 th December, 2013
	Nature of Complaint	The appellant was disqualified in this tender during the physical verification stage, in which the evaluation committee requested the tenderers to produce their original documents for verification. The evaluation committee also requested tenderers to authorize the Corporation to verify their bank accounts with their bankers. At this stage, the evaluation committee observed that the appellant did not submit the original documents of the attachments contained in their tender. Also they allegedly refused to authorize the Corporation to verify their bank accounts; hence the evaluation committee recommended the bid by the appellant unsuccessful and approved by the tender board.
	Decision by PPAA	PPAA delivered its decision on the 21/01/2014 PPAA observed and ruled that, the criteria for determination of the tenderers' responsiveness and the award thereof were neither certain nor quantifiable and that the entire tender process was deeply flawed, hence not conducted in compliance with the law. That, the appellant's disqualification was not justified. That, the award of the tender to the successful tenderer was not proper at law, and finally PPAA ordered the respondent to restart the tender process afresh and compensate the appellant a total of Tshs. 1,300,000/- being the costs incurred for the appeal.
22	Tender Details	Tender No. ME-12/2013/2014/CIDTF/G/01 for the supply of Cashewnut Pesticides and Blowers
	Complainant	M/s Hammers Incorporation Ltd
	Respondent	Cashewnut Industry Development Trust Fund
	Appeal Case number	Appeal case No. 26 of 2013-14
	Submission date	20 th January, 2014
	Nature of Complaint	The appellant was dissatisfied with the reasons given by the respondent and stated that the tender process was not fair and lacked transparency as required under Section 43(a) and (b) of the PPA, 2004. The appellant further stated that the reasons regarding their disqualification were unclear and contradictory, adding that some of the tenderers who participated in the

		tender were not registered by the Tropical Pesticides and Research Institute thus they were to be disqualified from the start. The appellant further stated that the lowest price is determined after the said tender has passed preliminary and detailed evaluation stages, thus they said, that their tender was determined to be substantially responsive deserving the award of the tender and according to the appellant, the reasons given by the respondent for their disqualification were invalid.
	Decision by PPAA	The Appeal was dismissed with costs for lack of merits and ordered each party to bear their own costs.
23	Tender Details	Tender No. PA/102/TSN/HQ/2013-14/G/15 for supply of plates, plate developer and plate finishing gum
	Complainant	Typotech Imaging Systems Ltd
	Respondent	Tanzania Standard Newspaper
	Appeal Case number	Appeal case No. 27 of 2013-14
	Submission date	20 th December, 2013
	Nature of Complaint	According to the facts of the appeal, the appellant was dissatisfied with the award of the tender to successful tenderer. They further stated that their transaction in Tanzania are performed and executed by a country director Mr. Mwano who represented them during the opening ceremony but also Mr. Mwano teamed up with the successful tenderer to participate in the same tender without disclosing his interest. The successful tenderer in association with Mr. Mwano, the country director of the complainant misled TSN into believing that their consortium was eligible and qualified for the award of the tender while it was not the case and according to the appellant, it was contrary to Clause 3.4(a), (e) and (f) of the Instruction to Bidders and the Public Procurement Act. The appellant further added that, their country director had a chance to manipulate the appellant's tender to the advantage of the successful tenderer's tender and to the detriment of the appellant. The appellant further stated that the successful tenderer's partner did misconduct in participating in two tenders without disclosing the same, this led TSN failure to discover the mischief that would have made the appellant's tender non-responsive. The appellant added that their financial, technical and supply capabilities to the tender were far superior to those of the successful tenderer.
	Decision by PPAA	PPAA upheld the appeal and in this regard nullified the award of the tender to the purported successful tenderer and ordered the TSN to re-evaluate the tender afresh in observance of the law and compensate the appellant a total of USD 7,000 and Tshs. 120,000 being costs incurred for the appeal.

24	Tender Details	Tender No. AE/016/2013-14/MZA/10 for provision of casual labourers for operational and non operational services at Mwanza North, Mwanza South, Bukoba and Kemondo Ports.
	Complainant	M/s Alpha Quality Services
	Respondent	Tanzania Ports Authority
	Appeal Case number	Appeal case No. 29 of 2013-14
	Submission date	Not indicated
	Nature of Complaint	The appellant stated that there was no criterion in the tender document which required the tenderer to attach or submit the bid validity period or any statement to that effect. Thus, the appellant stated that, TPA has used a criterion which was not stated in the tender document contrary to Section 51 of the Public Procurement Act, 2011 read together with Regulation 203(1) of the Public Procurement Regulations, 2013. The appellant further stated that, its bid security issued by Covenant bank in the form of bankers cheque was returned to the appellant without any justification while the same can be cashed within 6 months (equivalent to 180 days) from the date of issue.
	Decision by PPAA	PPAA upheld the appeal and in this regard ordered for re-evaluation for the tender under appeal and awarded the appellant compensation in a total of Tshs. 2,240,000 as costs in pursuing of the appeal.
25	Tender Details	AE/016/2013-14/CTB/G/51 for Supply, Installation, Training and Commissioning of Electronic Single Window System (eSWS).
	Complainant	Joint Venture of Innovation Strategies, Infoport Valencia S.A. KPMG Limited & ERP Software Technologies Plc,
	Respondent	Tanzania Ports Authority
	Appeal Case number	Appeal case No. 31 of 2013-14
	Submission date	Not indicated
	Nature of Complaint	The appellant was aggrieved for been disqualified at preliminary stage and therefore he was challenging the Respondent failure to give reasons for not awarding the tender to the appellant hence led the appellant's doubt on the legitimacy of the decision considering that the appellant's tender price quoted was the lowest of all.
	Decision by PPAA	PPAA delivered it decision on 17 th April, 2014 whereby the appeal was dismissed due to the fact that, the appellant declined some of its grounds of appeal without following legal procedures laid down in the Public Procurement Appeals Rules.

26	Tender Details	IE/018/2012-13/HQ/G/19 for the supply of Biometric Voters Registration Kits
	Complainant	M/s Safran Morpho Limited
	Respondent	National Electoral Commission (NEC)
	Appeal Case number	Appeal case No. 33 of 2013-14
	Submission date	24 th March, 2014
	Nature of Complaint	The appellant was aggrieved by the notification hence appealed on the ground that, NEC misdirected themselves in law by inviting the appellant and other tenderers to demonstrate the performance of their kits at unreasonable short notice which also did not state the qualification criteria. Furthermore, the appellant stated that NEC erred in law and in fact by ranking them the fourth and the last without justification to support such ranking and failed to give them reasons when requested to do so. That the respondent misdirected themselves in law and in fact by choosing the procurement method in the circumstances of the matter, opting for emergency procurement through single source knowing that there existed no material conditions to justify such method and without respecting the proper procedures. Finally, the appellant stated that, NEC erred in law and in fact by ranking M/s Litho Tech Exports the first and award them a tender while knowing that the said tenderer did not have good record of the required performance in the Biometric Voter's Registration Kit's Industry.
	Decision by PPAA	PPAA delivered its decision on 05 th May, 2014 whereby the appeal was dismissed and each party was ordered to bear their own cost.
27	Tender Details	Tender no. AE/018/2013-14/HQ/C/04 for the provision of individual consultancy services for implementation of a system for checking and monitoring procurement activities in Tanzania.
	Complainant	Mr. Benedicto S. B. Mahela
	Respondent	PPRA
	Appeal Case number	Appeal case no. 34 of 2013-14
	Submission date	21/03/2014
	Nature of Complaint	The complainant was aggrieved by PPRA's decision to reject his expression of interest in the above said tender on the ground that it was submitted after 10.00 am on the 5 th March, 2014, which was the deadline time for submission.
	Decision by PPAA	PPAA delivered its decision on the 13 th may, 2014. PPAA found the appeal to have no merit and accordingly dismissed it. It also ordered each party to bear its own costs.

28	Tender Details	Tender no. AE/016/2013 - 14/CTB/G/56 for supply, installation and commissioning of one Gantry X-ray and one mobile X-ray.
	Complainant	Kihelya Auto Tractor
	Respondent	Tanzania Ports Authority
	Appeal Case number	Appeal case no. 35 of 2013 -14
	Submission date	14/4/2014
	Nature of Complaint	The complainant was dissatisfied with the reasons given by TPA for rejection of the tender in question. TPA rejected the tenders submitted on the ground that they had received a donation of the same equipment which is subject of the rejected tender from Economic and Commercial Representatives of the Peoples Republic of China.
	Decision by PPAA	PPAA delivered its decision on the 30/5/2014. PPAA nullifies the tender rejection and ordered TPA to comply with the law by seeking approval of tender board and PPRA prior to rejecting the tenders. TPA was also ordered to compensate the complainant Tsh. 2,384,000/= for expenses incurred.

Annex 4 - 7: INVESTIGATIONS ON ALLEGATIONS, COMPLAINTS AND REPORTED CASES OF MIS PROCUREMENT IN FY 2013/2014

1.0 Special Audit/Investigation of the Project for Construction of a Library Complex at the Institute of Accountancy Arusha

1.1 Introduction

The Institute of Accountancy Arusha, (IAA) implemented the project for construction of a Modern Library Complex at IAA Main Campus between 2003 and 2012 to cater for more than 500 students at once. The construction which was initially planned to take one year, took about five years mainly due to erratic project cash flow. The project was financed by the Ministry of Finance under the Government budget. Apart from the provision of library services, the four storey building which is currently in use, offers other functional services including staff offices, book storage rooms, computer rooms, seminar rooms, processing room and a book shop.

M/s Ramani Consultants Ltd was engaged for consultancy services in June, 2005 at the contract price of **Tshs. 54,687,600.00**. The works contract was awarded to M/s Nandhra Engineering & Construction Company Ltd in January, 2006 at the contract price of **Tshs. 2,898,519,144.00**. Both, the consultancy and works contracts were awarded after national competitive bidding processes. It should be noted that during the project implementation, there had been three changes of the public procurement law i.e from the Public Procurement Act No. 3 of 2001 to the Public Procurement Act No. 21 of 2004 which was again repealed in 2011 after the enactment of the Public procurement Act No. 7.

During its implementation, the project costs gradually increased from **Tshs. 2,898,519,144.00** to **Tshs. 6,879,362,004.41** for the construction works and from **Tshs. 54,687,600.00** to **Tshs. 471,651,762.40** for the consultancy services. Therefore, the Ministry of Finance vide letter with Ref. No. JA.260/276/01 of 12th May 2014 instructed the Public Procurement Regulatory Authority (PPRA) to audit the project in order to determine the validity of the increased project cost. The instruction followed the directive by the Parliamentary Committee for Economic Affairs, Industry and Trade to the Ministry to submit a report on the validity of the increased project cost.

1.2 Objectives of the Investigation

On the basis of the Parliamentary Committee's directive and the Ministry's instruction, the objective of the audit was to determine the validity of the increased construction costs and also to determine whether the Public Procurement Act and Public Procurement Regulations were adhered to in the procurement process.

1.3 Findings

1.3.1 *Whether the procurement process for the consultant adhered to the provisions in the PPA and Procurement Regulations*

It was established that to a large extent the procurement process adhered to the Public Procurement Act and Procurement Regulations except for the following;

- (a) There was no proof provided to the auditors to show that a thorough evaluation was done on M/s Ramani's technical and financial proposal to establish its adequacy for the execution of the assignment. On the basis of the Consultant performance under the contract and the claims raised to increase the consultancy fees, it seems that the proposal by M/s Ramani did not adequately address the scope of services outlined in the terms of reference.
- (b) The contract was signed by the then secretary of the tender board/ head of procurement management unit instead of the Accounting Officer. This was contrary to the provisions under Section 38 of PPA 2004 which required independence of functions and powers. In addition, Regulation 87(1) of the Public Procurement (Selection and Employment of Consultants) Regulations (GN. No. 98 of 2005) allowed the Accounting Officer to delegate in writing some of his powers but Regulation 87(3) prohibited the Accounting Officer to delegate his powers to members of the tender board and procurement management unit.

1.3.2 *Whether the procurement process for the contractor adhered to the provisions in the PPA and Procurement Regulations.*

To a large extent the procurement process for the contractor adhered to the Public Procurement Act and Procurement Regulations except for the following;

- (a) The contract was awarded before completing negotiation with the contractor. In addition, the procedure for correcting arithmetic errors as provided under section 24 of the Instructions to tenderers was not followed. The correction of arithmetic error for the tender submitted by M/s Nandhrawas done during the negotiation meeting instead of being done during the tender evaluation stage.
- (b) The award decision was communicated and the contract was signed by the then secretary of the tender board/ head of procurement management unit instead of the Accounting Officer. This was contrary to the provisions under Section 38 of PPA 2004 which required independence of functions and powers. This was also contrary to the provisions under Regulation 33(3) of GN. No. 97 of 2005 which prohibited the Accounting Officer to delegate the function of communicating award decisions to the member of the tender board and procurement management unit.

1.3.3 *The causes for the increased cost and verification of the validity of the increased cost for the project.*

1.3.3.1 *Causes for the cost increase and payment made as of 30th June 2014*

On the basis of the Project Manager's valuation in the draft Final Account and consultant's fee notes, the cost of the project increased from Tshs. 2,898,519,144.00 to Tshs. 6,879,362,004.41 for the construction works and from Tshs. 54,687,600.00 to Tshs. 471,651,762.40 for the consultancy services. Records indicated that the cost increase for the works contract was caused by variations, additional works, re-measurements, interest on delayed payments, and claims. As for the consultancy services, the cost increase was due to increased scope of services and increased supervision time due to prolonged construction period.

As of 30th June 2014, the Project Manager (Consultant) had certified twelve interim payment certificates amounting to Tshs. 6,328,513,497.25. However, the Client had effected payments

for eleven certificates and part of certificate no. twelve. The total amount paid for the works contract as of 30th June 2014 was Tshs. 4,931,708,247.07. As for the consultancy assignment, the Consultant had submitted five fee notes amounting to Tshs. 471,651,762.40. Out of the total claimed amount, Tshs. 274,944,744.60 had been paid as of the date of audit.

1.3.3.2 Verification of the increased cost for the works contract

Although the Project Manager has approved Tshs. 6,879,362,004.41 to be the final project costs in the draft final account, the Auditors were of the opinion that only Tshs. 5,111,037,425.43 was supposed to be approved as the final project costs. The difference between the Project Manager's and the Auditor's valuations is Tshs. 1,768,324,578.98 and is attributed by the following:

	Description	Project Manager	Auditors (Tshs)	Difference (Tshs)
1.	Loss and expenses claims	1,443,071,627.08	587,690,192.56	855,381,434.52
2.	Interest charges	907,911,044.12	541,131,996.39	366,779,047.73
3.	Approved quantity of works	3,530,374,919.80	3,379,669,294.04	150,705,625.76
4.	Re-measurements	35,467,450.00	32,984,728.50	2,482,721.50
5.	Value Added Tax	962,536,963.41	748,679,991.69	213,856,971.72
6.	Deduction of liquidated damages	0	- 178,863,412.11	178,863,412.11
	Total	6,879,362,004.41	5,111,037,425.43	1,768,324,578.98

According to the Project Manager's valuation in the draft final account, the remaining amount to be paid to the Contractor is Tshs. 1,947,653,757.34. However, on the basis of the Auditor's assessment, the estimated remaining amount to be paid to the Contractor is Tshs. 179,329,178.36 only.

The difference between the Project Manager's and Auditors' valuations is due to irregularities observed by the Auditors in the Project Manager's valuation/ assessment of variations and additional works, applying discount to the re-measurements, claims for losses and expenses, interest charges due to delayed payments, and deduction of liquidated damages. The observed anomalies are elaborated hereunder:

a) Variation orders / additional works - Tshs. 1,361,657,832.84

According to the penultimate certificate (IPC no. 12), Tshs. 1,326,190,382.84 was certified by the Project Manager for variations and additional works. In addition, the re-measurement of work items resulted into a net addition of Tshs. 35,467,450.00.

The following were revealed after the assessment of the variations and additional works;

- i) It was verified that seven variations/additional works worth Tshs. 708,890,723.04 were granted approval by the tender board as per the provisions under Section 69 of PPA 2004 and Regulation 117 of GN. No. 97 of 2005 but the approvals were sought after being instructed and implemented by the Contractor. However, the remaining variations/additions works amounting to Tshs. 652,767,109.80 were ordered without being approved by the tender board contrary to the requirement under Section 69 of PPA 2004 and Regulation 117 of GN. No. 97 of 2005.

It should be noted that despite the above legal requirement regarding approval of variations and additional works, clause 40 of the works contract gave the Project Manager powers to order variations necessary for the completion of the works. But, section 3.8 of the terms of reference in the consultancy contract required the Project Manager to consult the Client before issuing any instruction to vary the works.

The auditors reviewed the minutes of site meetings and revealed that most of the variations/ additional works were discussed and agreed during site meetings between Client's, Contractor's and Consultant's representatives.

- a) New rates were applied to some of the items in the variations and additional works contrary to the provisions in Clause 38 of the General Conditions of Contract which allowed application of new rates in cases where the quantity for a particular item in the bills of quantities differs by 25% and the increased cost is at least 1% of the contract sum. The net amount paid to the Contractor by applying wrongly new rates was Tshs.29,444,450.00.
- b) The Consultants did not fulfil adequately their obligations under the contract necessitating a number of variations during the construction period. They included variations for earthworks, roof structure, retaining wall, alucobond cladding and pegollas, window glazing, and ceiling. Some of the issues which were cited as being the causes for the variations/ additional works could have been addressed during the design period if the Consultants had adequately fulfilled their obligations under the consultancy contract. Activities which were not done adequately during the design period include: Subsurface soil exploration; topographical survey; roof design; retaining wall design; quantities estimation for alucobond cladding and pegollas; curtain walling/ glazing design; and ceiling design and quantity estimation.
- c) The Project Manager certified payments for some of the work items without proper measurements causing a net overpayment to the contractor amounting to Tshs. 148,682,208.80. The overpayment was 16% of the total value of work items measured. Overstated/understated quantities were observed after actual measurement of few selected items namely: Aluminium balustrades; pegollas; reinforced concrete and stone pitching for the retaining wall; suspended ceiling; structural glazing; and, road works and parking.

As for the case of suspended ceiling which was assessed to be overpaid by Tshs. 63,040,000.00, the Consultant claimed that the Client requested to be provided with some of the ceiling panels (925 m²) to be used elsewhere. However, no proof was submitted by the Consultant to substantiate the allegation and the Client denied the allegation.

It is important to note that some of the completed work items such as earthworks could not be estimated. Likewise, in the absence of as built drawings, items such as substructure, steel roof structure, reinforcements etc could not be verified because they were difficult/ impossible to be measured/estimated.

b) Claims for losses and expenses – Tshs. 1,443,071,627.08

On the basis of extension of completion period granted for the works contract, the Project Manager in August, 2011, certified in the penultimate certificate (IPC no. 12), three claims for losses and expenses amounting to Tshs.1,443,071,627.08. The claims had been previously certified for payment in IPC No. 8 – Tshs. 750,066,800.00, IPC No. 11 – Tshs. 180,902,991.71 and IPC No.

12 - Tshs.512,101,835.37. They included claims for extended preliminaries, increases costs for site overheads, extra costs for head office overheads, costs for materials price fluctuation, and costs for extending performance bond & all risk policy.

The analysis by the auditors of the approved claims revealed the following;

- i) The Project Manager (Consultant) granted a total extension of time of 1,263 days against delayed payments of Interim Payment Certificates to the Contractor contrary to the provisions under Clause 44 of the General Conditions of Contract (GCC). The referred clause specified delayed advance payment to be the only compensation event in cases of delayed payments. The remedy for other delayed payments was provided under Clause 43.1 of GCC where the Client was obliged to pay interests on delayed payments and the Contractor had an option of terminating the contract where the delayed payment exceeded 84 days after certification by the Project Manager (Clause 59.2(d) of GCC). Furthermore, Clause 28.1 of GCC gave the Project Manager mandate to extend the intended completion date only if a compensation event occurs. Under normal circumstance and pursuant to the contract, the contractor was therefore not supposed to slow down the works construction due to delayed payments by the Client.

Nevertheless, during the 7th site meeting held on 18th April 2007, the Client requested the Contractor to consider withdrawing his intention to terminate the contract due to delayed payments and it was agreed in the same meeting that the Project Manager should consider granting extension of time due to delayed payments. Subsequently, the Project Manager approved extension of contract period with cost from the initial completion date of 27th April 2007 to 28th April 2011 which was the basis for the Contractor's claims.

The decision to extend the contract period with cost was contrary to the provisions under Section 69 of PPA 2004 read together with Regulation 117 of GN. No. 97 of 2005 which required prior written approval of the tender board and Attorney General to be sought when the alteration of the signed contract causes an increase or decrease to the contract sum.

- ii) The last extension of the completion period of 151 days (from 28th November 2010 to 28th April 2011) which was approved by the Project Manager on 16th March 2011 is not justified considering the fact that by July 2010, the overall physical progress of works was 99%. All other activities were 100% completed except for electrical fittings and construction of front canopy which were 91% and 90% completed respectively.
- iii) The Project Manager has approved Tshs. 147,815,067.81 for extended preliminaries in the penultimate certificate. The approved amount included Tshs.54,443,150 for increased site overheads for domestic electric sub-contractor and Tshs. 93,371,917.81 for extended preliminaries. While the methodology for computing the extended preliminaries is clear, the computation for the increased site overheads for domestic electric sub-contractor is not clear and no justifications for the same have been provided. The only supporting documents provided was payment vouchers to the labour force which are considered to be inadequate to support the claim. It is the considered opinion of the auditors that the claimed amount was covered and paid under measured works for electrical installations.
- iv) Up to IPC No. 12, the Project Manager had certified Tshs. 1,226,152,499.52 to compensate the Contractor for head office overhead costs based on the extension of contract completion of 1,390 days. A number of anomalies were revealed in the Project Manager's analysis of the claims and the approved amount is considered extremely overstated. While the

Project Manager approved payment of Tshs. **1,226,152,499.52** for the claims of extra head office overhead costs, the auditors, by applying Eachleay's formula, estimated the amount which was supposed to be approved to be Tshs. **407,193,187.35** only.

The revealed anomalies in the analysis of the contractor's head office overhead costs included: Understating the Contractor's income during the period of the claims; inclusion of wages for casual labourers; including twice depreciation of capital investment; inclusion of extended time for causes which were not due to Client's faults; inclusion of extended time due to variations/additional works with new rates which were deemed to include overhead costs.

- v) The Contractor submitted and the Project Manager accepted the performance security in the form of insurance bond issued by Tanzania Assurance Company Limited contrary to clause 52.1 of the GCC read together with the Special Conditions of Contract which required the contractor to submit performance security in the form of unconditional bank guarantee.

In their claims for losses and expenses, the contractor submitted in the three claims a total of Tshs. 11,956,395.00 (Tshs. 3,623,150 plus 10% under each claim) for extending the insurance bond which was submitted in the format not acceptable under the contract but was approved by the Project Manager. Since the performance security was not in the format acceptable under the contract, it is the auditors' opinion that it was not appropriate to allow such a claim.

- vi) The evidences submitted as proof for paying premiums for performance bond and insurance policy amounting to Tshs. 26,303,976.00 (including 10% to cover for profit and procurement cost) were doubted because invoices submitted differs from the amount shown in the submitted receipts. While the claimed amount for contractor's all risk and insurance bond was Tshs. 4,347,750.00 and Tshs. 3,623,150.00 respectively, the amount shown in the submitted receipts were Tshs.20,000,000.00, Tshs.20,000,000.00 and Tshs. 4,219,502.00 respectively.

Therefore, the Project Manager should not have approved the claim of Tshs.26,303,976.00 without proof that the premiums were actually paid.

- vii) Although the contract was a fixed contract, it is the auditor's opinion that the contract was intended to be fixed during the originally intended completion period of one year. Therefore, it was appropriate for the Project Manager to approve compensation for price escalation of materials. However, it was not appropriate for the Project Manager to approve compensation for materials purchased within the originally intended completion period. It was also not appropriate for the Project Manager to approve compensation of price escalation for materials used in variations and additional works where new rates were used.

Therefore, it was not appropriate for the Project Manager to approve price fluctuation of Tshs.4,819,904.00 for materials in the variations/ additional works with new rates.

c) Interest charges on delayed payments - Tshs.907,911,044.12

After the assessment of the Project Manager's analysis of interest charges, the Auditors revealed the following anomalies;

- i) The Contractor requested and the Project Manager approved payment of interest amounting to Tshs.14,055,832.56 for delayed advance payment contrary to the provision

under Clause 51.1 of GCC in which it was explicitly stated that interest will not be charged on the delayed advance payment. Under Clause 44.1 (i) of GCC, delaying paying the advance payment was a compensation event allowing the contractor to claim for extension of time and/or losses and expenses of which the Contractor did.

- ii) In calculating interest charges due to delayed payments to the Contractor, the Project Manager added 1% above the commercial lending rate of the Contractor's bank contrary to the provision under Clause 43.1 of GCC which required the prevailing rate of interest for commercial borrowing to be applied. The Project Manager applied a rate of 15% instead of 14%. Furthermore, the Project Manager misinterpreted Clause 43.1 of GCC by including in his computation for the delays the 28 days allowed in the contract for the Client to prepare and effect payments to the Contractor after certification by the Project Manager. Due to this Project Manager's mistake, the Client was unfairly charged Tshs. 28,142,695.63 as interest above what was supposed to be charged for delayed payments up to 30th September 2013.
- iii) The Contractor applied and the Project Manager certified payments for materials on site and off site contrary to the provisions in clause 42 of the GCC which required the Project Manager to certify payments on the basis of the value of work completed. Materials on/off site were certified as follows: IPC No. 2 - Tshs. 30,342,000.00; IPC No. 3 - Tshs. 42,320,000.00; IPC No. 4 - Tshs.50,390,000.00; IPC No. 6 - Tshs. 286,376,850.00; IPC No. 7 - Tshs. 659,941,216.40; and IPC No. 8 - Tshs. 362,594,729.00.

This increased the burden to the Client of paying interest on delayed payments because what was certified was above what was contractually required to be certified by the Project Manager.

- iv) In preparing interim payment certificates, the Project Manager limited the retention amount to 5% of the initial contract sum contrary to the provisions under clause 48 of the Conditions of Contract which required the retention money to be deducted at the rate of 10% until completion of works. This also increased the burden to the client of paying interest on delayed payments because what was certified was above what was contractually required to be certified by the Project Manager.
- v) In preparing interim payment certificates, the Project Manager did not deduct the proportion of the discount of Tshs.125,000,110 provided by the Contractor for builders work. Again, this also increased the burden to the Client of paying interest on delayed payments because what was certified was above what was contractually required to be certified by the Project Manager.
- vi) By the date of completing this audit, the contractor had not submitted "as built" drawings contrary to the contract requirement. According to clause 58 of the conditions of contract, the Project Manager was required to withhold from the Contractor's payments Tshs. 20,000,000.00 for failing to produce "as built" drawings. However, the Project Manager did not withhold the amount provided in the contract while preparing the penultimate certificate and therefore increasing the burden to the client of paying interest charges.
- vii) Due to inappropriate preparation of Interim Payment Certificates by the Project Manager as indicated in 3.3.2.3 (c) to (e) above, the Client was unfairly charged Tshs. **366,779,047.73** as interest for delayed payments up to 30th September 2013.

d) Deduction of liquidated damages

The Project Manager did not deduct liquidated damages from the Contractor's payments due to delayed completion of works. According to the records availed to the auditors, the extension of the intended completion date was granted to 28th April 2011 while the practical completion date was on 11th May 2011. Therefore, the Contractor delayed the works for 13 days. According to clause 49 of the Conditions of Contract, the Project Manager was supposed to deduct liquidated damages from the Contractor's payments at the rate of 0.2% of the final contract price per day. i.e Tshs. 13,758,724.01 was supposed to be deducted per day. For a delay of 13 days, the total amount which was supposed to be deducted was **Tshs. 178,863,412.11**.

However, the rate of liquidated damages of 0.2% per day stipulated in the contract is above the range provided under Regulation 119(1)(b) of GN. No. 97 of 2005. The range provided under the cited regulation is from 0.1% to 0.15%. If appropriate rate was used, Tshs. 134,147,559.09 could be deducted for the delay of 13 days.

1.3.3.3 Verification of the increased cost for the consultancy contract

According to the records availed to the audit team, the Consultant had submitted five fee notes amounting to Tshs. 471,651,762.40. The reason cited for the increase of the Consultancy contract amount from the original contract amount of Tshs. 54,687,600.00 was increased scope of the design work and supervision time. Out of the total claimed amount, Tshs. **274,944,744.60** had been paid as of March 2012.

The following weaknesses were observed regarding Consultant's payments;

a) Errors with respect to Consultant's fee notes

There were errors in the Consultant's submitted fee notes. As a result, the total invoiced amount was incorrectly shown to be Tshs. 471,651,762.40 instead of the correct figure of Tshs. 416,964,162.40. After the observed errors were corrected by the auditors, the remaining amount to be paid to the Consultant after justifying new rate, reimbursable costs and miscellaneous expenses becomes Tshs. **142,019,417.80**

b) Unjustified reimbursable costs and miscellaneous expenses

The total amount claimed by the Consultant through the raised fee notes is Tshs. 471,651,762.40 which included Tshs. 152,345,000.00 for remuneration (fees), Tshs. 179,478,180.00 for reimbursable costs, Tshs. 65,250,000.00 for miscellaneous expenses, and Tshs. 74,578,582.40 for VAT. Out of the total raised fee notes, Tshs. 274,944,744.60 have already been paid to the consultant. However, the submitted invoices had no justifiable evidences for actual staff time input, reimbursable costs and miscellaneous expenses. The auditors managed to confirm the staff who attended site meetings but no evidence was submitted to prove that they travelled by air. The auditors also failed to verify justifications for other reimbursable costs and miscellaneous expenses.

Thus, IAA was not supposed to approve and effect payments to the Consultant without justifiable evidences.

c) Modification of contract price to Tshs. 416,964,162.40

The Consultant submitted to IAA a request for review of rates the reasons cited being change in the scope of services from design review to new design and increased scope of services due to increased contract period. However, while the reason given by the Consultant for the revised financial proposal was increased scope, the man-months (inputs) for the fee note No. 3 which were expected to increase, remained the same as those in the contract but the rates for the professional fees all doubled. The change of the fee rates was contrary to clause 6.3 of the consultancy contract which required the rates in the contract to be used in case of modification of the scope of services.

Furthermore, the approval by IAA to modify the contract price from Tshs. 54,687,600 to Tshs. 76,949,400 and thereafter to Tshs. 416,964,162.40 was not justified and was contrary to the provision under clause 2.4 of the consultancy contract which required the modification to be made after a written agreement between the parties and to be effective after getting the consent of the government. In this case, no addendum to the contract was signed between the parties.

While it is agreed that there was an increase of scope of services for supervision due to the increased contract period for works, the claim by the Consultant that there was a change of scope from design review to new design is not justified. The schematic design was provided by IAA to all consultants during the proposal preparation stage and therefore the Consultants were supposed to review them and price their financial proposals adequately taking into consideration all the required modifications and additional inputs in the provided schematic designs.

d) Retrospective approvals by tender board

Approval for all the revised financial proposals were made after the services had been rendered contrary to the provision under Regulation 94 of GN. No. 98 of 2005 which required prior approval of the tender board to be sought whenever there were modifications to the contract.

1.4 Conclusion

Save for few weaknesses highlighted in this report, the procurement processes for the Consultant and Contractor were conducted in compliance to the provisions in the Public Procurement Act and Procurement Regulations. They included weaknesses in the evaluation of tenders, inappropriate delegation of Accounting Officer's powers for communicating contract award decisions and signing of contracts, and weaknesses in preparing contracts.

As for the increased cost of the works contracts from Tshs. 2,898,519,144.00 to Tshs. 6,879,362,004.41, the Auditors observed many irregularities in the Project Manager's valuation/assessment of variations and additional works, claims for losses and expenses, and interest charges due to delayed payments. On the basis of the observed irregularities, the Auditors have estimated the valuation at final account to be Tshs.5,111,037,425.43 as opposed to the Project Manager's valuation at final account of Tshs. 6,879,362,004.41. Therefore, as per the Auditor's assessment, the remaining amount to be paid to the Contractor is Tshs.179,329,178.36 only as opposed to the Project Manager's assessment of Tshs. 1,947,653,757.34.

The cost of the consultancy contract increased to Tshs. 471,651,762.40 from the original contract amount of Tshs. 54,687,600.00. The Auditors also revealed irregularities in the fee notes submitted by the Consultant which included; Computational errors, unjustified changes of the fee rates, unsupported reimbursable costs, and unsupported miscellaneous expenses. After correction of the identified errors, the total invoiced amount became Tshs. 416,964,162.40 and the remaining amount to be paid to the Consultant after justifying new rate, reimbursable costs and miscellaneous expenses becomes Tshs. 142,019,417.80.

1.5 Recommendations

1.5.1. Training on the PPA and Contracts Management

In order to enhance the awareness of staff on the provisions in the PPA and Procurement Regulations, and on the basis of the weaknesses observed in this audit, IAA Management was required to ensure that staff are adequately trained on the application of the Public Procurement Act and Public Procurement Regulations. In addition, staff should also be trained on key aspects of contracts preparation and contracts management.

1.5.2 Procurement planning

IAA was advised to ensure in future, appropriate procurement plan is prepared depending on the approved budget and expected flow of funds from the Ministry of Finance. The project under audit was supposed to be phased on the basis of yearly budgeted amount for the project.

1.5.3 Project closing

In order to avoid further cost increase, it was recommended to close the project with immediate effect. However, in preparing the final accounts, the following were directed;

1.5.3.1 Preparation of Final Account for the works contract

- a) Proper analysis of the Contractor's claims for loss and expenses should be done by the Project Manager to ensure that issues raised by the auditors are addressed.
- b) The Project Manager should adjust the previously computed interest charges due to delayed payments by ensuring that the amount advanced to the Contractor through payment of materials on site, inappropriate computation of claims, overstated quantities, under-deduction of retention money, overpayment for not adjusting discount etc. is not charged interest.
- d) Since out of the sample of seven items which were jointly measured, five items were observed to have overstated quantities, it is recommended that joint measurement of all work items should be done to ensure that the Contractor is paid for the work done only. The measurement team should include the Project Manager, the Contractor and the Client's representative. The Client's representative should be an experienced Quantity Surveyor with proven integrity.
- e) The Project Manager should ensure that overpayments made to the Contractor due to overstated quantities are reflected in the final account. These should include the amount detected by the auditors plus any other amount to be detected during the joint measurement.

- e) The Project Manager should ensure that adjustment of the discount provided by the Contractor is reflected in the valuation of builders work and variations where contract rates were used.
- f) The Project Manager should adjust the payment due to the Contractor by deducting liquidated damages as per the contract provisions

1.5.3.2 Preparation of Final Account for the consultancy contract

- a) The IAA should be advised to revisit its tender board's decision to approve the change of the contract fee rates which were doubled for design related services. However, for supervision services beyond the originally intended completion period, IAA may consider revisiting the fee rates to take into account the fluctuation of labour cost due to long supervision period. Labour indices issued by appropriate institutions should be used.
- b) IAA should ensure that reimbursable costs and miscellaneous expenses are not approved for payment unless the Consultant has submitted supporting evidences for the expenditure.
- c) IAA should ensure that correction is done on the submitted fee notes to ensure that the Consultant is only paid for the services rendered.

1.6 Technical Committee Decision

The Technical Committee of the Board of Directors of PPRA at its 14th ordinary meeting which was held on 1st August, 2014 approved the investigation report together with the recommendations therein. The investigation/special audit report was submitted to the Ministry of Finance vide letter with Ref. PPRA/PA/017/75 of 4th August, 2014.

2.0 Uchunguzi wa Mchakato wa Kumpata Mhandisi Mshauri na Mkandarasi kwa ajili ya Ujenzi wa Mradi wa Usambazaji Maji Mjini Geita.

2.1 Utangulizi

- 2.1.1 Tarehe 7 Desemba 2012, Serikali ya Tanzania (Serikali) iliingia Mkataba wa Makubaliano (Memorandum of Understanding) na Kampuni ya Uchimbaji wa Dhahabu Geita (GGML) kuhusu utekelezaji wa mradi wa usambazaji maji mjini Geita ambao una uwezo wa kuzalisha lita 4,800,000 kwa siku. Katika makubaliano hayo, majukumu ya kila upande yaliainishwa ikiwa ni pamoja na GGML kugharamia ujenzi wa mradi kuanzia kwenye chanzo hadi tanki kuu la maji (*intake, raw water transmission main, treatment plant, Pumping station, Transmission Main and Main storage tank*) na Serikali kugharamia ujenzi wa mradi kwa kutandaza mabomba ya usambazaji maji kuanzia kwenye matoleo ya tanki kuu hadi maeneo mbalimbali ya maji.
- 2.1.2 Hadi mwezi Novemba 2013, GGML ilikuwa imetekeleza ujenzi wa mradi kama mkataba wa makubaliano ulivyoelekeza isipokuwa sehemu ya ufungaji wa mitambo ya kutibu maji (treatment plant) iliyokuwa ikifanywa na kampuni ya WEC ya Afrika Kusini. Kazi zingine ambazo zilikuwa zinatekelezwa na kampuni za ujenzi za DABENCO ikishirikiana na kampuni ya TRIACT zilikuwa zimekamili chini ya usimamizi wa kampuni ya POYRY (T) Limited ikishirikiana kampuni ya BENE ambaye ndiye alikuwa Mhandisi Mshauri.

- 2.1.3 Katika ujenzi wa awamu ya kwanza ya mradi, Mhandisi Mshauri na Mkandarasi hawakuchaguliwa kwa kutumia Sheria na Kanuni za Ununuzi wa Umma kwa sababu pesa yote ilitolewa na kusimamiwa na GGML. Katika kuyapata makampuni hayo, GGML ilitumia njia ya 'restricted tendering'.
- 2.1.4 Serikali kwa upande wake hadi Novemba, 2013 ilikuwa haijaanza kutekeleza ujenzi wa mradi kama Mkataba wa Makubaliano ulivyoelekeza. Kufuatia hali hiyo na athari zilizoanza kujitokeza kwenye miundombinu iliyokwisha kamilika, GGML kwa nia ya kuhakikisha kuwa mradi unakamilika, iliahidi kutoa dola za Marekani milioni moja (1,000,000 USD) kwa ajili ya kugharamia sehemu ya mtandao wa usambazaji maji (Limited Distribution Network) kwa sharti kwamba Serikali ichangie dola elfu mia nne (400,000 USD). Serikali ilikubali kutoa fedha hizo na kwa mujibu wa Mkurugenzi Mtendaji wa GEUWASA, Serikali imeshatoa fedha hizo.
- 2.1.5 Kufuatia kupatikana kwa fedha za Serikali, mwezi Januari 2014, GGML iliandaa rasimu ya mkataba wa kisheria kati ya Serikali na GGML ili kuanisha namna gani mradi huo utatekelezwa kuhusiana na masuala ya kifedha, manunuzi na usimamizi wa mradi. Baada ya kupata ushauri kutoka Wizara ya Fedha na Ofisi ya Mwanasheria Mkuu, mkataba huo wa utekelezaji wa mradi ulisainiwa tarehe 31 Mei 2014 kati ya Serikali (Wizara ya Maji, Halmashauri ya Mji wa Geita na GEUWASA) kwa upande mmoja na GGML kwa upande wa pili.
- 2.1.6 Kutokana na fedha zilizopatikana kutotosheleza kukamilisha mradi wote wa usambazaji maji, ilikubalika kutekeleza sehemu tu ya mradi (Limited Distribution Network) ambayo inakadiriwa kufikia asilimia thelathini na tano (35%) tu ya mradi wote. Sehemu hii ya mradi inajumuisha ulazaji wa kilomita 40 za mabomba, ujenzi wa vituo 15 vya kusambazaji maji (public distribution points), vituo viwili vya kupakia maji kwenye magari, na vituo vitano vya kuuzia maji (water kiosks)
- 2.1.7 Pamoja na mambo mengine, mkataba uliosainiwa mwezi Mei, 2014 ulijumuisha makubaliano yafuatayo;
- Kuundwa kwa Kamati ya Usimamizi wa Mradi (Project Steering Committee) ambayo inajumuisha wajumbe watatu kutoka serikalini na wajumbe watatu kutoka GGML ili kusimamia utekelezaji wa mradi [Kifungu cha 3.2 cha Mkataba].
 - Serikali kuchangia dola za kimarekani laki nne (USD 400,000) na fedha hizo kuwa zimetumika hadi kufikia tarehe 30 Agosti 2014 [Vifungu vya 4.1 na 4.2 vya Mkataba].
 - GGML kuchangia dola za kimarekani milioni moja (USD 1,000,000) ambazo zinatakiwa kutumika kabla ya mwisho wa mwaka 2014, yaani tarehe 31 Disemba 2014. Kama fedha hizo hazitakuwa zimetumika kufikia tarehe hiyo, zinaweza zisipatikane tena [Kifungu cha 4.3 cha Mkataba].
 - GGML kutoa mchango wake pale tu mchango wa Serikali utakapokuwa umetolewa na kutumika katika mradi kama ilivyoainishwa katika mkataba. Iwapo Serikali haitatoa mchango wake na mchango huo kutumika kama ilivyoainishwa kwenye mkataba, GGML haitawajibika kutoa mchango wake [Vifungu vya 4.5 na 4.6 vya Mkataba].
 - Manunuzi yote yanayohusiana na mradi yatafanywa na GEUWASA kama taasisi nunuzi kwa kufuata taratibu za Serikali [Kifungu cha 5.2 cha Mkataba].
- 2.1.8 Kutokana na mkataba kati ya Serikali na GGML kuipa GEUWASA jukumu la kufanya manunuzi yanayohusiana na mradi, na kwakuwa GEUWASA ilikuwa haijaunda Bodi yake ya Zabuni, GEUWASA iliamua kuomba kutumia Bodi ya Zabuni ya Sekretarieti ya Mkoa wa Geita kufanya maamuzi ya manunuzi kwa niaba yake kupitia barua yenye

Kumb. Na. GEUWASA/KTMG/VOL 01/11 ya tarehe 8 Mei, 2014. Kwa mujibu wa barua yenye Kumb. Na. GTA/S.30/04/106 ya tarehe 26 Mei 2014 iliyosainiwa na Mkuu wa Kitengo cha Manunuzi kwa niaba ya Katibu Tawala wa Mkoa, Sekretarieti ya Mkoa wa Geita ilikubali ombi la GEUWASA.

2.2 Malalamiko

2.2.1 Tarehe 4 Agosti, 2014 kupitia barua isiyo na kumbukumbu iliyoandikwa tarehe 22 Julai 2014, Mamlaka ya Udhhibiti wa Ununuzi wa Umma (PPRA) ilipokea malalamiko kuhusu ukiukwaji wa Sheria ya Manunuzi kwa kutotangazwa zabuni Na. GEUWASA/LDN/01/2014/2015 iliyohusu usambazaji wa maji mjini Geita. Barua hiyo iliandikwa na waliojiita Umoja wa Wakandarasi wa Mkoa wa Geita na kusainiwa na mwenyekiti wao Bw. Makoye R. Masanja.

Walalamikaji waliainisha kuwa katika zabuni hiyo makampuni matatu, M/s POIRYL (Mhandisi Mshauri), M/s DEBANCO na M/s TRIACT EAST AFRICA (Wakandarasi) walipewa zabuni kisirisiri bila kufuata taratibu zilizoainishwa katika Sheria ya Manunuzi ya Umma. Aidha, walalamikaji waliainisha kuwa M/s DEBANCO na M/s TRIACT EAST AFRICA, ambao walifanya kazi ya ujenzi katika awamu ya kwanza ya mradi kwa pamoja (Joint Venture) wameshindwa kukamilisha mradi huo hadi sasa.

2.2.2 Tarehe 11 Agosti, 2014, kwa barua kumb. Na. AB 20/173/01/9 PPRA iliiarifu GEUWASA kuhusu malalamiko kutoka Umoja wa Wakandarasi Geita na uamuzi wa PPRA kufanya uchunguzi kwa mujibu wa Kifungu cha 10(1)(b) cha Sheria ya Ununuzi wa Umma.

2.3 Madhumuni ya Uchunguzi

2.3.1 Kubainisha kama taratibu za manunuzi zilizotumika katika michakato ya kuwapata Mhandisi Mshauri na Mkandarasi zilizingatia matakwa ya Sheria, Kanuni, na taratibu za manunuzi.

2.3.1 Kubainisha kama kulikuwa na ushindani wa kweli katika zabuni ya kumpata mkandarasi. Uchunguzi kwenye eneo hili unatokana na wasi wasi kama kweli kulikuwa na ushindani wa kweli kutokana na ukweli kwamba wazabuni wawili waliopewa nyaraka za zabuni walitekeleza awamu ya kwanza ya mradi kwa pamoja (Joint Venture).

2.3.2 Kutoa mapendekezo ya hatua zinazopaswa kuchukuliwa kutokana na matokeo ya uchunguzi.

2.4 Matokeo ya Uchunguzi

2.4.1 *Kama Sheria na Kanuni za Manunuzi zilifuatwa katika makubaliano kati ya GEUWASA na Sekretarieti ya Mkoa wa Geita kuhusu kutumia Bodi ya Zabuni ya Sekretarieti kuidhinisha manunuzi ya GEUWASA.*

Kifungu cha 42 cha Sheria ya Ununuzi wa Umma Na. 7 ya mwaka 2011 kikisomwa pamoja na Kanuni ya 49 ya Kanuni za Ununuzi wa Umma za mwaka 2013, zinamruhusu Mkuu wa Taasisi kukasimu majukumu ya manunuzi ya taasisi yake kwenye taasisi nyingine kwa kuingia mkataba na taasisi hiyo. Kanuni ya 49 imetoa muongozo wa taratibu zinazotakiwa kufuatwa pale majukumu ya manunuzi ya taasisi moja yanapokasimiwa kwenye taasisi nyingine kama ifuatavyo;

a) Lazima pawe na makubaliano kwa maandishi na makubaliano hayo yasainiwe na wakuu wa taasisi husika,

- b) Kuainisha majukumu, mahitaji au miradi katika makubaliano hayo,
- c) Kuainisha utaratibu utakaotumika kutekeleza majukumu ya kila upande katika makubaliano,
- d) Kuainisha utaratibu wa kutoa taarifa na ufuatiliaji wa utekelezaji wa majukumu,
- e) Kuainisha maeneo ambayo hayahusiki na mkataba ulioingiwa,
- f) Kuainisha kiasi cha fedha kitakacholipwa, na
- g) Nakala ya mkataba iwasilishwe Mamlaka ya Udhhibiti wa Ununuzi wa Umma.

Baada ya kupitia nyaraka zilizowasilishwa, imethibitika kuwa ukiondoa mawasilano ya barua yaliyofanyika kati ya Mkurugenzi wa GEUWASA na Mkuu wa Kitengo cha Manunuzi cha Sekretarieti ya Mkoa, taratibu nyingine zote ambazo zimeainishwa katika Kanuni ya 49 ya Kanuni za Manunuzi ya Umma (GN. No. 446 of 2013) hazikufuatwa.

2.4.2 Kama Sheria na Kanuni za Manunuzi zilikiukwa katika mchakato wa kumpata Mhandisi Mshauri.

2.4.2.1 Je, ilikuwa sahihi kutumia njia ya 'single source' kuishirikisha katika zabuni kampuni ya POYRY peke yake?

Kanuni Na. 257 ya Kanuniza Manunuzi ya Umma (GN. No 446 of 2013) ina ruhusu matumizi ya njia ya 'Single Source Selection' pale ambapo kuna faida kutumia njia hiyo badala ya njia ya ushindani kama ilivyopakiliwa hapa chini;

"257.-(1) The use for single-source selection method shall be examined in the context of the overall interests of a procuring entity and the project, and a tender board's responsibility to ensure economy and efficiency and provide opportunity to all consultants to the extent possible.

- (2) *Single-source selection may be appropriate only if it presents a clear advantage over competition in which case single source selection may be justified-*
 - (a) *for tasks that represent a natural continuation of previous work carried out by the firm; or*
 - (b) *where a rapid selection is essential such as in an emergency operation; or*
 - (c) *where only one firm is qualified or has experience of exceptional worth for the assignment."*

Baadhi ya sababu zilizotolewa zilikidhi matakwa ya Kanuni ya 257(2)(a) na (b) kamaifuatavyo;

- a) Mradi huu ni muendelezo wa kazi ambayo ilisanifiwa katika awamu ya kwanza na kampuni ya POYRIL. Hivyo kampuni hii ilipendekezwa kwa kuwa ilifanya usanifu na kusimamia ujenzi wa awamu ya kwanza ya mradi kwa ufanisi.

Inawezekana kutumia Mhandisi Mshauri mwingine kusimamia ujenzi wa mradi huu. Hata hivyo, atahitaji muda mrefuzaidi ili kukagua eneo la mradi na kujiridhisha na usanifu (design) uliofanyika. Zoezi hili linaweza kuongeza muda wa utekelezaji na gharama ya mradi.

- b) Muda unaotakiwa kukamilisha mradi ni mfupi na fedha za GGML zilizotengwa kwa mwaka wa fedha 2014 kwa ajili ya mradi zinatakiwa zitumike kabla ya tarehe 31 Disemba 2014 vinginevyo zitarudishwa. Kwa hiyo ni lazima kumpata Mhandisi Mshauri haraka ili kuweza kukamilisha mradi kwa wakati.

Kama njia ya ushindani ingetumika, zaidi ya siku 93 zingehitajika mpaka kumpata Mhandisi Mshauri. Kwa hiyo, mchakato wa kumpata Mhandisi Mshauri ungemalizika katikati ya mwezi wa Oktoba 2014 na hivyo kuchelewesha kuanza kwa kazi ya ujenzi kwakuwa kazi ya ujenzi haiwezi kuanza kabla msimamizi hajapatikana.

Hata hivyo, sababu iliyotolewa eti bei ya kazi hii haizidi kiwango kilichopo kwenye Jedwali la Saba la Sheriaya Manunuzi ya Umma Na. 7 ya mwaka 2011 sio ya kweli kwa sababu njia ya "single source" haina ukomo wa kiwango cha fedha na jedwali sahihi ni Jedwali la 11 la Kanuniza Ununuzi wa Ummanasio kama ilivyotajwa.

2.4.2.2 Je, taratibu za kutumia njia ya 'single source' kama zilivyoainishwa kwenye Kanuni za Manunuzi zilifuatwa kikamilifu?

Taratibu za kutumia njia ya 'single source' hazikufuatwa kikamilifu kama ifuatavyo;

- a) Bodi ya Zabuni iliidhinisha kampuni ya POYRYL ikishirikiana na kampuni ya BENE kupewa nyaraka za zabuni na kuwasilisha mapendekezo yao ya jinsi watakvotekeleza kazi ya usimamizi. Hata hivyo, zabuni iliyowasilishwa ni ya kampuni ya POYRYL peke yake kinyume na maamuzi ya Kamati ya usimamizi na Bodi ya Zabuni.
- b) Hakuna ushahidi wowote kuonyesha kama zabuni ya POYRY (Technical and Financial proposal) ilifanyiwa tathmini ili kujiridhisha kama imekidhi vigezo vilivyoainishwa kwenye nyaraka za zabuni.
- c) Hakuna ushahidi wowote uliowasilishwa kuonyesha kama Bodi ya Zabuni iliidhinisha tathmini ya zabuni, kamati ya majadiliano na maeneo yaliyopendekezwa kwa majadiliano.

2.4.3 Kama Sheria na Kanuni za Manunuzi zilikiukwa katika mchakato wa kumpata Mkandarasi.

2.4.3.1 Je, ilikuwa sahihi kutumia njia ya 'restricted tendering' na kuzishirikisha katika zabuni kampuni mbili tu za DEBANCO na TRIACT?

Kanuni Na. 152 ya Kanuni za Manunuzi ya Umma (GN. No 446 of 2013) inaruhusu matumizi ya njia ya 'restricted tendering' pale ambapo taasisi husika itakidhi vigezo vilivyoainishwa katika kanuni hiyo.

Wakaguzi wamefanya tathmini ya sababu zilizopelekea kutumia njia ya "restricted tendering" kama ifuatavyo;

a) Sababu ya kwanza:

Kiasi cha fedha kilichokadiriwa kwa kazi hii hakizidi kiwango kilichoainishwa kwenye Jedwali la Saba la Sheria ya Manunuzi ya Umma.

Tathmini ya Wakaguzi:

Sheria ya Manunuzi ya Umma Na. 7 ya mwaka 2011 haina jedwali la saba. Hata hivyo, Jedwali la Saba la Kanuni za Manunuzi ya Umma (GN. No. 446 of 2013) halijatoa ukomo wa kiwango cha fedha kwa matumizi ya njia ya 'restricted tendering'.

b) **Sababu ya pili:**

Kuna uharaka wa kufanya kazi hii kutokana na muda mfupi uliopo hivyo kushindwa kutumia njia nyingine za manunuzi ambazo zitatumia muda mrefu.

TathminiyaWakaguzi:

Jedwali la Nane la Kanuni za Manunuzi ya Umma (GN. No. 446 of 2013) linaainisha muda ambao wazabuni wanatakiwa kupewa kuandaa zabuni. Katika jedwali hili hakuna tofauti ya muda wanaotakiwa kupewa wazabuni kuandaa zabuni pale ambapo njia ya uwazi 'national competitive tendering' na ile ya 'restricted national competitive tendering' zinapotumika. Kwa njia zote mbili wazabuni wanatakiwa kupewa siku 21 kuandaa zabuni.

Kwa hiyo sio kweli kwamba kwa kutumia njia ya uwazi muda mrefu zaidi ungetumika.

c) **Sababu ya tatu:**

Makampuni aliyopendekezwa yalifanya kazi ya awamu ya kwanza kwa pamoja 'Joint Venture' na sasa wanatenganishwa.

TathminiyaWakaguzi:

Ukweli kwamba kampuni hizi mbili zilishirikiana (Joint Venture) katika ujenzi wa awamu ya kwanza, ungetosha kutilia mashaka kama kweli kutakuwa na ushindani wa kweli katika zabuni hii.

Kutokana na uchambuzi huo hapo juu, imethibitika kuwa sababu zilizotolewa ili kutumia njia ya 'restricted tendering' hazikukidhi vigezo vilivyoainishwa kwenye Kanuni ya 152 ya Kanuni za Manunuzi ya Umma (GN. No 446 of 2013) ilikutumia njia hiyo.

2.4.3.2 Je, kulikuwa na ushindani wa kweli?

Pamoja na kutokukidhi vigezo vya kutumia njia ya 'restricted tendering', wakaguzi wamebaini mambo yafuatayo ambayo yanaashiria kutokuwepo kwa ushindani wa kweli kwenye zabuni husika;

- a) Pamoja na kuwa vigezo vilivyowekwa kwenye nyaraka za zabuni vilianisha kuwa Mkandarasi anatakiwa awe amesajiliwa na Bodi ya Usajili wa Wakandarasi katika kundi la 'Civil Engineering Contractors' daraja la pili au la kwanza, kampuni ya TRIACT imesajiliwa na Bodi ya Usajili wa Wakandarasi katika kundi la 'Civil Engineering Contractors' daraja la tano lakini ilichaguliwa kushiriki katika zabuni hiyo. Wakandarasi waliopo kwenye daraja hili hawaruhusiwi kufanya kazi zenye thamani ya zaidi ya shilingi za kitanzania 750,000,000.00. Makadirio ya Mhandisi Mshauri kwa kazi inayotarajiwa kufanywa ni shilingi za kitanzania 2,068,584,960.00.

Kwa hiyo pamoja na kushirikishwa kwenye zabuni, ilikuwa inajulikana toka mwanzo kuwa kampuni ya TRIACT isingeweza kukidhi vigezo vilivyomo kwenye nyaraka za zabuni.

- b) Nyaraka za zabuni zilikuwa na kigezo kwamba mzabuni atakayechaguliwa atatakiwa kumaliza kazi ndani ya miezi mitatu kuanzia tarehe 1 Septemba 2014 na kwamba mapendekezo mbadala kuhusu muda wa kukamilisha kazi hayatakubalika. Hata hivyo, kampuni ya TRIACT katika zabuni yake ilipendekeza kukamilisha kazi katika muda wa wiki 18 (miezi minne na nusu) ikiwa inajua wazi kwamba kwa kutoa pendekezo hili zabuni yake haitakubaliwa.
- c) Nyaraka za zabuni zilikuwa na kigezo kwamba malipo ya awali yatakuwa ni asilimia 15 (15%) ya thamani ya mkataba. Kampuni ya TRIACT katika zabuni yake ilitaka ipewe malipo ya awali ya asilimia 50 (50%) ikijua wazi kuwa kwa kutoa sharti hilo zabuni yake haitakubaliwa.
- d) Tofauti ya bei kati wazabuni ni kubwa mno. Wakati kampuni ya DEBANCO ameomba kazi ya ujenzi kwa shilingi za kitanzania 2,120,000,000.00, kampuni ya TRIACT imeomba kazi hiyo kwa shilingi za kitanzania 3,002,000,000.00. Tofauti ya shilingi 882,000,000.00 ni kubwa mno ukitilia maanani ukweli kwamba wazabuni wote wawili walishiriki kujenga awamu ya kwanza na wanauzoefu na kazi husika na pia eneo la mradi.

2.4.3.3 Je, taratibu za kutumia njia ya 'restricted tendering' kama zilivyoainishwa kwenye Kanuni za Manunuzi zilifuatwa kikamilifu?

Kanuni ya 152(4) ya Kanuni za Manunuzi ya Umma (GN. No 446 of 2013) inaelekeza kwamba ili kutumia njia ya 'restricted tendering', taasisi nunuzi zinatakiwa kuhakikisha zinashirikisha idadi kubwa ya wazabuni ili kuhakikisha kunakuwepo na ushindani katika zabuni. Hata hivyo, ni makampuni mawili tu ya DEBANCO na TRIACT ndio yaliyoshirikishwa katika zabuni hii na kutokana na sababu zilizoainishwa hapo juu, inaonyesha hakukuwa na ushindani wa kweli katika zabuni hii.

2.4.4 Je, ni kweli wazabuni hawakulipia shilingi 150,000.00 ili kupata nyaraka za zabuni kinyume na masharti ya zabuni?

Baada ya kupitia nyaraka za zabuni imedhihirika kwamba wazabuni walitakiwa kulipia shilingi za kitanzania laki moja (100,000/=) kabla ya kupewa nyaraka za zabuni lakini wakaguzi hawakuona nyaraka yoyote kuthibitisha kama wazabuni walilipia nyaraka za zabuni. Mkurugenzi wa GEUWASA alipotakiwa kutoa ufafanuzi, alieleza kwamba wazabuni walisamehewa kulipia kiasi hicho cha fedha ili kuondoa kikwazo kwa wao kushiriki.

Hata hivyo, kama hakukua na haja ya kufidia gharama za kutengeneza nyaraka za zabuni, sharti hilo la kulipia kiasi cha laki moja lisingeingizwa kwenye nyaraka za zabuni.

2.4.5 Mapungufu katika nyaraka za zabuni

Baada ya kupitia nyaraka za zabuni za kumpata mkandarasi, mapungufu machache yalidhihirika ambayo yanatakiwa kufanyiwa marekebisho kabla ya kuitisha zabuni nyingine hasa kwenye 'Tender Data Sheet'.

2.5 Hitimisho

- 2.5.1 Sababu zilizoainishwa na kupelekea kufikia maamuzi ya kutumia njia ya 'single source' katika mchakato wa kumpata Mhandisi Mshauri zilikidhi matakwa ya Kanuni ya 152ya Kanuni za Manunuzi ya Umma (GN. No. 446 of 2014). Hata hivyo, utaratibu uliotumika haukuwa sahihi kama ifuatavyo;

- a) Bodi ya Zabuni iliidhinisha kampuni ya POYRYL ikishirikiana na kampuni ya BENE kupewa nyaraka za zabuni na kuwasilisha mapendekezo yao ya jinsi watakavyotekeleza kazi ya usimamizi. Hata hivyo, zabuni iliyowasilishwa ni ya kampuni ya POYRYL peke yake kinyume na maamuzi ya Kamati ya usimamizi na Bodi ya Zabuni.
- b) Bodi ya Zabuni haikuidhinisha tathmini ya zabuni, kamati ya majadiliano na maeneo yaliyopendekezwa kwa majadiliano kinyume na matakwa ya Sheria na Kanuni za Manunuzi.
- c) Hakuna ushahidi wowote kuonyesha kama zabuni ya POYRY (Technical and Financial proposal) ilifanyiwa tathmini ili kujiridhisha kama imekidhi vigezo vilivyoainishwa kwenye nyaraka za zabuni.

2.5.2 Sababu zilizoainishwa na kupelekea kufikia maamuzi ya kutumia njia ya 'restricted tendering' katika mchakato wa kumpata Mkandarasi hazikukidhi matakwa ya Kanuni ya 152 ya Kanuni za Manunuzi ya Umma (GN. No. 446 of 2014).

Sababu kubwa iliyotumika ilikuwa ni uharaka wa kufanya kazi hii kutokana na muda mfupi uliopo na kwamba njia nyingine za manunuzi zitatumia muda mrefu zaidi. Hata hivyo, Jedwali la Nane la Kanuni za Manunuzi ya Umma (GN. No. 446 of 2013) linaainisha muda ambao wazabuni wanatakiwa kupewa kuandaa zabuni. Katika jedwali hili hakuna tofauti ya muda wanaotakiwa kupewa wazabuni kuandaa zabuni pale ambapo njia ya uwazi 'national competitive tendering' na ile ya 'restricted national competitive tendering' zinapotumika. Kwa njia zote mbili wazabuni wanatakiwa kupewa siku 21 kuandaa zabuni. Kwa hiyo sio kweli kwamba kwa kutumia njia ya uwazi muda mrefu zaidi ungetumika.

2.5.3 Imethibitika kuwa hapakuwa na ushindani wa kweli katika zabuni ya kumpata Mkandarasi kutokana na sababu zifuatazo:

- a) Pamoja na kuwa vigezo vilivyowekwa kwenye nyaraka za zabuni vilianisha kuwa Mkandarasi anatakiwa awe amesajiliwa na Bodi ya Usajili wa Wakandarasi katika kundi la 'Civil Engineering Contractors' daraja la pili au la kwanza, kampuni ya TRIACT imesajiliwa na Bodi ya Usajili wa Wakandarasi katika kundi la 'Civil Engineering Contractors' daraja la tano lakini ilichaguliwa kushiriki katika zabuni hiyo.

Kwa hiyo pamoja na kushirikishwa kwenye zabuni, ilikuwa inajulikana toka mwanzo kuwa kampuni ya TRIACT isingeweza kukidhi vigezo vilivyomo kwenye nyaraka za zabuni.

- b) Nyaraka za zabuni zilikuwa na kigezo kwamba mzabuni atakayechaguliwa atatakiwa kumaliza kazi ndani ya miezi mitatu kuanzia tarehe 1 Septemba 2014 na kwamba mapendekezo mbadala kuhusu muda wa kukamilisha kazi hayatakubalika. Hata hivyo, kampuni ya TRIACT katika zabuni yake ilipendekeza kukamilisha kazi katika muda wa wiki 18 (miezi minne na nusu) ikiwa inajua wazi kwamba kwa kutoa pendekezo hili zabuni yake haitakubaliwa.
- c) Nyaraka za zabuni zilikuwa na kigezo kwamba malipo ya awali yatakuwa ni asilimia 15 (15%) ya thamani ya mkataba. Kampuni ya TRIACT katika zabuni yake ilitaka ipewe malipo ya awali ya asilimia 50 (50%) ikijua wazi kuwa kwa kutoa sharti hilo zabuni yake haitakubaliwa.
- d) Tofauti ya bei kati wazabuni ya shilingi 882,000,000.00ni kubwa mno ukitilia maanani ukweli kwamba wazabuni wote wawili walishiriki kujenga awamu ya kwanza na wanauzoefu na kazi husika na pia eneo la mradi.

- 2.5.4 Kifungu cha 42 cha Sheria ya Ununuzi wa Umma Na. 7 ya mwaka 2011 kikisomwa pamoja na Kanuni ya 49 ya Kanuni za Ununuzi wa Umma za mwaka 2013, zinamruhusu Mkuu wa Taasisi kukasimu majukumu ya manunuzi ya taasisi yake kwenye taasisi nyingine kwa kuingia mkataba na taasisi hiyo. Kanuni ya 49 imetoa muongozo wa taratibu zinazotakiwa kufuatwa pale majukumu ya manunuzi ya taasisi moja yanapokasimiwa kwenye taasisi nyingine.

Hata hivyo, baada ya kupitia nyaraka zilizowasilishwa, imethibitika kuwa ukiondoa mawasilano ya barua yaliyofanyika kati ya Mkurugenzi wa GEUWASA na Mkuu wa Kitengo cha Manunuzi cha Sekretarieti ya Mkoa, taratibu nyingine zote ambazo zimeainishwa katika Kanuni ya 49 ya Kanuni za Manunuzi ya Umma (GN. No. 446 of 2013) hazikufuatwa.

2.6 Mapendekezo kwa GEUWASA

- 2.6.1 Kwa kuwa taratibu hazikufuatwa katika mchakato wa kumpata Mhandisi Mshauri na mkandarasi, tunashauri michakato hiyo isitishwe na ianze upya kwa kufuata taratibu zilizoainishwa katika Sheria na Kanuni za Manunuzi ya Umma.
- 2.6.2 Kwa kuwa Kifungu cha 42 cha Sheria ya Ununuzi wa Umma Na. 7 ya mwaka 2011 kikisomwa pamoja na Kanuni ya 49 ya Kanuni za Ununuzi wa Umma za mwaka 2013, zinamruhusu Mkurugenzi wa GEUWASA kukasimu majukumu ya manunuzi ya taasisi yake kwenye taasisi nyingine kwa kuingia mkataba na taasisi hiyo, Mkurugenzi wa GEUWASA na Katibu Tawala wa Mkoa waingie makubaliano kwa kufuata taratibu zilizoainishwa kwenye Kanuni ya 49 ya Kanuni za Manunuzi ya Umma.
- 2.6.3 Bodi ya Zabuni na Kitengo cha manunuzi cha Sekretarieti ya Mkoa vitekeleze majukumu yao kikamilifu kama yalivyoainishwa katika Sheria na Kanuni za Manunuzi ya Umma.

2.7 Utekelezaji wa Mapendekezo ya Mamlaka

- 2.7.1 Matokeo ya uchunguzi huo yaliwasilishwa tarehe 22 Agosti 2014 na timu ya wakaguziwa PPRA wakiongozwa na Mkurugenzi wa Idaraya Ukaguzina Udhhibiti, Mhandisi A.O. Kasuwi katika kikao kilichohudhuriwa na wadau wengine wa mradi wakiwemo: Mkuuwa Mkoa wa Geita, Mh. Magalula S. Magalula; Katibu Tawala wa Mkoawa Geita, Bw. Severine B. Kahitwa; Mkurugenziwa GEUWASA, Mhandisi Clemence Chagu; na Mkuuwa Kitengo cha Manunuzi wa Sekretarieti ya Mkoa wa Geita, Bw. BonamaxNgenda.
- 2.7.2 Mamlaka iliwasilisha pia taarifa ya uchunguzi kwa Mtendaji Mkuu wa GEUWASA kupitia barua yenye Kumb. Na PPRA/AE/082/3 ya tarehe 26 Agosti 2014.
- 2.7.3 Kutokana na matokeo ya uchunguzi kudhihirisha ukiukwaji wa Sheria na Kanuni za Manunuzi, PPRA kwa mujibu wa Kifungu cha 19 cha Sheria ya Ununuzi wa Umma Na. 7 yamwaka 2011 ilimjulisha Mtendaji Mkuu wa GEUWASA kusudio la kuchukua hatua ya kusitisha michakato ya zabuni husika na kumtaka kutoa pingamizi/maelezo/maoni kuhusu kusudio hilo kabla PPRA haijatekeleza kusudio lake.
- 2.7.4 Hata hivyo, Mkurugenzi Mtendaji wa GEUWASA kupitia barua yenye Kumb. Na. GEUWASA/LDN/VOL.01/34 yatarehe 28 Agosti 2014 alikubaliana na mapendekezo ya kusitisha mchakato wa zabuni za kumpata Mhandisi Mshauri na Mkandarasi na kuanza upya mchakato huo kwa kuzingatia maelekezo na mapendekezo yaliyotolewa kwenye taarifa ya uchunguzi.

3.0 Investigation for Emergency Procurement of Equipment and Container Stacking Space to Mitigate Congestion at Dar es Salaam Port (Tshs 37,453,754,873)

3.1 Introduction

- 3.1.1 On 27th September, 2012 the Advisory Committee of the Board of Directors of PPRA decided to summon the new Accounting Officer of TPA so as to inform him of the weaknesses observed in respect of the above mentioned procurement following TPA's application for retrospective approval to Paymaster General (PMG).
- 3.1.2 The Committee did not agree with the recommendation to grant retrospective approval on the submitted tenders because the issue of congestion at DSM Port was not new.
- 3.1.3 In view of the above decision and findings made from the review of the application, the Committee directed further investigation to be conducted as soon as possible on all procurements to establish among other issues, the price of new cranes, if the cranes including other equipments were actually delivered. Serial numbers of the supplied cranes and other equipments should be checked to establish if they were supplied new or used;

3.2 The Investigation

- 2.2.1 On 15th October, 2012 PPRA issued letter with Ref. No. PPRA/AE/016/56 to TPA to submit documents for investigation purposes. TPA was given a deadline up to 12th November, 2012 to submit the requested documents. The requested documents were;
- a) A detailed report on the procurement process of the suppliers/contractors (from tender invitation to contracts signing),
 - b) Evaluation reports of the referred tenders,
 - c)

he sent representatives. The Committee did not accept the representation since the Accounting Officer was required to appear in person. He was hence ordered to appear in the 21st ordinary Advisory Committee meeting held on 11th February, 2014, which he complied.

- 3.2.4 The Investigation conducted at TPA by the individual consultant in August, 2013 revealed that there were no documentary evidence (records) in the tender file to establish among other issues, the price of the equipment, if the equipment were actually delivered, and whether the supplied equipment were new.
- 3.2.5 During the meeting, the Accounting Officer explained to the Advisory Committee about the reforms that were being undertaken at TPA. The Committee got assurance that the reforms would bring positive changes at TPA. TPA was however instructed to ensure that all requested documents relating to the tenders under investigation by PPRA would be submitted as soon as possible so that the investigation could be completed. On 12th February, 2014 TPA through letter with Ref. No. SU/3/1/39 of 11th February, 2014 informed the Authority that the procurement method used in this procurement was single source direct from the manufacturers hence the requested documents were not applicable.

3.3 Conclusion

On the basis of the above information and in the absence of the required records/ documents, PPRA could not establish whether the equipment were delivered, inspected and whether they were new or used.

ANNEX 5 - 1: ASSESSMENT OF COMPLIANCE LEVELS
Annex 1(a): Assessment of Compliance levels for all 68 Audited PEs

S/ No.	Procuring entity	Institutional Set up and Performance (15%)	Appropriateness of preparation and implementation of Annual Procurement Plan (15%)	Appropriateness of Tender Processing (30%)	Appropriateness of contract implementation (20%)	Record Keeping (10%)	Implementation of systems prepared by PPRA (PMIS/CMS) (10%)	Penalty for inappropriate handling Of complaints (-10%)	Total score (%)
1	Ardhi University	13.1	8.5	24.4	10.5	8.5	5.0	0	70.0
2	Babati Town Council	10.9	7.4	22.3	12.8	7.0	2.0	0	63.0
3	Bagamoyo District Council	11.1	7.0	18.9	13.2	5.5	0	0	56.0
4	Bank of Tanzania	14.4	13.5	25.0	13.7	8.0	4.0	0	79.0
5	Bariadi District Council	12.28	7.83	22.4	12.5	3.5	1.0	0	60.0
6	Bunda District Council	12.0	12.9	22.9	12.7	7.5	0	0	68.0
7	Butiama District Council	8.4	13.3	22.7	14.0	7.0	0	0	66.0
8	Capital Development Authority (CDA)	12.3	12.0	28.8	16.0	4.0	6.0	0	79.0
9	Chamwino District Council	11.8	8.8	23.6	16.6	5.3	0	0	66.0
10	Dar es Salaam City Council	11.0	13.0	19.9	9.5	6.0	6.0	-5	61.0
11	DAWASA	12.6	13.5	28.4	16.3	7.5	2.0	0	81.0
12	DAWASCO	11.1	11.0	21.9	12.3	6.5	0	0	63.0
13	Dodoma Municipal Council	13.3	11.4	26.8	13.9	6.8	3.0	0	76.0
14	Geita Town Council	10.5	12.3	20.9	15.3	6.0	3.0	0	68.0

S/ No.	Procuring entity	Institutional Set up and Performance (15%)	Appropriateness of preparation and implementation of Annual Procurement Plan (15%)	Appropriateness of Tender Processing (30%)	Appropriateness of contract implementation (20%)	Record Keeping (10%)	Implementation of systems prepared by PPRA (PMIS/CMS) (10%)	Penalty for inappropriate handling Of complaints (-10%)	Total score (%)
15	Government Procurement Services Agency (GPSA)	12.2	12.7	23.5	13.4	3.5	6.0	0	72.0
16	Hanang District Council	10.8	8.0	14.6	11.2	6.5	0	0	52.0
17	Ilala Municipal Council	14.0	11.0	27.2	8.5	7.0	4.0	0	72.0
18	Iramba District Council	9.2	8.4	19.9	13.7	1.5	2.0	0	55.0
19	Kasulu District Council	9.3	10.8	18.8	12.5	1.5	0	0	53.0
20	Kibondo District Council	8.3	5.9	18.5	12.7	2.5	0	0	48.0
21	Kigoma District Council	6.3	13.0	22.7	12.4	2.5	6.0	0	63.0
22	Kilindi District Council	8.2	6.3	21.5	11.0	3.0	0	0	51.0
23	Kilwa District Council	9.4	9.3	20.0	12.6	0	0	0	52.0
24	Kinondoni Municipal Council	11.0	13.0	19.5	9.0	6.0	6.0	0	65.0
25	Kishapu District Council	6.9	10.2	16.8	3.1	2.6	2.0	0	42.0
26	Kondoa District Council	8.2	8.0	19.9	11.3	7.2	1.0	0	56.0
27	Korogwe District Council	11.1	2.7	22.1	17.1	8.0	0	0	61.0
28	KorogweTown Council	10.2	4.4	20.0	10.7	6.5	2.0	0	54.0
29	Lushoto District Council	12.0	2.5	19.9	12.3	3.5	0	0	51.0
30	Mafia District Council	10.1	5.0	16.6	18.5	5.5	0	0	56.0

S/ No.	Procuring entity	Institutional Set up and Performance (15%)	Appropriateness of preparation and implementation of Annual Procurement Plan (15%)	Appropriateness of Tender Processing (30%)	Appropriateness of contract implementation (20%)	Record Keeping (10%)	Implementation of systems prepared by PFRA (PMIS/CMS) (10%)	Penalty for inappropriate handling Of complaints (-10%)	Total score (%)
31	Magu District Council	11.0	14.0	24.0	16.3	8.0	2.0	0	76.0
32	Maswa District Council	10.5	11.3	28.5	8.1	5.2	2.4	0	66.0
33	Medical Stores Department	13.9	12.2	27.7	13.0	4.5	4.0	0	76.0
34	Ministry of Agriculture, Food Security & Cooperative.	14.5	14.0	28.0	13.3	5.0	5.0	0	80.0
35	Ministry of communication Science and Technology.	12.5	14.0	28.5	16.5	4.5	3.0	0	79.0
36	Ministry of Defense & National Services.	13.7	10.2	20.6	10.4	7.0	1.0	0	63.0
37	Ministry of Health & Social Welfare	12.6	10.3	22.8	13.5	4.1	5.0	0	69.0
38	Ministry of Home Affairs	10.2	10.1	24.8	10.1	6.0	2.0	0	64.0
39	Ministry of Natural Resources & Tourism.	9.9	11.1	24.3	11.6	6.0	2.0	0	65.0
40	Mkinga District Council	13.2	8.0	26.0	8.4	3.0	5.8	0	65.0
41	Monduli District Council	10.2	8.2	21.9	12.9	7.0	0	0	61.0
42	Moshi Town Council	13.3	10.5	23.2	14.2	6.0	3.5	0	71.0
43	Mtwara District Council	11.8	6.0	17.0	16.2	6.8	0	0	58.0
44	Musoma Municipal Council	10.6	9.9	20.5	7.3	4.0	0	0	53.0
45	Mwanza City Council	12.5	13.2	19.2	6.2	6.5	0	0	58.0
46	National Electoral Commission (NEC)	12.0	8.5	23.2	13.4	5.0	4.0	-5	61.1

S/ No.	Procuring entity	Institutional Set up and Performance (15%)	Appropriateness of preparation and implementation of Annual Procurement Plan (15%)	Appropriateness of Tender Processing (30%)	Appropriateness of contract implementation (20%)	Record Keeping (10%)	Implementation of systems prepared by PPRA (PMIS/CMS) (10%)	Penalty for inappropriate handling Of complaints (-10%)	Total score (%)
47	President Office Public Services Management	12.7	13.2	29.3	16.6	6.6	6.0	0	85.0
48	RAS Lindi	8.8	10.5	19.6	9.0	3.0	0	0	51.0
49	RAS Tabora	10.6	13.2	24.7	14.9	6.5	2.0	0	72.0
50	RAS Tanga	11.3	11.6	21.8	15.8	8.6	3.0	0	72.1
51	Registration Insolvency and Trusteeship Agency (RITA)	11.5	13.3	28.4	13.9	5.0	5.0	0	77.0
52	Rorya District Council	9.4	9.6	24.3	10.8	6.0	4.0	0	64.0
53	Rufiji District Council	10.7	10.5	22.1	9.7	6.0	2.0	0	61.0
54	Shinyanga Municipal Council	11.9	14.0	26.7	12.0	2.0	2.0	0	69.0
55	Singinda Municipal Council	11.3	10.7	19.6	8.1	4.0	4.0	0	58.0
56	Songea District Council	8.6	9.2	21.0	11.0	1.8	2.0	0	54.0
57	Songea Municipal Council	8.6	12.0	25.0	16.8	3.3	2.0	0	68.0
58	Surface and Marine Transport Authority (SUMATRA)	14.0	13.0	27.2	13.2	9.3	6.0	0	83.0
59	Tabora Municipal Council	10.9	9.5	24.8	13.3	2.1	0	0	61.0
60	Tanzania Communication Regulatory Authority (TCRA)	11.0	13.0	28.6	17.3	6.5	4.0	0	81.0
61	Tanzania Institute of Accountancy	8.5	9.0	22.8	8.2	3.5	4.0	0	56.0
62	Tanzania Social Action Fund (TASAF)	13.5	14.5	29.7	20.0	8.0	5.0	0	91.0

S/ No.	Procuring entity	Institutional Set up and Performance (15%)	Appropriateness of preparation and implementation of Annual Procurement Plan (15%)	Appropriateness of Tender Processing (30%)	Appropriateness of contract implementation (20%)	Record Keeping (10%)	Implementation of systems prepared by PRA (PMIS/CMS) (10%)	Penalty for inappropriate handling Of complaints (-10%)	Total score (%)
63	Tarime Municipal Council	10.1	12.6	21.7	15.9	8.0	0	0	69.0
64	Temeke Municipal Council	10.1	14.0	27.8	15.5	5.0	6.0	0	79.0
65	The Mwl. Nyerere Memorial Academy	12.6	11.6	16.5	2.4	6.0	0	0	50.0
66	Ukerewe District Council	12.7	12.5	26.8	16.4	9.5	2.0	0	80.0
67	UWASA Dodoma	12.9	10.9	20.0	15.2	4.3	3.0	0	67.0
68	UWASA Lindi	8.5	3.3	3.1	5.9	0	1.5	0	23.0
Average score per indicator		11.0	10.4	22.7	12.5	5.3	2.3	-0.1	65.0
Percentage score per indicator		74%	69%	76%	63%	53%	23%		65%

Annex 1 (b): Assessment of Compliance levels for MDA's

S/No.	Procuring entity	Institutional Set up and Performance (15%)	Appropriateness of preparation and implementation of Annual Procurement Plan (APP) (15%)	Appropriateness of Tender Processing (30%)	Appropriateness of contract implementation (20%)	Record Keeping (10%)	Implementation of systems prepared by PPRA (PMIS/CMS) (10%)	Penalty for inappropriate handling Of complaints (-10%)	Total score(%)
1	Government Procurement Services Agency (GPSA)	12.2	12.7	23.5	13.4	3.5	6.0	0	72.0
2	Medical Stores Department	13.9	12.2	27.7	13.0	4.5	4.0	0	76.0
3	Ministry of Agriculture, Food Security & Cooperative.	14.5	14.0	28.0	13.3	5.0	5.0	0	80.0
4	Ministry of communication Science and Technology.	12.5	14.0	28.5	16.5	4.5	3.0	0	79.0
5	Ministry of Defense & National Services.	13.7	10.2	20.6	10.4	7.0	1.0	0	63.0
6	Ministry of Health & Social Welfare	12.6	10.3	22.8	13.5	4.1	5.0	0	69.0
7	Ministry of Home Affairs	10.2	10.1	24.8	10.1	6.0	2.0	0	64.0
8	Ministry of Natural Resources & Tourism.	9.9	11.1	24.3	11.6	6.0	2.0	0	65.0
9	President Office Public Services Management	12.7	13.2	29.3	16.6	6.6	6.0	0	85.0
10	RAS Lindi	8.8	10.5	19.6	9.0	3.0	0	0	51.0
11	RAS Tabora	10.6	13.2	24.7	14.9	6.5	2.0	0	72.0
12	RAS Tanga	11.3	11.6	21.8	15.8	8.6	3.0	0	72.1
13	Registration Insolvency and Trusteeship Agency (RITA)	11.5	13.3	28.4	13.9	5.0	5.0	0	77.0
	Average score per indicator	11.9	12.0	24.9	13.2	5.4	3.4	0	71.0
	Percentage score per indicator	79%	80%	83%	66%	54%	34%	0	71%

Annex 1 (c): Assessment of Compliance levels for PA's

S/No.	Procuring entity	Institutional Set up and Performance (15%)	Appropriateness of preparation and implementation of Annual Procurement Plan (APP) (15%)	Appropriateness of Tender Processing (30%)	Appropriateness of contract implementation (20%)	Record Keeping (10%)	Implementation of systems prepared by PPRA (PMIS/CMS) (10%)	Penalty for inappropriate handling Of complaints (-10%)	Total score (%)
1	Ardhi University	13.1	8.5	24.4	10.5	8.5	5.0	0	70.0
2	Bank of Tanzania	14.4	13.5	25.0	13.7	8.0	4.0	0	79.0
3	Capital Development Authority (CDA)	12.3	12.0	28.8	16.0	4.0	6.0	0	79.0
4	DAWASA	12.6	13.5	28.4	16.3	7.5	2.0	0	81.0
5	DAWASCO	11.1	11.0	21.9	12.3	6.5	0	0	63.0
6	National Electoral Commission (NEC)	12.0	8.5	23.2	13.4	5.0	4.0	-5	61.1
7	Surface and Marine Transport Authority (SUMATRA)	14.0	13.0	27.2	13.2	9.3	6.0	0	83.0
8	Tanzania Communication Regulatory Authority (TCRA)	11.0	13.0	28.6	17.3	6.5	4.0	0	81.0
9	Tanzania Institute of Accountancy	8.5	9.0	22.8	8.2	3.5	4.0	0	56.0
10	Tanzania Social Action Fund (TASAF)	13.5	14.5	29.7	20.0	8.0	5.0	0	91.0
11	The Mwl. Nyerere Memorial Academy	12.6	11.6	16.5	2.4	6.0	0	0	50.0
12	UWASA Dodoma	12.9	10.9	20.0	15.2	4.3	3.0	0	67.0
13	UWASA Lindi	8.5	3.3	3.1	5.9	0	1.5	0	23.0
Average score per indicator		12.0	10.9	22.6	12.7	5.9	3.4	-0.4	67.2
Percentage score per indicator		80%	73%	75%	63%	59%	34%		67%

Annex 1(d): Assessment of Compliance levels for LGA's

S/No.	Procuring entity	Institutional Set up and Performance (15%)	Appropriateness of preparation and implementation of Annual Procurement Plan (APP) (15%)	Appropriateness of Tender Processing (30%)	Appropriateness of contract implementation (20%)	Record Keeping (10%)	Implementation of systems prepared by PPRA (PMIS/CMS) (10%)	Penalty for inappropriate handling Of complaints (-10%)	Total score (%)
1	Babati Town Council	10.9	7.4	22.3	12.8	7.0	2.0	0	63.0
2	Bagamoyo District Council	11.1	7.0	18.9	13.2	5.5	0	0	56.0
3	Bariadi District Council	12.28	7.83	22.4	12.5	3.5	1.0	0	60.0
4	Bunda District Council	12.0	12.9	22.9	12.7	7.5	0	0	68.0
5	Butiama District Council	8.4	13.3	22.7	14.0	7.0	0	0	66.0
6	Chamwino District Council	11.8	8.8	23.6	16.6	5.3	0	0	66.0
7	Dar es Salaam City Council	11.0	13.0	19.9	9.5	6.0	6.0	-5	61.0
8	Dodoma Municipal Council	13.3	11.4	26.8	13.9	6.8	3.0	0	76.0
9	Geita Town Council	10.5	12.3	20.9	15.3	6.0	3.0	0	68.0
10	Hanang District Council	10.8	8.0	14.6	11.2	6.5	0	0	52.0
11	Ilala Municipal Council	14.0	11.0	27.2	8.5	7.0	4.0	0	72.0
12	Iramba District Council	9.2	8.4	19.9	13.7	1.5	2.0	0	55.0
13	Kasulu District Council	9.3	10.8	18.8	12.5	1.5	0	0	53.0
14	Kibondo District Council	8.3	5.9	18.5	12.7	2.5	0	0	48.0

S/No.	Procuring entity	Institutional Set up and Performance (15%)	Appropriateness of preparation and implementation of Annual Procurement Plan (APP) (15%)	Appropriateness of Tender Processing (30%)	Appropriateness of contract implementation (20%)	Record Keeping (10%)	Implementation of systems prepared by PPRA (PMS/CMS) (10%)	Penalty for inappropriate handling Of complaints (-10%)	Total score (%)
15	Kigoma District Council	6.3	13.0	22.7	12.4	2.5	6.0	0	63.0
16	Kilindi District Council	8.2	6.3	21.5	11.0	3.0	0	0	51.0
17	Kilwa District Council	9.4	9.3	20.0	12.6	0	0	0	52.0
18	Kinondoni Municipal Council	11.0	13.0	19.5	9.0	6.0	6.0	0	65.0
19	Kishapu District Council	6.9	10.2	16.8	3.1	2.6	2.0	0	42.0
20	Kondoa District Council	8.2	8.0	19.9	11.3	7.2	1.0	0	56.0
21	Korogwe District Council	11.0	2.7	22.1	17.1	8.0	0	0	61.0
22	Korogwe Town Council	10.2	4.4	20.0	10.7	6.5	2.0	0	54.0
23	Lushoto District Council	12.0	2.5	19.9	12.3	3.5	0	0	51.0
24	Mafia District Council	10.1	5.0	16.6	18.5	5.5	0	0	56.0
25	Magu District Council	11.0	14.0	24.0	16.3	8.0	2.0	0	76.0
26	Maswa District Council	10.5	11.3	28.5	8.1	5.2	2.4	0	66.0
27	Mkinga District Council	13.2	8.0	26.0	8.4	3.0	5.8	0	65.0
28	Monduli District Council	10.2	8.2	21.9	12.9	7.0	0	0	61.0
29	Moshi Town Council	13.3	10.5	23.2	14.2	6.0	3.5	0	71.0
30	Mtwara District Council	11.8	6.0	17.0	16.2	6.8	0	0	58.0

S/No.	Procuring entity	Institutional Set up and Performance (15%)	Appropriateness of preparation and implementation of Annual Procurement Plan (APP) (15%)	Appropriateness of Tender Processing (30%)	Appropriateness of contract implementation (20%)	Record Keeping (10%)	Implementation of systems prepared by PPRA (PMIS/CMS) (10%)	Penalty for inappropriate handling Of complaints (-10%)	Total score (%)
31	Musoma Municipal Council	10.6	9.9	20.5	7.3	4.0	0	0	53.0
32	Mwanza City Council	12.5	13.2	19.2	6.2	6.5	0	0	58.0
33	Rorya District Council	9.4	9.6	24.3	10.8	6.0	4.0	0	64.0
34	Rufiji District Council	10.7	10.5	22.1	9.7	6.0	2.0	0	61.0
35	Shinyanga Municipal Council	11.9	14.0	26.7	12.0	2.0	2.0	0	69.0
36	Singinda Municipal Council	11.3	10.7	19.6	8.1	4.0	4.0	0	58.0
37	Songea District Council	8.6	9.2	21.0	11.0	1.8	2.0	0	54.0
38	Songea Municipal Council	8.6	12.0	25.0	16.8	3.3	2.0	0	68.0
39	Tabora Municipal Council	10.9	9.5	24.8	13.3	2.1	0	0	61.0
40	Tarime Municipal Council	10.1	12.6	21.7	15.9	8.0	0	0	69.0
41	Temeke Municipal Council	10.1	14.0	27.8	15.5	5.0	6.0	0	79.0
42	Ukerewe District Council	12.7	12.5	26.8	16.4	9.5	2.0	0	80.0
Average score per indicator		10.6	9.7	21.9	12.3	5.1	1.8	-0.1	62.0
Percentage score per indicator		70%	65%	73%	61%	51%	18%		62%

Annex 1(e): Assessment of Compliance levels for PEs with High Volume of Procurement.

S/No.	Procuring entity	Institutional Set up and Performance (15%)	Appropriateness of preparation and implementation of Annual Procurement Plan (APP (15%))	Appropriateness of Tender Processing (30%)	Appropriateness of contract implementation (20%)	Record Keeping (10%)	Implementation of systems prepared by PPRA (PMS/CMS) (10%)	Penalty for inappropriate handling Of complaints (-10%)	Total score (%)
1	Bank of Tanzania	14.4	13.5	25.0	13.7	8.0	4.0	0	79.0
2	DAWASA	12.6	13.5	28.4	16.3	7.5	2.0	0	81.0
3	Government Procurement Services Agency (GPSA)	12.2	12.7	23.5	13.4	3.5	6.0	0	72.0
4	Medical Stores Department	13.9	12.2	27.7	13.0	4.5	4.0	0	76.0
5	Ministry of communication Science and Technology.	12.5	14.0	28.5	16.5	4.5	3.0	0	79.0
6	Ministry of Home Affairs	10.2	10.1	24.8	10.1	6.0	2.0	0	64.0
7	Mwanza City Council	12.5	13.2	19.2	6.2	6.5	0	0	58.0
8	Registration Insolvency and Trusteeship Agency (RITA)	11.5	13.3	28.4	13.9	5.0	5.0	0	77.0
9	Tanzania Social Action Fund (TASAF)	13.5	14.5	29.7	20.0	8.0	5.0	0	91.0
10	UWASA Dodoma	12.9	10.9	20.0	15.2	4.3	3.0	0	67.0
Average score per indicator		12.6	12.8	25.5	13.8	5.8	3.4	0.0	74
Percentage score per indicator		84%	85%	85%	69%	58%	34%		74%

ANNEX 5-2: PERFORMANCE ANALYSIS OF AUDITED PROJECTS

SN	ENTTY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
1	Mwanza City Council	Contract No. LGA/089/2012/2013/W/11/03: Spot Improvement works along Majengo Mapya (0.4Km) Pasiansi - Lumala (0.5Km) and Periodic Maintenance Works along Kijiji - Bigbite (1Km) and Breweries (0.5Km)	65,032,304.80	Road	Completed	54%	63%	31%	22%	59%	49.0%
		Contract No. LGA/089/2012/13/W/11/03: Construction of Stone Pavement Road (Lying of Stone Pavement Wearing Course) Along Sweya Road (5.3Km), Ihumilo Road (0.54Km), Capripoint - Maji Road (0.2Km) and Nyakurunduma Road (0.5Km)	590,114,500.00	Road	on-going	58%	66%	29%	on going	50%	50.0%
		Contract No. MCC/089/2012/2013/W/11: Construction of Stone Pavement at Capripoint - Maji (0.2Km) and Nyakurunduma - Mkuyuni (0.5Km) Road witin Nyamagana and Mkuyuni Ward	115,764,500.00	Road	Completed	58%	66%	29%	19%	44%	43.0%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
	Mwanza City Council	Contract No. MCC/089/2012/2013/W/11: Construction of Stone Pavement at Ihumilo (0.675Km) and Sweya Road (0.53km) within Mkolani Ward	198,137,700.00	Road	on-going	58%	66%	29%	Terminated	29%	36.0%
		Contract No. MCC/089/2011/2012/W/42: Completion of 10 holes Toilet Block, Class partition and Water Harvesting at Kilimani Secondary.	22,886,520.00	Building	Completed	67%	66%	38%	38%	52%	52.0%
		Contract No. MCC/089/2011/2012/W/07: Construction of Mother and Child Clinic at Utemini Area within Mwanza City Council (Makongoro Clinic)	853,568,493.52	Building	on-going	42%	0%	0%	on going	Not done	9.0%
		LGA/108/2012/2013/Mwigumbi/ SEDP I/APL: Completion of Construction and Provision of School Building Facilities at Mwigumbi Secondary School.	187,239,750	Building	Completed	58%	53%	5%	11%	40%	35%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
		Contract No. LGA/108/2012/2013/ Ngofera/SEDEP II// APL: Completion of Construction and Provision Building Facilities at Ngofila Secondary School	151,650,000	Building	Abandoned	58%	53%	5%	on going	21%	28%
		Contract No. LGA/108/2011/2012/ MipaSec/C.02: Construction of Mipa Hostel	108,085,195	Building	Abandoned	58%	47%	2%	on going	23%	26%
		Contract No. LGA/108/2013/2014/ RE/W/03: Routine and Spot Improvement of Mhunze - Iganga - Mwamashela - Muhunze - Lubaga, Kishapu - Mwakipoya and M/Lohumbo - Masangala Roads.	85,325,000	Road	Completed	59%	43%	14%	25%	56%	44%
		Contract No. LGA/108/2011/2012/ RWSSP/3: Construction of Water Supply Piped Scheme (Pump House, Supply and Installation of Pump and Engine, Water Tank, Water Points and Chambers) for Mwigumbi Villages in Kishapu District.	287,910,980	Water	Completed	83%	53%	88%	56%	76%	76%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
3	Maswa District Council	Contract no. LGA/109/2012/2013/W/RF/0/7: Periodic Maintenance of Handuki - Nyashimba 12.5 Km and Structures of Handuki - Nyashimba (Culverts)	114,775,000	Road	Completed	59%	72%	10%	17%	47%	41%
		Contract No. LGA/109/2013/2014/W/05: Construction of Simply supported bridge and repair of Solid Drift along Bugarama - Msela - Wigelekelo Road	90,802,000	Bridge	on-going	67%	69%	14%	on going	50%	43%
		Contract No. LGA/109/2012/2013/W/04/ RT/07: Structures of Bushitala - Masanwa (Bridges) and Spot improvement of Bushitala - Masanwa road (10Km0 and Periodic Maintenance of Isangeng'he - Budekwa Mwaraturu Road (6Km)	169,850,000	Road	on-going	64%	69%	7%	on going	47%	40%
		Contract No. LGA/109/2012/2013/ CQ/W/27: Completion of Kizungu Dispensary Phase One.	50,000,000	Building	Completed	63%	63%	15%	0%	48%	41%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
4	Kilwa District Council	Contract No. LGA/109/2012/2013/ CQ/W/18: Renovation of Maswa District Hospital Buildings.	49,749,360	Building	Completed	67%	69%	25%	28%	52%	49%
		Contract No. LGA/109/2012/2013/ CQ/W/12: Renovation of Maswa Girls Secondary School Drainage and Plumbing System.	50,000,000	Building	Abandoned	50%	25%	0%	on going	0%	10%
		Contract No. LGA/055/ HQ/R/2013/2014/2: Spot Improvement of Masoko Town and Routine Maintenance of Pande - Matunda - Lihimilyao Roads	190,610,000	Road	on-going	72%	69%	12%	on going	25%	37%
		Contract No. LGA/055/ HQ/B/2013/2014/06: Completion, Construction and Provision of School Building Facilities at Mbuyuni Secondary.	189,342,000	Building	on-going	60%	80%	42%	on going	84%	69%
		Contract No. LGA/055/ HQ/B/2012/2013/05: Completion, Construction and Provision of Bulding Facilities at Kivinje Secondary School.	204,435,285	Building	on-going	60%	80%	12%	on going	85%	62%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
5	RAS Lindi	Contract No. LGA/055/HQ/R/2012/2013/9: Upgrading of Singino - Kivinje Road to Bitumen Standard (4.5Km)	1,478,365,000	Road	on-going	70%	89%	68%	on going	83%	77%
		Contract No. LGA/055/HQ/W/2013/2014/01: Construction of Borehole Pumped Scheme and Installation of Generator and Rain Water Harvesting for Nanjilinj Village.	440,510,956	Water	on-going	100%	60%	76%	on going	87%	84%
		Contract No. RAS-006/2012/2013/HQ/W/04: Construction of Dormitory at Ilulu Girls Secondary School.	51,359,000	Building	on-going	44%	70%	14%	on going	27%	32.7%
		Contract No. RAS-006/2012/2013/HQ/W/01: Construction of COTC Dormitory at Nachingwea Nursing College	60,000,000	Building	on-going	56%	68%	8%	on going	69%	52.4%
		Contract No. RAS-006/2012/2013/HQ/W/03: Construction of Division Office at Lindi - Sudi	53,176,900	Building	on-going	45%	68%	11%	on going	61%	47.1%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
6	Mtwara District Council	Contract No. LGA/084/5017-WSDP/2013/2014/C4: Construction of Mpapura - Lyowa Piped water Supply Scheme.	750,014,835	Water	on-going	86%	66%	67%	on going	71%	73%
		CONTRACT NO. LGA/008/2013/2014/W/04: Rehabilitation of Kitere Irrigation Scheme	72,758,500	Irrigation	on-going	82%	72%	62%	on going	71%	72%
		Contract No. MDC/UJ/RW/05/2012/2013: Periodic Maintenance of Nanguruwe - Ngorongoro Road (10.0 km).	100,654,800	Road	Completed	77%	78%	71%	63%	65%	70%
	Matia District Council	Contract No. MDC/UJ/RW/04/2012/2013: Periodic Maintenance of Namgogoli - Mbuo Road (6 km)	81,277,900	Road	on-going	77%	75%	71%	on going	74%	74%
		Contract No. MDC/TB/008/2012-2013/12 Lot 1: 3.1 Proposed Completion, Construction, and Provision of School Building Facilities at Baleni Secondary School	211,650,000	Building	on-going	83%	75%	76%	on going	83%	81%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
	Mafia District Council	Contract No. LGA/008/2013/2014/W/04: 3.2 Routine Maintenance, Spot Improvement & Periodic Maintenance Works Along Baleni-Kilombero Road, SI & PM Works Along Kirongwe-Pwani Road, RM & SI Works Along Baleni-Kipingwi Road	72,758,500	Road	on-going	82%	66%	57%	on going	50%	59%
		Contract No. MDC/CTB/CW/2011-2012/03 PHASE II LOT NO. MD-C3: 3.3 Construction of Water Supply Piped Scheme (Pump House, Supply and Installation of Submersible Pump and Generator, Water Tank, Water Points, Pipe Network and Chambers) for Kanga Village in Mafia DC	363,165,440	Water	on-going	86%	69%	76%	on going	82%	80%
		Contract No. MDC/CTB/CW/2012-2013/01 & 02: 3.4 Provision of Technical Services for Rural Water Supply and Sanitation Sub-Projects Phase II	316,516,060	Consultancy	on-going	91%	47%	90%	on going	85%	83%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
8	Iramba District Council	Contract No. LGA/118/2011/12/W/WSDP/23-4: LOT No. IRAD D4: Construction of Boreholes Pumped Schemes (Pump Houses, Pipe Network, Water Storage Tanks, Water Points and Cattle Troughs) for IGUGUNO Sub project in Iramba District	847,099,550	Water	on-going	80%	72%	52%	on going	72%	70%
		Contract No. LGA/118/2010/11/W/WSDP/23- 3: LOT No. IRAD C3: Construction of Boreholes Pumped Schemes for MUNTAMBA village sub-project in Iramba District.	203,839,790	Water	on-going	80%	66%	30%	on going	53%	55%
		CONTRACT No: LGA/118/2010/11/W/WSDP/23-2: LOT No. IRAD C2: Construction of Boreholes Pumped Schemes (Pump Houses, Pipe Network, Water Storage Tanks, Water Points and Cattle Troughs) for KIDARAFI Sub Project in Iramba District.	225,402,025.20	Water	on-going	80%	66%	25%	on going	47%	54.5%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
9	Singida Municipal Council	Contract No. LGA/118/2011/2012/W/01-LOT 12: Package I: Periodic Maintenance: Kidarafa-Malaja-Nkito; Package II: Spot Improvement: Kisuluiga-Muntamba-Nkinto; Package III: Structures: Nkalakala-Mwanga & Kisuluiga-Muntamba-Nkinto	58,974,800	Road	on-going	78%	73%	75%	on going	75%	75%
		Contract No. LGA 115/SMC/2012/2013/No. 16: Construction of Water Supply Civil Works for Unyianga Village.	498,154,668	Water	on-going	79%	68%	48%	on going	67%	65%
		Contract No. LGA 115/SMC/2012/2013/No. 17: Construction of Water Supply Civil Works for Kisaki Village.	551,178,075	Water	on-going	79%	68%	50%	on going	71%	68%
		Contract No. LGA/115/SMC/2012/2013/W/No. 15: Emergency Repair of Mtamaa Bridge.	66,502,800	Bridge	on-going	33%	57%	29%	on going	43%	39%
		Contract No. LGA/115/2012/2013/W/No.4-LOT 2: Emergency repair of Kisasi - Unyambwa - Irumgi Drifts.	27,572,000	Bridge	Completed	28%	61%	21%	completed	38%	34%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
10	Chamwino District Council	Contract No. LGA/115/SMC/2013/2014/W/No. 1: Spot Improvement of Majengo - Unyamikumbi Road.	42,831,100	Road	on-going	44%	67%	29%	Partial Completed	27%	35%
		Contract No. LGA/115/2012/2013/W/No. 7: LOT I: Construction, Completion and Provision of School Building Facilities at Kimpungua Secondary School.	194,945,793	Building	on-going	77%	60%	32%	on going	67%	61%
		Contract No. LGA/019/2013/2014/W/08: Construction of the Proposed Office Block for Chamwino DC at Chamwino Township	797,788,554	Building	on-going	79%	62%	50%	on going	82%	64%
		Contract No. LGA/019/2013/2014/W/02: Proposed Completion of Female Ward at Mlowa Barabani Dispensary.	21,770,000	Building	Completed	71%	43%	50%	on going	56%	51%
		Contract No. LGA/019/2013/2014/W/09 Lot 1: Completion, construction and Provision of School Building Facilities at Msanga Sec School.	146,665,692.80	Building	on-going	79%	57%	44%	13%	88%	68%

SN	ENTITY		Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall	
11	Kondo District Council	47	Contract No. LGA/019/2013/2014/W/02: Proposed Completion of Female Ward at Mlowa Barabani Dispensary: Routine Maintenance & Spot Improvement of Nagulo-Mwitikira-Huzi-Manda-Ilangali Road	116,741,000	Building	Completed	75%	80%	69%	69%	50%	64%	
		48	Contract No. LGA/0212012/2013/W/68: Completion, construction and Provision of School Building Facilities at Goima Sec Sch, Kondo DC	184,058,000	Building	Substantially completed.	71%	53%	40%	40%	on going	60%	51%
		49	Contract No. LGA/021/RF/2012/2013/75: Upgrading Kondo Township Roads to Bitumen Standard	339,887,500	Road	on-going	71%	43%	50%	50%	on going	56%	50.9%
		50	Contract No. LGA/021/2012/2013/W/74: Construction of Ward Grade 2 at Kondo DC.	105,828,030	Building	Completed	86%	57%	44%	44%	13%	88%	68%
		51	Contract No. LGA/021/2012/2013/W/10/049: Upgrading of Mageza Junction-Kondo District Hospital Road to double Surface Dressing Standard	200,982,518	Road	Completed	63%	29%	48%	48%	19%	38%	39.4%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
12	Dodoma Municipal Council	Contract No. LGA/020/2012/2013/W/23: Completion, construction and Provision of School Building Facilities at Mbalawala Sec School	225,450,210	Building	Substantially completed.	79%	93%	53%	25%	93%	75%
		Contract No. LGA/020/2013/2014/NCT/W/02: Periodic Maintenance of Martin Luther-Swaswa, SI Nzunguni-Mahomanyika, RM Ujenzi wa Nyumbu, Cana, Ujenzi wa Nyumbu & Swaswa Culverts	225,840,000	Road	Completed	88%	97%	82%	31%	68%	74%
		Contract No. LGA/020/2013/2014/NCT/W/03: Periodic Maintenance of Ipagala-Swaswa, Spot Improvement of Ipagala West and Construction of Culvert Ipagala West	107,600,000	Road	Completed	94%	93%	79%	31%	61%	72%
		Contract No. LGA/020/2013/2014/NCT/W/04: Periodic Maintenance of Mhande-Chololo, Chololo Road, construction of Drift and Routine Maintenance of Nityuka Road	127,710,000	Road	Substantially completed.	88%	87%	62%	19%	47%	59%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
13	The Mwl. Nyerere Memorial Academy (Kivukoni)	Contract No. PA/022/2012-2013/MNMA/W/01: Proposed Construction of Students' Hostel at Kigamboni Campus - Phase II	1,746,515,306	Building	on-going	75%	50%	50%	on going	33%	43.2%
		Contract No. LGA/015/2012/2013/W/01/ LOT 07 for Rehabilitation of wing wall along Indian Ocean in Ilala Municipality	465,779,935	civil works	on-going	72%	83%	31%	on going	67%	56%
14	Ilala Municipal Council	Contract No. LGA/015/IMC/2013/2014/W/02/ LOT 01 for Proposed maintenance of Chanika - Msumbiji - Nzasa (7 km) gravel road in Ilala Municipality	243,890,000	Road	on-going	56%	83%	46%	on going	30%	49%
		Contract No. LGA/01559	74,899,000	Building	on-going	70%	92%	31%	on going	75%	59.3%
		Contract No. LGA/015/IMC/2012/2013/W/01/ LOT 3 for proposed upgrading of St. Mary's Road (1.3 km) to Tarmac level in Ilala Municipality	920,703,796.57	Road	on-going	70%	83%	54%	on going	33%	46%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall	
15	Dar es Salaam City Council	Contract No. LGA/018/2012/2013/W/19: Construction of Dump site Administration Office Block.	67,319,553	Building	Completed	50%	63%	55%	25%	90%	66%	
		Contract No. LGA/018/2013/2014/W/07 LOT 1: Construction of 1.1Km Gravel Road at Pugu Kinyamwezi Dump site.	84,763,000	Road	on-going	36%	75%	36%	on going	on going	on going	43.8%
		Contract No. LGA/018/2013/2014/W/07 Lot 2: Spot Improvement works along Pugu Kinyamwezi Dump site (1.2Km).	42,349,600	Road	on-going	45%	84%	17%	on going	on going	6%	25.7%
		Contract No. LGA/018/2012/2013/W/23: Construction of 0.70Km Exit Road to Pugu Kinyamwezi Dump Site.	165,000,000	Road	on-going	66%	66%	40%	on going	on going	26%	42.4%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
16	Capital Development Authority	Contract No. AE/021/2012/2013/ W/04-Phase 2: Construction of Water Raising Main and 1000 M ³ Storage Tank at Njedengwa Investment Area.	879,453,276.66	Water	on-going	96%	80%	28%	on going	48%	63%
		Contract No. AE/021/2010/2011/ TSCP/W/03: Development Authority (CDA), Pkg III: Construction of Nkuhungu and Mwangaza Storm Water drains (7.42km)	51,677,200	Water	Substantially completed.	92%	100%	76%	56%	67%	78%
		Contract No. AE/021/2013/2014/W/05: Renovation of CDA Office Reception	29,984,154	civil works	on-going	100%	100%	75%	on going	92%	91.75%
		Contract No. AE/021/2013/2014/W/02 - 1 & 2: External Painting of CDA Buildings (Plot 5 & 15 Uhindini) in Dodoma Municipality.	49,935,122	civil works	Completed	100%	100%	80%	71%	95%	91%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
17	UWASA - Dodoma	Contract No. AE/034/2012-2013/ CW: Construction of Office Building for Mpwapwa Water Supply and Sanitation Authority, Dodoma Region	280,633,557	Building	Substantially completed.	100%	87%	100%	56.25%	100%	94%
		Contract No. AE/034/2010/2011/ ICB/W/03: Construction of Dodoma University Water Supply and Sewerage Works project	27,679,365.31	Water	on-going	92%	87%	92%	on going	91%	90.5%
		Contract No. AE/034/2013- 2014/W/03: Trench Excavation and backfilling for New Connection customers.	69,600,000	civil works	on-going	43%	40%	58%	on going	39%	45%
		Contract No. AE/034/2013- 2014/G/01 - Lot 09 (b): Supply of 2000 Pieces of Lockable Valves for Domestic Water Systems size 15mm.	53,100,000	civil works	on-going	50%	53%	63%	on going	90%	64%
		Contract No. LGA/065/2013- 2014/W/LGCDC/09: 3.1 Construction of Laundry Facilities at Guta Secondary School	19,900,000	civil works	on-going	68%	73%	12%	on going	64%	54.25%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
		Contract No. LGA/065/2013-2014/W/WSDP/08 Lot BD-C6: Construction of Water Supply Piped Scheme (pump House, Supply and Installation of Pump, Water Tank, Water Points, Cattle Trough & Chambers) for Ligamba / Kitaramanka Village	385,022,251.55	Water	on-going	88%	93%	69%	on going	93%	85.75%
		Contract No. LGA/065/2013-2014/W/RF/04: Routine Maintenance, Spot Improvement, Periodic Maintenance and Installation of Culverts on Guta - Bulamba - Kasuguti Road	96,390,000	Road	Completed	75%	79%	59%	50%	68%	66.20%
		Contract No. LGA/065/2013-2014/W/RF/09: Routine Maintenance, Spot Improvement, Periodic Maintenance and Installation of Culverts on Package IX: Bitaraguru - Kiwasi and Bunda - Nyasana - Kabasa Roads	94,743,000	Road	on-going	75%	79%	59%	on going	71%	71%
		Contract No. LGA/065/2013-2014/W/LCDG/03: Spot Improvement and Installation of Culverts on Bulamba - Mwiruruma Road	69,450,000	Bridge	on-going	75%	79%	59%	on going	71%	71%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
19	Rorya District Council	Contract No. LGA/065/2013-2014/W/RF/01: Upgrading of Bunda Town 1.35Km Road Gravel Road to Bituminous Standard.	676,234,941	Road	on-going	70%	79%	73%	on going	69%	73%
		Contract No. LGA/068/03/W/2013/2014/07: Construction of Two Staff Houses for HODs	192,513,500.00	Building	on-going	45%	81%	14%	on going	57%	49.25%
		Contract No. LGA/068/04/W/2013/2014/02: Construction of Piped Water Supply Systems, Civil Works and Supply of Electromechanical for Kirogo Village	1,093,585,350	Water	on-going	96%	86%	72%	on going	89%	85.75%
		Contract No. LGA/068/03/W/2013/2014/07: PM, RM and Culvert Construction along Buturi - Oliyo - Buturi Road and RM along Buturi - Kasino & Oliyo "A" - Mariwa Shuleni Roads.	57,099,480	Road	Completed	40%	82%	24%	36%	50%	44%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
20	Butiama District Council	Contract No. LGA/068/03/W/2013/2014/05: Periodic Maintenance, Routine Maintenance and Culvert Construction along Irienyi - Kinesi Road and Kinesi - Kibuyi Road	29,883,060	Road	Completed	40%	82%	24%	36%	56%	47%
		Contract No. LGA/BTM-DC/2013-2014/W/20: Completion of Maternity Ward at Butiama Hospital Phase III	82,450,500	Building	on-going	71%	93%	54%	on going	56%	68.5%
		Contract No. LGA/BTM-DC/2013-2014/W18: Construction of Piped Water Supply Systems & Piped Water Scheme at Kamugendi Village	396,003,604.04	Water	on-going	88%	93%	80%	on going	89%	87.5%
		Contract No. LGA/BTM-DC/2013-2014/W/40: Routine Maintenance, Spot Improvement, Periodic Maintenance and Installation of Culverts along Kitaramanka - Magunga - Busegwe Road	124,126,000	Road	Completed	75%	75%	59%	42%	75%	69%
		Contract No. LGA/BTM-DC/2013-2014/W/33: Routine Maintenance & Periodic Maintenance along Biatika - Rwamkoma - Butiama Road.	73,374,000	Road	Completed	70%	75%	59%	42%	69%	65%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
21	Monduli District Council	Contract No. MDC/LGA/004/2013-2014/GVT/Cont/W/09 On Rehabilitation Of Migwara Dam At Lusimngori Village	1,026,794,700	Water	Completed	78%	75%	46%	50%	83%	66.4%
		Contract No. MDC/LGA /004/2013-2014/RF/Cont/W/10 On Periodic Maintenance Along Edward Lowassa Road (Lashaine Stretch Side Drainage)	43,513,000	Road	Completed	65%	89%	70%	57%	54%	67%
		Contract No. MDC/LGA /004/C/2013-2014/RF/Cont/W/08 For Routine Maintenance Along Monduli – Lendikinya – Mti Mmoja And Periodic Maintenance Along Lashaine – Arkatan Roads	59,248,000	Road	Completed	75%	43%	25%	50%	51%	51%
22	Hanang District Council	Contract No. MDC/LGA /004/2012/2013/Cont/W/5 On Construction Of Monduli District Hospital – Phase I	789,115,900	Building	on-going	45%	68%	58%	on going	67%	60%
		Contract No. LGA/059/2013/2014/W/04B for Construction of Canteen at Hanang District Council	37,878,000	Building	on-going	75%	69%	75%	on going	83%	75%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
22	Hanang District Council	Contract No. LGA/HQ/059/2013/2014/W/05B Periodic Maintenance of Dang'aida - Hirbadaw Road	95,000,000	Road	Completed	80%	75%	67%	60%	73%	72%
		Contract No. LGA/HQ/059/2013/2014/W/15 for Construction of Pumped Water Supply Scheme for Garawja Village	514,822,550	Water	on-going	75%	77%	63%	on going	83%	74%
23	Kilindi District Council	Contract No. LGA/127/W-RE/04/2013/2014 : Periodic Maintenance of Songe- Mvungwe - Lwande (19km) Road.	332,211,000	Road	Completed	68%	63%	21%	44%	47%	47%
		Contract No. LGA/127/W-RE/01/2013/2014: Routine Maintenance of Kwekivu-Ngeze (14km), Songe - Mvungwe (8km) and Spot Improvement of Makelele - Komsala - Kukunde Road (21km)	91,133,500	Road	Completed	64%	63%	18%	25%	44%	43%
		Contracty No. LGA/127/W/22/2012/2013 Lot 4: Construction of Borehole Pumped Piped Scheme for Kwediboma Village in Kilindi District	496,244,641	Water	on-going	88%	53%	60%	on going	52%	56%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall	
23	Kilindi District Council	Contract No. LGA/109/2012/2013/ CQ/W/27: Construction of Three Kilindi District Council Staff Houses, Rehabilitation of Two Kilindi District Council Staff Houses	303,316,900	Building	Completed	71%	63%	30%	31%	64%	54%	
		Contract No. LGA/127/W- DEV/27/2011/2012: Construction of Sambu Bridge at Mnadani - Sambu - Pagwi Road.	96,170,000	Bridge	Completed	45%	59%	2%	N/A	N/A	N/A	35.3%
		Contract No. LGA/127/ DEV/02/2012/2013: Construction of Storm Water Drainage along Songe Town Roads	39,000,000	civil works	Completed	67%	66%	12%	13%	29%	35%	
		Contract No. LGA/127/W- REF/03/2012/2013: Periodic Maintenance of Songe Town Roads (15km).	198,925,500	Road	Completed	64%	62%	11%	23%	44%	41%	

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
24	Lushoto District Council	Contract No. LDC.130/RF-02/2013/2014: Periodic Maintenance of Lushoto Town Paved Roads.	597,117,800	Road	on-going	73%	63%	45%	on going	50%	49%
		Contract No. LDC/W/MDRO/RF/2012/13/02: Periodic, Sport and Routine Maintenance on Lushoto Town, Ubiri – Miego and Doci – Mombo Roads	106,863,000	Road	Completed	73%	66%	43%	38%	44%	51%
		Contract No. LGA/LDC.130/W/MIVARF/2012/13/01: Rehabilitation of Mkatoni – Kinko – Kireti – Kwai Road	668,685,000	Road	Completed	73%	69%	57%	63%	58%	62%
		Contact No. LDC/WMDRO/RF/2012/2013: Spot Improvement on Nyasa – Hetoye Road and Bridge works at Dule	76,000,000	Road	Completed	73%	62%	33%	44%	50%	52%
		Contract No. LDC/LGA/130/PSWC/2013/2014/W/01: Construction of Piped System and Civil Works for Water Supply at Mlalo – Mwangoi Village in Lushoto District Council	1,669,327,374	civil works	on-going	88%	53%	55%	on going	52%	55%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
25	Mkinga District Council	Contract No. LDC130/ CDG/02/2013/2014: Contract for Completion of DED's Residential House	40,132,444.32	Building	Abandoned	63%	66%	36%	31%	62%	54%
		Contract No. LGA/133/2013-2014/ WS/W/08: Construction of Roof Top Rainwater Harvesting Systems for the Government Offices and staff Houses at Kasera Town.	197,017,000	civil works	Completed	58%	78%	30%	19%	50%	47%
		Contract No. LGA/133/2013-2014/ RF/W/02: Periodic Maintenance of Mwakijembe - Ngambo, Duga - Mwakijembe and Duga - Mwakikonge Road .	61,250,000	Road	on-going	73%	75%	36%	31%	53%	53%
		Contract No. LGA/133/2013-2014/ WS/W/04: Construction of Piped Water Supply at Parungu Kasera Village.	955,818,325	Water	on-going	75%	72%	48%	on going	52%	53%
		Contract No. LGA/133/2012/2013/ RF/W/04: Periodic Maintenance of Mwakijembe - Mgambo and Duga - Mwakijembe Road.	120,142,000	Road	Completed	73%	81%	20%	44%	53%	52%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
25	Mkinga District Council	Contract No. LGA/133/2012/2013/RE/W/01: Construction of Bosha Bridge and Periodic Maintenance of Mianzini – Bosha Road	90,358,500	Bridge	Completed	77%	75%	24%	19%	50%	50%
		Contract No. LGA/133/2013-2014/RE/W/06: Periodic Maintenance, Routine Maintenance and Spot -Improvement of Kasera Town Roads, Stakishari – Mkinga – Kasera JCT, Stakishari – Mwandusi, Mtimbwani Misimbazi, Kizingani – Gandikeni – Kwale and Kwale – Kichalikani Roads.	61,739,000	Road	Completed	77%	80%	29%	19%	50%	51%
26	Kasulu District Council	Contract No. KSDC/W/2013/2014/26: Routine , Spot Improvement and Periodic Maintenance of Road Works Package 01.	242,520,000	Road	on-going	56%	86%	23%	on going	31%	41%
		contract No. KSDC/W/2013/2014/27: Removal of Bottlenecks on Local Government Migongo - Heru Ushingo Road in Kasulu District.	311,186,300.77	civil works	on-going	73%	82%	16%	on going	50%	51%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
26	Kasulu District Council	Contract No. KSDC/W/2012/2013/07: Construction of Gravity water Supply Scheme in Nyumbigwa Village.	841,826,117	Water	on-going	100%	82%	61%	on going	88%	84%
		Contract No. Construction of Conference Hall for Kasulu District Council Occupying 1500 Square Metres together with services and drainage system.	351,849,000	Building	on-going	46%	50%	48%	on going	50%	49%
	Kibondo District Council	Contract No. LGA/041/2013-2014/W/02: Periodic Maintenance and Routine Maintenance of Kibondo District Council Roads Package 1.	132,205,000	Road	Completed	56%	58%	17%	63%	77%	58%
		Contract No. LGA/041/2013-2014/W/05: Periodic Maintenance and Routine Maintenance of Kibondo District Council Roads Package 4 (Bridge at Kumayi and Katunguru Rivers)	139,303,000	Road	on-going	50%	42%	13%	on going	35%	34%

SN	ENTITY		Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
27	Kibondo District Council	118	Contract No. LGA/041/2013-2014/W/05: Construction of piped water supply systems and civil works at Kiduduye and Kagezi Villages in Kibondo District Council.	1,244,401,273	Water	on-going	96%	61%	61%	on going	70%	73%
		119	Contract No. LGA/041/CTB/2013-2014/W/01/01: Construction of Kibondo Health and Sciences Training Centre Phase I (Classrooms and Laboratory Building) at Kunwayi.	578,436,350	Building	on-going	54%	64%	22%	on going	71%	56%
28	Ukerewe District Council	120	Contract No. LGA 092/2013-2014/W/SEDP II/02: Completion, Construction and Provision of School Building Facilities at Nduruma Secondary School.	205,073,025	Building	Completed	93%	87%	74%	36%	53%	36%
		121	Contract No. LGA 092/2013-2014/W/RF/01: RM along Nansio Urban Roads (9.0Km), PM along Nansio Urban Roads (4.0Km) and Nansio - Malegea Road (4.3Km).	236,637,218	Road	on-going	90%	88%	50%	on going	55%	70.75%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
28	Ukerewe District Council	Contract No. LGA 092/2013-2014/W/RF/02: Spot Improvement along Bugombe - Namangamba - Murutunguru Road (4.0Km), SI along Murutanga - Buzegwe Road (4.5Km), Namagondo - Bulamba Road (5.2Km), SI along Bulamba - Musozi Road (3.0Km) and Repair of Chamato Box Culvert	56,659,860	Road	Completed	90%	85%	62%	66%	59%	66%
		Contract No. LGA 092/2013-2014/W/RF/03: Routine Maintenance along Igalla - Selema Road (6.2Km), SI along Muhula - Kahama - Igalla Road (8.4Km), Halwego - Mukunu - Kameya Road (4.1Km), Kiozu - Busiri Road (2.7Km), Igongo - Kameya Road (3.8Km), Muriti - Itira - Ihebo Road (5.0Km) and Repair of Kahama Box Culvert	91,522,900	Road	Completed	90%	85%	65%	65%	65%	72%
29		Contract No. LGA/064/2012/2013/Q/W/04: Construction of One Block of Two Classrooms at Mwisenge Primary School.	23,989,718	Building	Completed	64%	81%	18%	36%	53%	49%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
29	Musoma District Council	Contract No. LGA/064/2012/2013/ Q/W/02: Construction of Waste Disposal Point (Ghuba), Market Butchers and Installation of 10 Televisions.	30,988,240	Building	Completed	59%	81%	18%	21%	88%	63%
		Contract No. LGA/064/2012/2013/W/01: Periodic Maintenance, Spot Improvement and Culverts Construction along Buhare Roads	102,998,500	Road	Completed	60%	81%	30%	57%	60%	56%
		Contract No. LGA/064/2012/2013/W/02: Periodic Maintenance along Nyasho - Majita, Mwisenge - Misango and Mwisenge - Majengo Roads.	75,290,000	Road	Completed	60%	81%	30%	30%	55%	53%
30		Contract No. LGA/014/2013/2014/ WD/R/1: Upgrading of Bagamoyo Town Roads.	689,795,000	Road	on-going	65%	82%	61%	on going	72%	70%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
30	Bagamoyo District Council	130	81,793,800	Road	Completed	61%	82%	53%	44%	67%	62%
		131	95,780,000	Road	Completed	65%	82%	56%	44%	69%	64%
		132	80,940,000	Road	Completed	67%	82%	64%	67%	67%	68%
		133	244,294,578	Water	on-going	77%	80%	56%	on going	42%	63.75%
		134	297,637,065	Water	on-going	77%	83%	68%	on going	72%	75%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
31	Korogwe Town Council	Contract No. LGA/126/RD/RF/2013/2014/01 for Periodic Maintenance of Mahenge 2Km, Silabu 1.5 KM, Installation of Culvert at Lwengera Relini, SI Mahakama 0.8Km, Uhindini 0.3Km, Mtaa wa bonde 0.5Km, construction of drift with 3 diameter at kwamndoiwa	94,787,040	Road	on-going	70%	75%	41%	on going	60%	61.5%
		Contract No. LGA/126/RD/RF/2013/2014/02 for Periodic Maintenance of Bomani Roads (Behind DC Office) 2.5km, Korogwe Members Club Road 0.8Km, Mtonga Majengo Mapya Road 0.7 Km	103,894,200	Road	on-going	70%	75%	56%	on going	46%	61.75%
		Contract No. LGA/126/RD/RF/2013/2014/03 for Periodic Maintenance along majengo mapya roads 0.7 km, Kimati 1 road 0.5km, Kimati 2 road 0.7km, Ngombezi Relini - WEO Offices 1.7km, Installation of culverts of four lines at Ngombezi - Bagamoyo roads, Two lines Kwamkole road and four lines NMB - Nagunga Road and Spot maintenance of kinamkole	79,382,621.50	Road	on-going	60%	75%	47%	on going	46%	57%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
31	Korogwe Town Council	Contract No. LGA/126/BLDG/CDG&ADMIN/2013/2014/01 for Construction Of 3 Classrooms At Msambizi Primary School	39,320,160	Building	Completed	68%	82%	47%	56%	86%	71%
		Contract No. LGA/126/BLDG/SEDP II/2013/2014/01 for Construction of Dormitory at Mgombezi Secondary School		Building	Completed	64%	82%	47%	38%	83%	67%
32	Rufiji District Council	Contract No. LGA/013/2013/2014/W/01 LOT 7 for Routine and Spot and periodic maintenance of Ikwiriri-Mtunda and Mtunda-Ruaruke Roads	52,402,000	Road	Completed	65%	75%	65%	50%	73%	68%
		Contract No. LGA/013/2013/2014/W/01 LOT 10 for Routine and Spot and periodic maintenance of Mchungu-Msindaji, Kibaoni-Mchungu, Mlanzi-Machipi-Ruaruke, Mlanzi-Nyakinyo-Nyanjati, and Nyanjati-Msindaji Roads	44,413,700	Road	Completed	65%	71%	64%	57%	71%	67%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
32	Rufiji District Council	Contract No. LGA/013/2013/2014/W/01 LOT 2 for Routine and Spot Improvement of Kibiti-Ruaruke and Ruaruke-Nyamisati Roads	31,391,540	Road	Completed	65%	71%	64%	67%	73%	69%
		Contract No. LGA/126/RD/RF/2013/2014/03 for Construction of Mang'una Bridge	99,995,500	Bridge	Completed	65%	63%	53%	63%	69%	64%
		Contract No. LGD/013/2011/12/RW/01-LOT5 for Civil Works for Water Supply Pumped Piped Scheme (Construction of Pump house, Water tank, Supply and Installation of Submissible Pump and Generator, Water Points, Pipe networks and Chambers for Hanga Village.	247,167,943	Water	on-going	73%	79%	62%	on going	83%	74.25%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
33	RAS Tabora	Contract no. RAS/016/13-14/W/01: Proposed Construction of Tabora Regional Commissioners Residential House (Grade A type II) Phase III in Tabora Municipality.	389,678,834	Building	Completed	89%	78%	61%	14%	86%	74%
		Contract No. RAS/016/13-14/W/04: Proposed Construction of Chain Link Fence, Guard House for District Commissioner's Residential House at Isikizya.	113,383,840	Building	on-going	67%	88%	80%	on going	on going	78%
	Tabora Municipal Council	Contract No. LGA/124/2013/2014/W/03-LOT 6: Routine Maintenance of Ulamba-Tumbi, Kipalapala-Tumbi, Airport-Ndevelwa-Walla Bridge, Ndevelwa-Itulu, Kipalapala-Masimba Roads	92,530,000	Road	on-going	73%	59%	28%	on going	on going	52%
		Contract No. TMC/LGA/124/RE/2013/2014/01: Maintenance at Tarmac level of Lumaliza, Kitunda-Itetemia, Sabasaba & Kaze Hill roads at Tabora Municipality.	323,509,300	Road	Completed	82%	78%	55%	44%	62%	64%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
34	Tabora Municipal Council	Contract No. TMC/LGA/124/RE/RF/2013-2014/04: Casting and Installation of Concrete Pipe culvert, Construction of Box Culverts, Casting of RCC at Ikomwa and Construction lined rains roads in Tabora Municipality.	183,425,000	Bridge	Completed	73%	78%	50%	50%	59%	61%
		Contract No. LGA/124/2013/2014/W/06: Construction of Inala Irrigation Scheme at Inala Village.	342,776,645	Irrigation	on-going	82%	75%	20%	on going	on going	56%
		Contract No. LGA/124/2013/2014/W/01-LOT 4: Construction of Four Storey office Block for Tabora Municipla Council.	5,733,514,419.50	Building	on-going	83%	72%	on going	on going	on going	79%
		Contract No. TMC/LGA/124/RF/2012-2013/02: Periodic Maintenance of Uledi-Ipuli, Majengo and Isike Roads in Tabora Municipality.	171,906,000	Road	Completed	73%	75%	43%	0%	0%	38%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
35	Shinyanga Municipal Council	Contract No. LGA/112/2013-2014/RF/W/38/08: Periodic Maintenance along Mhumbu - Galamba (2Km), Ndembezi (2Km), Chibe - Mwamapalala (2KM), Old Shinyanga Bushola (1Km), Njia panda - Bugimbagu (1Km) within Shinyanga Municipality.	75,744,400	Road	on-going	64%	88%	20%	on going	on going	57%
		Contract No. LGA/112/2013-2014/NRWSSP/W/1D: Construction of Water Supply piped Scheme (Pump house, supply and installation of pump, water tank, water points and chambers) for Mwamanguli village in Shinyanga Municipal Council.	294,469,120	Water	on-going	90%	72%	22%	on going	on going	61%
		Contract No. LGA/112/2013-2014/NRWSSP/W/2: Construction of Water Supply Distribution System in Seseko and Mwamalili.	538,178,200	Water	Completed	70%	78%	22%	38%	92%	67%
		Contract No. LGA/112/2013-2014/RF/W/10: Culvert Construction along Kamarage (2no.), Mwamashela (4nn.), Ndembezi (4no.), Kitangili (4no.), Mwasele (2no.), Majengo mapya (4no.) within Shinyanga Municipality.	75,390,000	Bridge	Completed	73%	92%	36%	13%	43%	49%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
35		Contract No. LGA/112/2012-2013/RE/W/10: Culverts construction along Mwamalili – Seseko (2no.), Ndembezi (2no.), Ibadakuli – Galamba (2no.), and Ngolkolo lined drain (0.6 km).	37,060,000	Bridge	Completed	77%	85%	47%	14%	44%	52%
		Contract No. LGA/158/WKS/2012/2013/6: Proposed Upgrading of Daud's Road (0.7 Km) From Gravel to Double Surface Dressing (DSD).	416,340,000	Road	on-going	72%	83%	69%	on going	67%	65%
36		Contract No. LGA/158/2013/W/2014/10: Proposed Construction of Piped Water Supply System and Civil Works for Isanga Village in Bariadi Town Council.	824,857,120	Water	on-going	83%	83%	65%	on going	67%	65%
		Contract No. LGA/158/2013/2014/W/15: Proposed Spot Improvement of Kilulu - Bunamhala 7km, Nyaumata -Guduwi 5 Km And Nyangokolwa - Isakalyamhela Road.	71,421,000	Road	on-going	72%	83%	65%	on going	64%	62%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
36	Bariadi Town Council	Contract No. LGA/158/2013/W/2014/23: Proposed Construction of Bariadi Town Director's Residential House at Bariadi Town Council.	265,948,290	Building	on-going	85%	67%	62%	on going	75%	66%
		Contract No. LGA/158W/W/2013/2014/06: Proposed Construction of Masonry Culverts at Yoma - Sanungu.	25,030,000	Bridge	on-going	78%	83%	64%	on going	67%	63%
37	Moshi Town Council	Contract No. LGA/045/2011 - 2012/MSH/WND/05: Construction of a 300 m3 ground tank and its Auxilliary Building, Development of Mwenge Borehole and its rising main, Extension of Distribution Lines and Upgrading DPs to Water Kiosks, Construction of Chambers for Aeration, Washouts and Gate Valves in Moshi Municipal Council.	676,722,497	Water	on-going	89%	83%	83%	on going	88%	78%
		Contract No. LGA-045/2012- 13/MSH/GWND/19: Spot improvement of Municipal Roads (Kilimanjaro Ward, Longuo B Ward and Rau Ward) in Moshi Municipality.	160,714,938	Road	on-going	89%	83%	69%	on going	83%	73%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
37	Moshi Town Council	Contract No. LGA-045/2013/2014/MSH/GWND/17: Spot improvement of Municipal Roads of Boma Road, Mankinga Street and Swahili Street (2013-2014) in Moshi Municipality.	225,970,500	Road	on-going	94%	83%	88%	on going	93%	82%
		Contract No. LGA-045/2013/2014/MSH/GWND/18: Periodic maintenance of Municipal Roads (Bustani Alley, Rengua Street, Horombo Street, Factory Road and Kanisa Street (2013-2014)) in Moshi Municipality.	412,861,500	Road	on-going	94%	83%	88%	on going	93%	82%
		Contract No. LGA-045/2013-2014/MSH/W/2: Proposed construction of Dormitory at Anna Mkapa Secondary School.	136,484,985	Building	on-going	85%	83%	77%	on going	79%	72%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
38	Geita Town Council	Contract No. LGA/160/2013/2014/RE/W/01 - PACKAGE 1: Upgrading of Geita Town Roads to a Bituminous Standard (1.265km)	695,834,250	Road	on-going	89%	77%	69%	on going	95%	77%
		Contract No. LGA/160/2013/2014/W/RF/01 - PACKAGE 3: Spot improvement and periodic maintenance of Kasamwa Town Roads (5.8Km).	59,544,600	Road	Completed	79%	73%	76%	50%	90%	79%
		Contract No. LGA/160/2013/2014/RE/W/QT/05: Major Rehabilitation of Kasamwa Bridge.	86,274,500	Bridge	on-going	75%	69%	56%	on going	70%	60%
		Contract No. LGA/160/LCDG/MPS/QT/2013/2014/01: Construction of 3 Classrooms at Mwatulole Primary School.	59,484,200	Building	Completed	89%	69%	63%	8%	77%	56%
		Contract No. LGA/160/2013/2014/RE/W/QT/01: Construction of Culverts along Kasamwa Town.	22,975,000	Bridge	on-going	71%	73%	45%	on going	75%	61%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
39	Babati Town Council	Contract No. LGA/058/2013-14/W/13 Phase I: Construction of Fence and Guard House at Babati Town Hospital.	150,000,000	Building	on-going	72%	75%	30%	on going	75%	58%
		Contract No. LGA/058/2013-14/W/02 - Lot II: Spot improvement works along Sawe, Bonga Secondary, Bonga - Endanchan, Managhat, Mrara, Kwere and Mkoani - Komoto roads.	82,802,500	Road	on-going	81%	66%	38%	on going	100%	71%
		Contract No. LGA/058/2013-14/W/05 - Lot 1: Bridge major repair and construction of drift/culvert along Bagara Ziwani, Kwere, Sawe, Komoto and Nangara Roads..	19,630,000	Bridge	Completed	50%	73%	33%	38%	83%	61%
		Contract No. LGA/058/2012-13/BTC/W/30: Completion, construction and provision of School Building facilities at Komoto Secondary School.	196,252,100	Building	on-going	70%	93%	34%	on going	76%	67%
		Contract No. LGA/160/2013/2014/RE/W/QT/01: Construction of water supply project pumping from Borehole at Nakwa Village in Babati Town Council.	801,575,730	Water	on-going	75%	90%	53%	on going	50%	55%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
40	Songea Municipal Council	Contract No. LGA/103/2012/2013/W/17: Completion, Construction and Provision of School Building Facilities at Subira Secondary School.	191,811,075	Building	on-going	86%	90%	64%	on going	69%	77.25%
		Contract No. LGA/103/2012/2013/W/19 LOT 03: Construction of Water Supply Civil Works for Ruhuwiko kanisani Village in Songea Municipal.	488,673,697.60	Water	on-going	100%	80%	59%	on going	85%	81%
		Contract No. LGA/103/2013/2014/W/08: Routine Maintenance & Periodic Maintenance along Mshangano-Chandarua- Mkuzo, Mshangano-Mletele, Msamala-Mwengemshindo, Ruhuwiko-mwengemshindo, Mletele kanisani-Legele P/S, Songea boys street, Songea boys junction-Songea boys street, Tunduru junction-Unangwa, Makin'ginda-B/2 Sec-Seedfarm, pachani-Mwengemshindo Godown-Mwanamanga Roads.	149,850,000	Road	Completed	94%	77%	91%	56%	82%	84%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
40	Songea Municipal Council	Contract No. LGA/103/2013/2014/W/08 Lot I: Routine Maintenance & Periodic Maintenance along Mliyayoyo bus stand-Police station, Shinyanga Annex-CCM, Kilimomseto-Zimanimoto, Anglican church-petrol station and Magereza-St. Camillus in Songea Municipal Council.	95,544,250	Road	Completed	94%	77%	91%	56%	82%	85%
41	Songea District Council.	Contract No. LGA/102/WDEV/01/2012/2013: Construction of Residential for DED House at Lundusi Peramiho	528,839,331.50	Building	on-going	67%	87%	61%	on going	84%	74.75%
		Contract No. SDC/LGA/102/TN/01/W/20132015: Construction of Luyelega Group Gravity Water Supply project	2,017,081,308	Water	on-going	92%	93%	81%	on going	94%	90%
		Contract No. SDC/LGA/102/TN/W/12/2013/2014: Rehabilitation of Mpitimbi - Mbinga Mhalule Road.	333,132,000	Road	Completed	83%	87%	42%	6%	31%	47%
		Contract No. MIVARF/SDC/LGA/102/W/17-2: Rehabilitation of Muungano Zomba - Lugagara Roads (18Km).	624,462,500.00	Road	Completed	83%	83%	79%	56%	96%	85%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall	
42	Kinondoni Municipal Council	Contract No. LGA/017/2012/2013/W/05: Upgrading of ITV Road (1.525Km)	700,000,000	Road	Completed	55%	68%	48%	31%	79%	62%	
		Contract No. LGA/017/2013/2014/W/06 - Lot 2: Upgrading of Lion Road (0.8Km)	592,077,450	Road	on-going	33%	68%	on going	on going	on going	45%	
		Contract No. KMC/ CQ/52/W/2012/2013: Proposed Routing and Recurrent Maintenance of Mlandizi Road (5.2Km).	98,923,354	Road	on-going	75%	100%	20%	on going	on going	58%	
		Contract No. LGA/017/2013/2014/W/11: Proposed Maintenance of Bridges and Box Culverts at Suka and Kwembe.	149,583,300	Bridge	on-going	50%	83%	83%	on going	on going	82%	75%
		Contract No. LGA/017/2012/2013/W/09 LOT 02:Upgrading of Msasani Peninsula Roads (1.27Km)	874,413,140	Road	Completed	55%	100%	60%	44%	50%	61%	
		Contract No. LGA/017/2013/2014/W/02 LOT 5: Upgrading of Ubungo NHC Road(0.9Km) from Gravel to Tarmac Level.	472,346,750	Road	on-going	55%	73%	27%	on going	on going	88%	65%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
42	Kinondoni Municipal Council	Contract No. KMC/ DCQ/2/W/2013/2014: Upgrading of Maandazi Road 1.0Km from Gravel to Tarmac Level.	799,018,900	Road	on-going	45%	60%	50%	on going	35%	43%
		Contract No. LGA/017/2012/2013/W/09/LOT 01: Proposed Construction of Box Culvert at Mburahati kwa Mwinyi.	161,649,800	Bridge	on-going	35%	72%	3%	on going	on going	30%
		Contract No. LGA/017/ KMC/2013/2014/W/03: Construction of VIP Ward at Mwananyamala Hospital, Kinondoni Municipality.	230,361,100	Building	on-going	71%	79%	42%	on going	34%	46%
43	Temeke Municipal Council	Contract No. LGA/016/W/13-14/ T30 LOT 1 or TMC/MC/2964/2013 for Construction of Two Classrooms Block at Chamanzi Primary School	49,391,619.90	Building	Completed	40%	82%	72%	50%	83%	69%
		Contract No LGA/016/W/13-14/ T03/LOT1 or TMC/MC/3006/2013 for Construction of Water Supply Systems and Civil Works for Mianzini Subward	587,000,000	Water	on-going	67%	82%	69%	on going	86%	70%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
43	Temeke Municipal Council	Contract No LGA/016/W/13-14/LOT6 OR TMC/MC/2997/2013 for Periodic Maintenance and Spot Improvement of Kibangule, Kijichi-Miande, Kurasini Mji Mpya, Mgeninani, Mission Roads	212,040,000	Road	Completed	55%	86%	67%	50%	46%	56%
		Contract No LGA/016/W/13-14/LOT1 OR TMC/MC/2998/2013 for Periodic Maintenance and Spot Improvement of Tungi S/M Magogoni, Masuliza, Vijibweni Hospital, Vijibweni Center, Ungindoni and Tungi - Mjimwema	156,196,000	Road	on-going	56%	86%	54%	on going	54%	52%
44	Tarime District Council	Contract No. LGA/067/2013/2014/W/01 Package 2: Periodic Maintenance Along Kemakorere - Borega Road.	102,998,500.00	Road	Completed	81%	82%	71%	65%	50%	70%
		Contract No. LGA/067/2013/2014/W/01 Package 3: Periodic Maintenance Along Gwitiryo - Pemba - Kitagutiti Road.	108,314,800.00	Road	Completed	78%	75%	71%	65%	50%	68%

SN	ENTITY	Project Name	Contract amount (Tshs)	Category	Status	Planning	Procurement	Construction	Completion & Closure	Quality	Project Overall
45	Kigoma District Council	Contract No. KDC/043/2011/2012/W/12: Supply Materials and Install Water Supply Schemes Including Construction of Intake Structure, Gravity Mains, Storage Tanks, Distribution Network and Domestic Points for Water Supply Schemes Nyarubanda Village Kigoma District Council.	1,186,705,177.00	Water	on-going	79%	77%	61%	on going	71%	71%
		Contract No. LGA/043/2013/2014/W/2-LOT 5: Routine and Spot Maintenance of Pasua-Bitare 13km, and Periodic Maintenance Bitare -Bubango 9.1 Km.	82,711,500.00	Road	Completed	78%	75%	17%	25%	72%	66%
		Contract No. KDC/043/2013/2014/W/2-LOT 1: Routine Maintenance of Kalinzi -Kitwanga 19.9km, and Chankabwimba Mkongoro 13km (Package 1).	5,126,900.00	Road	Completed	67%	79%	50%	20%	65%	59%
		Contract No. LGA/043/2013/2014/W/12: Construction of One Laboratory (1 Wing) at Kalinzi Secondary School.	61,928,000.00	Building	on-going	80%	65%	23%	on going	73%	63%

ANNEX 5 - 3: DETAILS OF PROJECTS WITH POOR PERFORMANCE

1.0 Mwanza City Council

1.1 *Contract No. LGA/089/2012/2013/W/11/03: Spot Improvement works along Majengo Mapya (0.4Km) Pasiansi - Lumala (0.5Km) and Periodic Maintenance Works along Kijiji - Bighite (1Km) and Breweries (0.5Km). [Contract Values Tshs. 65,032,304.80]*

- Inadequate drawings in the bid i.e no bar bending schedule provided.
- Inaccurate estimate of quantities which indicated that planning was not done.
- Inadequate Bid data sheet with respond to liquidated damages, performance security and advance payment.
- Inadequate drawings (bar bending schedules/were not included in the tenders documents.
- Site possession was not done, no site mgt meetings were held,
- No liquidated damages were imposed despite the delays,
- No quality assurance plans or material testing done and no progress reports were prepared and submitted to project manager.
- Inaccurate and incorrect measurement sheets were provided in all interim payment certificates.
- Contractor was overpaid by Tshs. **14,669,062.41/=** for re-measured and for works not done,
- No completion certificate was issued to the contractor after the substantial completion of works.
- Variations were not approved by the Tender Board and Some works were not done or were omitted but full amount was paid.
- Workmanship was fair but in certain areas of the drainage ditches and the road section the workmanship was observed to be poor.
- The depth of the drainage ditch varies significantly from one place to another which indicated that quality control was not effectively implemented.
- Substantial completion certificate was not issued;
- Snag list was not compiled and there was no evidence of as-built drawings;
- The contract quantities in the BOQ and the paid works were over exaggerated either by omission, incompetence or pure fraud;

1.2 *Contract No. LGA/089/2012/13/W/11/03: Construction of Stone Pavement Road (Laying of Stone Pavement Wearing Course) Along Sweya Road (5.3Km), Ihumilo Road (0.54Km), Capripoint - Maji Road (0.2Km) and Nyakurunduma Road (0.5Km). [Contract Values Tshs. 590,114,500.00]*

- Drawings were not included in the contract document (no evidence whether the same were prepared);
- Ambiguous specifications were prepared.
- Quantities in the BOQ were unrealistically high.

- TZS 2,000,000 was overestimated in the BOQ. The project largely relied on the completion of other contracts which to a large extent has resulted in huge delays of the contract. This shows that planning was adequately not done.
- Tender evaluation did not fully adhere to the evaluation criteria specified in the tender document;
- Unsuccessful bidders were not notified on the outcome of the tender.
- Award decision were not sent to PPRA for publication in procurement journal and website.
- Site possession was not done and site management meetings were not held,
- liquidated damages were not imposed despite the delays; quality assurance plans and material testing were not done and progress reports were not prepared.
- In accurate and in correct measurement sheets were not approved by the TB.
- Some works were not done or omitted however full amount was paid.
- HIV&AIDS education, control and prevention was not done but the Contractor was paid **TShs 1,000,000.00**.
- All risks insurance were not provided but the Contractor was overpaid **TShs 2,000,000.00**. Training was not done and evidences provided were shallow and could not justify the use of the fund. A total of **Tshs 120,000,000.00** was paid and Contractor was overpaid by Tshs. **147,233,200.00** /= for re-measured and for works not done.
- Test results were not made available for review by the AT.
- This project was still under construction at the time of this audit, hence not assessed on completion and closure.

1.3 *Contract No. MCC/089/2012/2013/W/11: Construction of Stone Pavement at Capripoint - Maji (0.2Km) and Nyakurunduma - Mkuyuni (0.5Km) Road within Nyamagana and Mkuyuni Ward [Contract Values Tshs. 115,764,500.00]*

- Drawings were not included in the contract document (no evidence whether the same were prepared);
- Ambiguous specifications were prepared.
- Quantities in the BOQ were unrealistically high.
- Tshs 2,000,000 was overestimated in the BOQ during the review of provisional for compliance with all clauses of the general conditions.
- Tender evaluation did not fully adhere to the evaluation criteria specified in the tender document.
- Unsuccessful bidders were not notified on the outcome of the tender. Award decision were not sent to PPRA for publication in procurement journal and website.
- Site possession was not done and site management meetings were not held,
- liquidated damages were not imposed despite the delays;
- quality assurance plans and material testing were not done and progress reports were not prepared.

- In accurate and in correct measurement sheets were not approved by the TB.
- The works were completed on 16th December 2013. Original Completion date was 28th August 2013 then revised to 10th October 2013. Despite of these delays liquidated damages was not imposed.
- Some works were not done or omitted however full amount was paid.
- HIV&AIDS education, control and prevention was not done but the Contractor was paid **TShs 2,000,000.00**.
- All risks insurance was not provided but the Contractor was overpaid **TShs 3,000,000.00**.
- Exploratory and laboratory cost were not done but the Contractor was paid **TShs 3,000,000.00**. Contractor overpaid by Tshs. **37,452,245.000** /= for re-measured and for works not done;
- Test results were not made available for review by the AT.
- Substantial completion certificate was not issued, neither compilation of snag list nor evidence of as-built drawings; final completion report was not available.
- The contract quantities in the BOQ and the works paid for were over exaggerated by either omission, incompetence or pure fraud.

1.4 *Contract No. MCC/089/2012/2013/W/11: Construction of Stone Pavement at Ihumilo (0.675Km) and Sweya Road (0.53km) within Mkolani Ward. [Contract Values Tshs. 198,137,700.00]*

- Drawings were not included in the contract document (no evidence whether the same were prepared); Ambiguous specifications were prepared. Quantities in the BOQ were unrealistically high.
- Tshs 2,000,000 was overestimated in the BOQ during the review of provisional for compliance with all clauses of the general conditions of Contract.
- Tender evaluation did not fully adhere to the evaluation criteria specified in the tender document. Unsuccessful bidders were not notified on the outcome of the tender.
- Award decision were not sent to PPRA for publication in procurement journal and website.
- Site possession was not done, site management meetings were not held,
- liquidated damages were not imposed despite the delays;
- quality assurance plans and material testing were not done and progress reports were not prepared.
- In accurate and in correct measurement sheets were not approved by the TB.
- Project was extended up to 28th September 2013 and the contract was letter terminated on 4th December 2013 however, the project was not yet completed and the liquidated damaged was not fully recovered.
- Some works were not done or omitted however full amount was paid,
- HIV&AIDS education, control and prevention was not done but the Contractor was paid **TShs 500,000.00**. Contractor overpaid by Tshs. **500,000.000** /= for re-measured and for works not done.

- Workmanship was observed to be poor and the test results were not available for review by the AT.
- The works were not completed as the contractor was terminated on 4th December 2013 due to poor performance and non-compliance to the conditions and provisions of the contract.
- Assessment was not done as the contractor M/s Cossiga Company Ltd was terminated due to poor performance.

1.5 *Contract No. MCC/089/2011/2012/W/42: Completion of 10 holes Toilet Block, Class partition and Water Harvesting at Kilimani Secondary. [Contract Values Tshs. 22,886,520.00]*

- Drawings were not included in the contract document (no evidence whether the same were prepared);
- Ambiguous specifications were prepared.
- Quantities in the BOQ were unrealistically high.
- Tender evaluation did not fully adhere to the evaluation criteria specified in the tender document. Unsuccessful bidders were not notified on the outcome of the tender. Award decision were not sent to PPRA for publication in procurement journal and website as per Reg. 21(1) of GN. No. 97 of 2005.
- Site possession was not done and site management meetings were not held,
- liquidated damages were not imposed despite the delay;
- quality assurance plans and material testing were not done and progress reports were not prepared.
- In accurate and in correct measurement sheets were not approved by the TB.
- Despite some works being done or omitted but full amounts was paid.
- Contractor was overpaid by Tshs. 6,278,688.00/= on re-measured and works not done.
- Test results were not made available for review by the AT.

1.6 *Contract No. MCC/089/2011/2012/W/07: Construction of Mother and Child Clinic at Utemini Area within Mwanza City Council (Makongoro Clinic). [Contract Values Tshs. 853,568,493.52]*

- Architectural Drawings were not available for review by the AT and the tender documents were not availed to the AT,
- Tender evaluation report submitted to AT seemed to have been modified and did not tally with the minutes of tender opening;
- Arithmetic Error of TShs 753,000,000 found in Jassie's bid as explained in the evaluation report was not found in the BOQ that was part of the contract document;
- Tender documents from other bidders that participated in the tendering process were not available for review by the AT and Information on procurement of Consultant were not made available to the AT.
- Site possession was not done and site management meetings were not held,

- liquidated damages were not imposed despite the delays;
- quality assurance plans and material testing were not done and progress reports were not prepared.
- In accurate and in correct measurement sheets were not approved by the TB. Some works were done or omitted however, full amount was paid.
- Advance payment that was 10% as per SCC Clause 24 but MCC paid **TShs 213,392,123** which was 25%. No evidence that the performance security was submitted. Contractor was paid over and above the original contract by **TShs 153,642,328.83**; Advance payments amounting **TShs 213,392,123** was not recovered. Two contract documents were observed but each was having a different BOQ. The AT failed to establish which contract document was correct that could be used for VFM audit.
- Quality of executed works was not done as the AT did not get the correct version of the contract document to be used for VFM.
- Quality of executed works was not done as the AT did not get the correct version of the contract document to be used for VFM.

2.0 Kishapu District Council

2.1 *LGA/108/2012/2013/Mwigumbi/SEDP I/APL: Completion of Construction and Provision of School Building Facilities at Mwigumbi Secondary School. [Contract Values Tshs. 187,239,750.00]*

- Inadequate drawings in the bid i.e. bar bending schedule was not provided.
- Bid data sheet was inadequate with respect to the liquidated damages, performance security and advance payment requirements contrary to standard tender documents issued by PPRA,
- Inaccurate estimate of quantities which indicated that planning was not done,
- Three classroom were built instead of two specified in the bills of quantities which meant that planning was not done.
- The Evaluation report did not include necessary and relevant attachments such as tender adverts and technical details of the evaluation.
- Contract data sheet in the contract agreement is for competitive quotation which is not appropriate for the minor value contracts.
- The council did not communicate awards decisions to PPRA for publication in the procurement journal and website.
- Liquidated damages not specified in the contract document. No performance security submitted despite the requirement under SCC 26.
- Site Possession was not done and no Site management meetings were held,
- No liquidated damages were imposed despite the delays.
- Even though quality control plans were part of the specifications, no quality assurance plans or material testing were done. Furthermore, no progress Reports were prepared and submitted by the project manager;

- All payments were approved and paid despite the works being not complete;
- No measurements sheets were provided in all the interim payment certificates.
- Contractor was overpaid by Tshs. 60,508,850/= for re-measured and for works not done works.
- No liquidated damages was imposed despite of the delay.
- No completion certificate was issued to the contractor after the substantial completion of works.
- Variations were not approved by the Tender Board.
- Some works were not done or were omitted however, full amount was paid.
- Substantial completion certificate was not issued. Snag list was not compiled and no evidence of as built drawings,
- Final completion report was not prepared.
- The contract quantities in the BOQ and paid works were over exaggerated either by omission, incompetence or pure fraud
- No tests of materials were made available and untreated timbers were used.
- Doors, windows and frame did not exactly comply to the dimension specified in the BOQ and painting was not done properly in some areas, furthermore, cracks were observed in certain sections of the buildings.

2.2 *Contract No. LGA/108/2012/2013/Ngofera/SEDEP II/APL: Completion of Construction and Provision Building Facilities at Ngofila Secondary School [Contract Values Tshs . 151,650,000.00]*

- Inadequate drawings in the bid i.e. bar bending schedule was not provided.
- Bid data sheet was inadequate with respect to the liquidated damages, performance security and advance payment requirements contrary to standard tender documents issued by PPRA;
- Inaccurate estimate of quantities which indicated that planning was not done
- The Evaluation report did not include necessary and relevant attachments such as tender adverts and technical details of the evaluation.
- The council did not communicate awards decisions to PPRA for publication in the procurement journal and website.
- Incomplete and inaccurate contract documents and unsuccessful bidders were not informed on the outcome of the tender process,
- Project manager was not appointed and no evidence of site possession and no management meetings were held during the project implementation period;
- Even though quality control plans were part of the specifications, no quality assurance plans were prepared to ensure that the works are done and materials comply with specifications and drawings.
- No performance security was submitted and no Inspection reports and measurements sheets were provided on IPCs;

- Contractor was overpaid by Tshs 10,179,950/= of overpaid quantities and non-existent works.
- Project completion was delayed for 90 days but no liquidated damages have been imposed. The Maximum liquidated damages of TZS 7,582,500/= (Maximum Liquidated damage 5%) should be imposed to MS Parsons Co. Ltd (90 days delay).
- Contractor abandoned the site and no contractual action were taken to ensure that the works continued as per approved work plan;
- Works were supposed to have been completed by 29th November 2013 but up to the time of this audit (June, 2014) the progress was only 30%. The compliance of the project completion time has not been adhered to and the project was 90 days late beyond the completion period.
- Extensive Cracks were observed on the walls of the new buildings and concrete works were of poor quality;
- Door and window frames were of poor quality. Laboratory tests were done to check the strength of the concrete works and timber used were untreated.

2.3 *Contract No. LGA/108/2011/2012/MipaSec/C.02: Construction of Mipa Hostel [Contract Values Tshs . 108,085,195.00]*

- Inadequate drawings in the bid i.e. bending schedule was not provided.
- Bid data sheet was inadequate with respect to the liquidated damages, performance security and advance payment requirements contrary to standard tender documents issued by PPRA.
- Inaccurate estimate of quantities which indicated that planning was not done
- Tender evaluation report was not made available to the audit team, and there was no evidence that the tender was advertised to the public;
- The council did not communicate awards decisions to PPRA for publication in the procurement journal and website.
- Unsuccessful bidders were not informed on the outcome of the tender process.
- Project Manager was not appointed, no evidence of site possession and no site meetings were not held for the project.
- No management meetings were held during the implementation of the contract;
- Contractor was paid advance payment Tshs. 21,617,039/= against “immovable property” which is contrary to the requirements of the contract and standard documents issued by PPRA.
- Contractor was overpaid by Tshs.46,541,227/= for overpaid quantities and non-existent works.
- The Contractor was paid Tshs. 3,725,670/= over and above the agreed contract price of TZS 108,085,195.
- Works were not completed despite the payment made to the contractor for almost 104% of the contract sum;
- The works have not been completed (delayed by 720 days) however, the contractor was not found at the site.

- Concrete tests were not done.
- Weak/Inadequate supervision of the site works. Lack of integrity among the supervising technicians. Despite poor quality works and non-existent works most of the works had already been certified by the project supervisors and paid for.

2.4 *Contract No. LGA/108/2013/2014/RF/W/03: Routine and Spot Improvement of Mhunze - Iganga - Mwamashela - Muhunze - Lubaga, Kishapu - Mwakipoya and M/Lohumbo - Masangala Roads. [Contract Values Tshs 85,325,000.00]*

- Poor planning and absence of strip maps drawings in the contract resulted in variations to the main contract and overestimation of quantities in the BOQ;
- Culvert structures were included as lump sum in the BOQ which indicated that design was not done,
- No information and evidence that the evaluation report included the necessary and relevant attachments such as tender adverts and technical bid details.
- The evaluation did not indicate the reason for disqualifying M/s Pamsha Construction Co. Ltd and MEM Enterprises Ltd.
- M/s Tinde Investment Co. Ltd was recommended for detailed evaluation despite the erasures and interlineations in their bid; which were not signed.
- Bidders were not notified on their arithmetic errors and unsuccessful bidders were not notified on the outcome of the tender process.
- Project Manager was not appointed and there was no evidence of site possession and no site meetings were held for the project;
- No management meetings were held during the implementation of the contract and Measurement sheets were not make available for review by the audit team.
- Substantial completion report was not issued. No evidence was available to attest that snags were rectified during the defect liability period.
- Substantial completion report was not made available and final report was not made available, furthermore, defects liability clearance report was not issued.
- Weak / Inadequate supervision of the site works.
- Lack of quality control tools and equipment leading to failure to material testing and completed works.
- The quality of concrete was poor and not compliant to the specs of concrete class 20 requirements and no evidence that laboratory tests were done

3.0 Maswa District Council

3.1 *Contract no. LGA/109/2012/2013/W/RF/0/7: Periodic Maintenance of Handuki - Nyashimba 12.5 Km and Structures of Handuki - Nyashimba (Culverts) [Contract Values Tshs. 114,775,000.00]*

- Inadequate drawings in the bid i.e. bar bending schedule was not provided.
- Bid data sheet was inadequate with respect to the liquidated damages, performance security and advance payment, insurances requirements contrary to standard tender documents issued by PPRA.

- Inaccurate estimate of quantities which indicated that planning was not done;
- The council did not communicate awards decisions to PPRA for publication in the procurement journal and website,
- No performance security was submitted despite the requirement under SCC 26 and the unsuccessful bidders were not informed on the outcome of the procurement process.
- Site Possession was not done and no Site management meetings were held,
- No liquidated damages were imposed despite the delays. Even though quality control plans were part of the specifications, no quality assurance plans or material testing were done and no progress Reports were prepared and submitted by the project manager,
- In accurate and incorrect measurements sheets were provided in all interim payment certificates. Contractor was overpaid by Tshs. **40,060,000.00/=** for re-measured and for works not done,
- No liquidated damages was imposed despite the delay experienced.
- No completion certificate was issued to the contractor after the substantial completion of works. Variations were not approved by the Tender Board and some works were not done or were omitted but full amount was paid.
- Test results were not made available for review by the AT, and in certain areas of the culverts structures the workmanship was observed to be poor.
- Substantial completion certificate was not issued and snag list were not compiled. As built drawings were not evidenced.
- Final completion report was not available and the contract quantities in the BOQ and the paid works were over exaggerated either by omission, incompetence or pure fraud

3.2 *Contract No. LGA/109/2013/2014/W/05: Construction of Simply supported bridge and repair of Solid Drift along Bugarama - Msela - Wigelekelo Road. [Contract Values Tshs 90,802,000.00]*

- Drawings were not included in the contract documents (there was no evidence whether drawings were prepared);
- Quantities in the BOQ were unrealistically high. Bid data sheet was not properly prepared with respect to the liquidated damages, performance security and advance payment and insurances requirements, contrary to standard tender documents issued by PPRA
- Tender evaluation did not fully adhere to the evaluation criteria specified in the tender documents.
- Unsuccessful bidders were not notified on the outcome of the tender process, The council did not communicate awards decisions to PPRA for publication in the procurement journal and website.
- Site Possession was not done and no site management meetings were held,
- No liquidated damages were imposed despite the delays. Even though quality control plans were part of the specifications, no quality assurance plans or material testing were done.

- No progress Reports were prepared and submitted, In accurate and incorrect measurements sheets were provided in all interim payment certificates,
- Variations were not approved by the Tender Board,
- Some works were not done or omitted however, but full amount was paid, the Contractor was overpaid by Tshs. **22,324,100.00** /= for re-measured and for works not done.
- Test results were not available for review by the AT.
- The project was still under construction

3.3 *Contact No. LGA/109/2012/2013/W/04/RT/07: Structures of Bushitala - Masanwa (Bridges) and Spot improvement of Bushitala - Masanwa road (10Km0 and Periodic Maintenance of Isangeng'he - Budekwa Mwabaraturu Road (6Km). [Contract Values Tshs 169,850,000.00]*

- Drawings were not included in the contract documents. Quantities in the BOQ were unrealistically high which indicated that planning was not adequately done. Unsuccessful bidders were not notified.
- No evidence was provided to prove that this tender was actually advertised to the public; and tender evaluation did not fully adhere to the evaluation criteria specified in the tender documents;
- Unsuccessful bidders were not notified on the outcome of the tender process.
- Site Possession was not done and no site management meetings were held and no liquidated damages were imposed despite the delays.
- Even though quality control plans were part of the specifications, no quality assurance plans or material testing were done.
- No progress Reports were prepared and submitted.
- In accurate and incorrect measurements sheets were provided in all interim payment certificates.
- Variations were not approved by the Tender Board,
- The works were completed on 16th December 2013. Original completion date was 28th August 2013 then revised to 10th October 2013. Despite of these delays no liquidated damages were imposed.
- Some of the works were not done or omitted however full amount was paid.
- The contractor was overpaid by Tshs. **19,016,000.00** due to re-measured and for works not done.
- Test results were not made available for review by the AT, and the project was still under construction

3.4 *Contract No. LGA/109/2012/2013/CQ/W/27: Completion of Kizungu Dispensary Phase One. [Contract Values Tshs 50,000,000.00]*

- Quantities in the BOQ were unrealistically high. Specifications were not provided in the BOQ. Some of the detailed drawing were missing in the BOQ.

- No evidence was provided to prove that this tender was actually advertised to the public; tender evaluation did not fully adhere to the evaluation criteria specified in the tender documents; and unsuccessful bidders were not notified on the outcome of the tender process.
- Site Possession was not done and no site management meetings were held. Even though quality control plans were part of the specifications, no quality assurance plans or material testing were done.
- No progress Reports were prepared and submitted, In accurate and incorrect measurements sheets were provided in all interim payment certificates,
- Variations were not approved by the Tender Board, Some works were not done or were omitted however full amount was paid. The Contractor was overpaid by Tshs. **5,738, 610.00** for re-measured and for works not done.
- Dimensions of windows and doors differed slightly with the size indicated in the BOQ. Untreated timber were used for roofing. Test results were not available for review by the AT.
- Substantial completion certificate was not issued and snag list were not compiled. Furthermore, there was no evidence of as-built drawings,
- Final completion report was not made available, The contract quantities in the BOQ and those paid works were over exaggerated either by omission, incompetence or pure fraud.

3.5 *Contract No. LGA/109/2012/2013/CQ/W/18: Renovation of Maswa District Hospital Buildings. [Contract Values Tshs 49,749,360.00]*

- Drawings were not included in the contract documents and weak specifications were prepared.
- The quantities in the BOQ were unrealistically high.
- Some of the important items in the BOQ quantities were provided as Lump sum which indicated that planning was poorly done.
- Additional works for walk ways of **TShs 25,000,000** was a sign of poor planning by the Council.
- No evidence was provided to prove that this tender was actually advertised to the public.
- Tender evaluation did not fully adhere to the evaluation criteria specified in the tender documents;
- The unsuccessful bidders were not notified on the outcome of the tender process and PPRA was not notified on the award of contract.
- Site Possession was not done, No Site management meetings were held, Even though quality control plans were part of the specifications, no quality assurance plans or material testing were done.
- No progress Reports were prepared and submitted, In accurate and incorrect measurements sheets were provided in all interim payment certificates, Despite some works being not done or omitted but full amount was paid, Contractor was overpaid by Tshs. **10,377,077.00** for re-measured and for works not done.

- Test results were not made available for review by the AT and leakages in the roof were observed in the inspected wards. Furthermore, three coats painting on external wall were poorly done.
- Substantial completion certificate was not issued, and snag list was not compiled. Furthermore, there was no evidence of as-built drawings,
- Final completion report was not made available and the contract quantities in the BOQ and the paid works were over exaggerated either by omission, incompetence or pure fraud.

3.6 *Contract No. LGA/109/2012/2013/CQ/W/12: Renovation of Maswa Girls Secondary School Drainage and Plumbing System. [Contract Values Tshs. 50,000,000.00]*

- The BOQ did not reflect the work on site and tender documents were not availed to the AT. Furthermore, the school was not involved in the planned maintenance as the results the BOQ was unrealistic,
- Tender evaluation report was not available for review by AT, The project was not properly advertised, it was wrongly advertised as Construction of Operation Theatre Block at Maswa Hospital,
- Unsuccessful bidders were not notified on the outcome of the tender process. The council did not communicate awards decisions to PPRA for publication in the procurement journal and website.
- Site Possession was not done and minutes of site meetings as well as Progress Reports were not seen.
- The project was for only 90 days and it was to be completed by 9th April 2013. Until the time of Audit in March 2014, the project was only 5% complete and the contractor had abandoned the site.
- No liquidated damages were imposed despite the fact that the project has been delayed for 365 days.
- No communication was done to the Contractor on the non -performance and non compliance to the provisions and terms of contract,
- The quality of executed works were poor and the workmanship was also very poor,
- Assessment on project completion and closure was not done as the contractor has abandoned the project.

4.0 Kilwa District Council

4.1 *Contract No. LGA/055/HQ/R/2013/2014/2: Spot Improvement of Masoko Town and Routine Maintenance of Pande - Matunda - Lihimilyao Roads. [Contract Values Tshs. 190,610,000.00]*

- The BOQ was not consistent to the drawings. Furthermore, the standard drawings section included in the tender document did not match with the work described in the BOQ.
- The tender evaluation report lacked the necessary attachments such as the tender opening records.
- There was no evidence of the appointment of the tender evaluation committee and the award was based on the engineers estimate, a criteria not contained in the tender dossier. The PE did not publish the tender awards.

- Most of the information required for effective implementation of the Construction stage were not available; they include performance security; programme of works; contractors organization and site staff; quality assurance programme; management control documents such as general correspondences; site instructions record; minutes of site meetings; and material testing records.
- The overall workmanship was poor. In addition Site clearance for Masoko Town Roads was not properly done and there was no evidence of heavy reshaping as stipulated in the specifications.

5.0 RAS Lindi

5.1 *Contract No. RAS-006/2012/2013/HQ/W/04: Construction of Dormitory at Ilulu Girls Secondary School. [Contract Values Tshs. 51,359,000.00]*

- The drawings were inadequate. The PE used standard drawing issued by the Ministry of Education and Vocational Training but did not prepare working drawings.
- Details for items such as doors, windows, roof structure were not included. The tender document had no specifications.
- Members of the evaluation team signed the covenant forms but did not use the standard covenant form issued by PPRA.
- The tender evaluation report lacked the necessary documents such the tender opening records.
- The award was based on the engineers estimate, a criteria not contained in the tender dossier. As a result the tender was awarded to M/S Ntina General Enterprise whose bid was TZS 52,383,000.00 because its bid was 2% above the Engineers estimate of TZS 51,359,000.00 instead of M/S Masaho General Supplies & Construction Company Limited because its tender was TZS 49,101,000.00 below the Engineers estimate by 5%.The PE did not publish the tender awards.
- The project was poorly managed. No project Manager was appointed to manage the project.
- Most of the information which required effective implementation at the construction stage were not made available including; contractors organization and site staff, quality assurance programme, management control documents such as general correspondences, site instructions record, minutes of site meetings, work measurement and inspection records, and material testing records.
- Performance Security equivalent to 20% of the contract price was neither submitted by the contractor nor demanded by the PE contrary to Clause 51 of the Contract Data and Clause 54 of the GCC.
- Time management was poor. The project was yet to be completed and had delayed by 14 weeks, equivalent to the initial contract period and no extension of time had been granted or action taken.
- The overall workmanship was poor. Setting out of the building and construction did not observe dimensions specified in the drawings. Internal partition walls were poorly set such that rooms which were supposed to have equal dimensions were different in size.

- Window and door openings were not square and jambs were not plumb. The window dimensions were altered from 1000x1870mm to 1000x1650mm; however there was no evidence of this variation being approved.
- The contractor was overpaid TZS 11,125,000.00 for work not done. This included plaster and paint to foundation, roofing, doors, windows, as well as poor quality internal walls.

5.2 *Contract No. RAS-006/2012/2013/HQ/W/03: Construction of Division Office at Lindi – Sudi. [Contract Values Tshs. 53,176,900.00]*

- The drawings for the projects were not adequate. Both architectural and structural drawings had no sufficient details. Hence there were no working drawings.
- Generic technical specifications were used such that there were no specifications specific for the project, such as using msufi-pori (bombax rhodognaphalon) for roof structure instead of treated cypress which is scarce and expensive. In addition, The Bidding document was not complete as evidenced by the contract data sheet which was not duly completed.
- The award was based on the engineers estimate, a criteria not contained in the tender dossier. Also there was negotiation on price contrary to Regulation 95(2)(c) of GN No 97 of 2005, and the PE did not publish the tender awards. The tender evaluation report lacked the necessary documents such as the tender opening records.
- The quality of contractor's staff was poor. The Site foreman responsible for the project had no technical training of any sort. No project supervisor had been appointed for the project.
- Most of the information required for effective implementation of the Contract were not available including contractor's organization and site staff, quality assurance programme, management control documents (i.e general correspondences), site instructions record, minutes of site meetings, work measurement and inspection records, and material testing records.
- Performance bond was neither submitted by the contractor nor requested by the PE. No measurements of work done were made prior to payment of interim certificates.
- There was poor time management for the project and the contract period had expired but no action was taken.
- The overall workmanship was poor. The quality of the beams and columns were poor. Beams had excessive honey combs and in some cases the reinforcement was exposed.
- Some of the column still had formwork despite the fact that the building has already been roofed implying that the columns were not cured.
- Dimensions of window openings were altered from those on the drawings, and there was no evidence of this variation being approved.
- Burnt bricks were specified for construction of walls but walls were constructed using concrete blocks. No evidence of approval of the variation by the tender board was available to the audit team.
- The roof structure was properly constructed, however cladding was poor in that the side overlaps were not adequate and were bound to cause leakages.

- The contractor was overpaid TZS 11,176,000.00 for work not done. This included plaster and paint to foundation, doors, windows, as well as poor quality roof cladding.

6.0 Singida Municipal Council

6.1 *Contract No. LGA/115/SMC/2012/2013/W/No. 15: Emergency Repair of Mtamaa Bridge. [Contract Values Tshs 66,502,800.00]*

- There were insufficient drawings for the works and some key items of works such as road works had missing drawings; There were no Road Cross section drawings and the actual Quantity needed for G60 Material was not supported by drawing records rather just rough estimate as done at site; The material used was not G60 as specified.
- By visual observation the material used could be in the range of G15 to G25 which are commonly used for related works. This means either there was higher specification of material unnecessarily or the implication of G60 material was not fully understood in comparison to the actual material required.
- No quality complying tests were specified in the contract and the same was not done at site. Given the fact that some of the fill involved over 1.5m, it was hard to conclude the quality of such works without quality tests,
- Quotation Invitation specified deadline for submission as 14th June 2013: However the Evaluation report indicated that the Bid opening was done on the 12th June 2013 i.e. is 2 days before the submission date. No further evidence was availed indicating the reasons for such an anomaly.
- Tender Board Members did not sign the Code of ethics contrary to the requirements of section 86 (1) of PPA 2004.
- No quality complying tests such as those on Road works e.g. compaction tests were done at site. Written site Instruction were not issued at site and works were being instructed verbally without proper records.
- There were some additional works added during implementation which were not originally in the plan (e.g. the quantity of mitre drains were originally 60m while the actual Quantity done was 282m, there was construction of 6m additional masonry retaining wall to the RHS of the downstream, etc). There were no proper records of written site instructions for such additional works.
- Inadequate Quality Control regime. No evidence of test results for concrete/block works, were availed. From around 10 to 15m of the bridge wingwalls, RHS to the downstream some heavy erosion on river banks were observed.
- Some Poor Quality and or unsatisfactory works were observed at site. Some portions of Stone pitching done have failed and sooner or later will need repairs. It seems there was improper fill of their bedding material.
- The project was terminated prior to completion.

6.2 *Contract No. LGA/115/2012/2013/W/No.4- LOT 2: Emergency repair of Kisasida - Unyambwa - Irumgi Drifts. [Contract Values Tshs 27,572,000.00]*

- Planning and Design by the Municipal Works Engineer was generally not done to an acceptable level and standards as far as gravel roads were concerned.
- There were no drawings for guidance showing the drifts to be repaired, similarly no Plans and sections with proper foundation anchorage of Retaining walls and Gabions to be constructed were prepared.
- The drawings for Gabions gravity wall structures drift were not prepared.
- However, could easily be concluded from visual observation at site that, the design of it was unsatisfactory as it did not take into consideration of the river/stream characteristics such as its erosive nature.
- Hence stability not guaranteed and the Gabion retaining walls not properly anchored in ground and could easily under-scoured and resulted to its failure and collapse thereafter.
- Tender documentation was generally fair however it missed crucial details such as strip maps and road Cross sections.
- Submission was supposed to be 14th /06/2013: 10:30 Hrs according to Invitation for Quotation. However the submission was done on the 17th /06/2013 according to TB meeting minutes signed on the 28th /06/2013. No letter of extension or reasons were availed to the Audit team for Verification.
- M/S BP Civil Works Co. Ltd. P.O.Box 149 SINGIDA with corrected bid Price- Tshs. 19,387,840/ (compared to Engineers estimate (ECE) of Tshs. 23,889,000.00 i.e. Minus or 18.84% below ECE) was proposed for award by the Evaluation team,
- However through TB meeting dated 27th /06/2013, PMU proposed the second lowest evaluated bidder M/S Kitamo Eng. Co. Ltd, P.O.Box 6391, MOROGORO with a corrected bid price of Tshs. 27,572,000.00 VAT Exclusive (i.e. +15.42% above ECE). TB approved award to M/S Kitamo. No reason was given to deprive the award from M/S BP Civil Works.
- TB members did not sign the code of ethics contrary to section 86 (1) of PPA 2004 and PPR.
- Poor supervision by PE designated staffs. The contractor did no fully discharge his contractual obligations.
- Inadequate Quality Control regime. No evidence of test results for concrete or road works, were availed to the Audit Team. Stone masonry Wingwall 0.5m thick x 2.2m height x 16m long at Kisasida-Unyambwa Drift was not constructed to the requirements given in the BOQ and this caused its collapse,
- The following observations were made at site:
 - The Constructed Wing wall thickness was 0.45m instead of 0.5m;
 - The specified height of 2.2m was done only for the first 10.56m long while the remaining 5.5m out of 16m long required, had only the height of 0.6m from the top (instead of full height of 2.2m) and the remaining 1.6m downwards was the earth material supporting the upper part.

- This earth portion later was eroded and underscored by water hence left the upper part of 0.6m high hanging and ultimately triggered collapse of this part and the Wingwalls to a larger extent.
- The constructed Gabions gravity wall structure collapsed due to Instability problem triggered by under-scouring and deficiency in both design and construction. A large portion of Apron constructed at Unyambwa-Ipungi drift has already collapsed.
- The Contractor was overpaid a sum of **TZS. 5,740,000.00** for the Kisasida-Unyambwa vented Drift and the Contractor was also overpaid a sum of **TZS. 3,030,000.00** for Unyambwa-Ipungi vented Drift.
- Project completion and closure was not assessed because the project was not fully completed.

6.3 *Contract No. LGA/115/SMC/2013/2014/W/No. 1: Spot Improvement of Majengo- Unyamikumbi Road. [Contract Values Tshs 42,831,100.00]*

- There were no Records of design. No drawings such as strip Maps and or Road cross sections were prepared, only BOQ was prepared.
- Furthermore, the tender documentation missed some the of strip maps and other key drawings.
- Bid opening was done on the 29th /05/2013- with minutes Muh. Na. 54/2012/2013, but the minutes were signed on the 30th /04/2013.No explanation was given for such inconsistency.
- The Quality of evaluation report content and presentation was poor. TB members did not sign the code of ethics contrary to section 86 (1) of PPA 2004 and PPR.
- There was poor record keeping of procurement records of this project. While the Minutes of Bid opening shows that the Tenders/Quotations were submitted on the 29th /05/2013, the Quotation document by SUMACO was signed by six witnesses during tender opening with six signatures on its cover showed that it was submitted on the 28th/06/2013. No evidence was provided to see what happened or whether there was a re-tender.
- Long procurement circle. Letter of acceptance was issued 60 days after bid submission date and there was a delay in contract signature whereby the Contract was signed 70days from bid submission compared to 37 days recommended.
- No performance security/ Bond and or insurance covers were specified and hence not submitted by the Contractor.
- Delayed payment of IPC No. 2 by the PE whereby the certificate was certified for payment on the 07th/11/2013, it was paid on the 17th/01/2014 which was contrary to clause 23.2 (Interim Payments) of GCC which specified 14 days after approval by the Engineer;
- Inadequate Quality Control regime. No evidence of test results for compaction tests on road works, etc. were availed to the Audit Team.
- The road generally had no drawings such as Strip Maps and Road cross sections, the only information to be accessed was BOQ. This then limits a thorough or proper assessment to compliance of some items such as pavement layers thickness, Road formation widths, which are specified no-where.

- However from site observation the road formation and widths seems to follow the existing road and the thickness of gravel was established from the rain eroded portions of the G25 material whereby the layers could easily be identified and measured accurately.
- No measurement sheets were prepared prior to certification or payments of IPCs by the PE and the Contractor was overpaid a sum of **TZS.7, 840,000.00**.
- Project completion and closure was not assessed because the project was terminated prior to completion.

7.0 Kondo District Council

7.1 *Contract No. LGA/021/2012/2013/W/10/049: Upgrading of Magereza Junction-Kondo District Hospital Road to double Surface Dressing Standard. [Contract Values Tshs 200,982,518.00]*

- No drawings (strip maps) in the tender documents. Accuracy and completeness of BOQs for the works and their consistency with the drawings and technical specification was not adequately done.
- The procurement method for this tender was Single Source (SS). No information was made available of the respective date for the submission.
- The Evaluation report lacked the necessary and relevant attachments such as tender adverts and technical bid details. The contract did not use complete and appropriately arranged standard contract documents issued by PPRA. Minutes of negotiations for the variation were not included in the contract.
- Incomplete and inaccurate contract documents, as-built drawings was indicated not applicable, No strip maps Drawings were included in the contract documents.
- No drawings were provided in the contract or instructed to the contractor and no site management meetings were held;
- Advance payment of Tshs. 80,393,007.00 (40% of the contract) was paid to the contractor without bank guarantee or any other security of the same value.
- Over payment to the contractor amounting to Tshs. 33,721,001.93(42.37%) was made for work not done.
- Payment details amounting to Tshs. 40,753,381.20 paid to the contractor were missing from the respective project file including retention details. No retention was deducted on interim payments contrary to contract provisions. To a large extent, therefore the contract was poorly administered.
- No details and justifications were attached to variation No.1 & No. 2 (Additional Works) amount to Tshs. 15,450,000 and Tshs. 30,695,250 vide ref. KDC/ZABUNI/1/Vol.2/123 and KDC/ZABUNI/1/Vol.2/136 respectively despite the approval and instruction of the same to the contractor. Furthermore, no completion certificate was issued to the contractor after the substantial completion of works.
- Weak / Inadequate supervision of the site works. Shoulders (RHS& LHS) were not surfaced with second seal contrary to the contract provisions. The final road surface was poorly done and did not reflect the value for money spent on the project despite the procurement of an international contractor for the works.

- The size of aggregates used for surface dressing in the parking and junctions to the respective offices were substandard and contrary to the contract specifications. Cleaning of site of the debris and windrows not done despite the payment of the contractor 95% of the contract amount.

8.0 The Mwl. Nyerere Memorial Academy (Kivukoni)

8.1 Contract No. PA/022/2012-2013/MNMA/W/01: Proposed Construction of Students' Hostel at Kigamboni Campus – Phase II. [Contract Values Tshs. 1,746,515,306.00]

- The MNMA TB did not approve tender and draft contract documents and the tender document was incomplete; the intended completion date for the whole of the works was not filled;
- SCC Clause 21 specified liquidated damages at 0.05% of contract price per day contrary to requirements set under Regulation 119 (1)(b) of GN 97 of 2005 which requires it to be between 0.10% and 0.15% of contract value per day up to a maximum equivalent to the amount of performance security.
- The 0.5% as maximum amount for liquidated contravenes the requirements under Regulation 119(2) of GN 97 of 2005 of maximum liquidated damages equivalent to performance security;
- Tender Data Sheet 13 (ITB17.1) wrongly requested bid securing declaration for works with pre-tender estimates of TSh. 1,645,103,166 which was more than the threshold for domestic preference provided in the Fourth Schedule (c) of PPR GN 97 of 2005 which is 1,000,000,000.
- Bidding documents inadequately identifies the Department of Architecture, Ardhi University as the Project Manager; it should have also named a particular person as a representative and the BoQ was not consistent with drawings and specifications; for example it has Class 30 concrete while the drawings specifies Class 25 concrete.
- No evidence that TB approved the procurement method of restricted tendering before the documents were issued to shortlisted bidders;
- No evidence that TB approved the shortlist of contractors who were issues tender documents The PE used the restricted tendering method for works beyond the limit of application set under the Second Schedule of GN 97 of 2005 which is TSh. 1,500,000,000.
- Only 17 days (from 18/1/2013 to 4/2/2013) were given to bidders to prepare and submit their bids thus contravening the requirements stipulated under the third schedule of G.N No. 97 of 2005. The evaluation committee (EC) did not include any staff from the PE for capacity building purpose.
- The award was communicated on 26/6/2013 which was 143 days after opening while tender validity period of 90 days expired on 5/5/2013. The PE did not inform the Authority of its award decisions.
- There was no work programme. Test results submitted are for tests made on 3/5/2012 more than a year before the commencement of Phase II of construction on 8th July 2013.
- No evidence that aggregates were tested. The test results for concrete indicates failure of all the 21 cubes (100%) in meeting the average crushing strength of 30.48N/mm²

which is the minimum 28 days crushing strength as specified in section A.21 page VI/5 of the Specifications hereby quoted; *“The average crushing strengths should be (at) least 15% higher than the minimum permissible values given in the above table (26.5N/mm²)”* The the test results for concrete cubes aged 28 days or more.

- The contractor has been overpaid in concrete works. The BoQ provides for **concrete class 30 (30N/mm²)** while specifications provides for **concrete class 25 (25N/mm²)**. The cost of concrete class 25 SHOULD be less than that for concrete class 30. The total amount paid for concrete class 25 at the price of concrete class 30 is TSh. **125,174,000.00**. The rate for concrete class 30 in the BOQ is TSh 300,000 per m³.

The contractor has been overpaid in roofing works as follows:

- The priced roof covering in BoQ is 1.6 industrial troughed aluminium roofing sheets **gauge 22 at TSh. 48,000** per m². The contractor has used IT 5 aluminium sheets gauge 24 but has been paid a total of **TSh. 40,614,000** using the rates for gauge 22. The thickness of **Gauge 24 is 0.51mm while that for gauge 22 is 0.64mm**
- Bill 4 – fourth storey, Element Nr 5 roofing Items A, B, C, D and E page 4/5/1 have been certified 100% completed while on site the work was incomplete. The monies certified for payment in IPC 4 is TSh.40,614,000.
- The management of contractual documents was very poor as evidenced below;
- The PE accepted performance bond policy No. P/01/6001/602/13/57 from Century Insurance Company Limited instead of bank guarantee as specified in Clause 24 of Special Conditions of the contract. The policy together with its extension covers the PE against the performance of the contractor up to 30/6/2014. Clause 54.1 of the GCC requires a cover one year beyond the issuance of certificate of completion i.e. up to 24/6/2015 (assuming works will be completed at 24/6/2014 and a certificate of completion issued)
- Acceptance of advance payment bond policy No. P/01/6003/602/13/36 from Century Insurance Company Limited instead of a bank guarantee as specified in Clause 24 of special Conditions of Contract. Furthermore, the accepted security was not signed and it expired on 31/1/2014. the balance of advance payments unrecovered was TSh. 26,197,729.59 out of the advanced monies amounting to TSh. 261,977,295.9 (it has been recovered as follows: IPC 2, 44,536,140; IPC 3, 78,593,188.77 and IPC 4, 112,650,237.24)
- Works were being paid without any measurement sheets. Items were being paid as per visual assessment of works completed in percentages. No site measurements were carried out at site to justify the percentages as these were not availed for verification.
- The following variations **costing TSh. 59,000,000** have been carried out at site without the approval of the TB:
 - i) Realignment of the waste water pipes (approximately 3 m long) from each of the 16 hand wash basins to avoid usage of too much screed thickness to cover the pipes laid on the floor;
 - ii) Provision of one window opening below the middle staircase in each floor from ground to the fourth floor;
 - iii) Conversion of balconies immediately from the staircase to students hostel rooms from the first to the fourth floor and replacement of the enclosing balustrades with three aluminium glass panel windows;

- iv) Replacement of solid block wall balustrades with approved louver blocks in order to achieve ventilation at second to fourth floor while solid wall balconies were employed in ground and first floor in order to obtain privacy;
- v) Provision of two flights from fourth floor to roof top and provision of independent roof to stair well for the purpose of accessing water storage tanks for maintenance;
- vi) Replacing concrete roof on the ablution block with gable pitched roof made of IT5 for purpose of avoiding leakage.
 - There was no proof that TB approved the variations done on the building including changing from ex-Spain porcelain tiles size 300 x 300 x 10mm to ex-Chinese tiles size 600 x 600 x 9.4mm.
 - Cost implications for the changes have not been analysed. The costs and saving in the changing the quality of roofing and tiles has not been assessed.
 - There was no evidence that the PE's TB was informed of the changes made at site and the cost implication including whether there were any savings or not.
 - The extension of time of eleven (11) weeks from 31/12/2013 to 18/3/2014 and that of fourteen (14) weeks from 18/3/2014 to 24/6/2014 was not justified. This delayed completion of works of 24 weeks has caused MNMA to lose about TSh. 152,820,089.28 (25 weeks x 7 days x 0.05% (rate of liquidated damages per day) x 1,746,515,306 (contract price) = **TSh. 152,820,089.28.**
 - Roof truss members had less nails compared to structural drawing details; There were spots in the slab soffits where formwork and or nails were not removed instead these have been left in place and plastered.
 - The stage of project completion and closure has not been reached.

9.0 Ilala Municipal Council

9.1 *Contract No. LGA/015/IMC/2013/2014/W/02/ LOT 01 for Proposed maintenance of Chanika – Msumbiji – Nzasa (7 km) gravel road in Ilala Municipality. [Contract Values Tshs. 243,890,000.00]*

- The tender document reviewed did not contain specifications. SCC Clause 1 defines NCC as adjudicator while SCC Clause 13 defines NCC as adjudicator appointing authority; furthermore the sample form of tender has Eng. Kimambo as the adjudicator. SCC Clause 23 pegs maximum liquidated damages (LD) at 10 % while the performance security is 15% (SCC 26). SCC Clause 23 defines LD as 0.1% per day and maximum 10% (100 days) while SCC Clause 29 defines maximum LD as 2.8% (28 days).
- There was a delay in appointing works supervisor; the Supervisor was appointed vide a letter dated 5th February 2014 while works contractually commenced on no 17th October 2013.
- The PE accepted performance bond policy No. P/01/6001/602/14/34 from Century Insurance Company Limited. The accepted policy was inadequate as it covers IMC from 1/2/2014 to 31/8/2014 instead of covering IMC from about 17/10/2013 to at least 15/1/2015 i.e. 12 months beyond the expected completion date of about 15/1/2014.

- No evidence that the extension of time followed proper procedures including approval by TB, Contractor's request was made 36 days after the expiry of the revised contract completion date on 16/4/2014.
- There was delay in paying contractor's certified monies. The Contractor applied for first interim payment of TSh. 24,900,000 on 27/11/2013 vide their letter Ref. No. WCL/ILALA/2013/CER I; The certificate of TSh., 15,390,000 (6.3% of contract price) was prepared on 5/12/2013; The monies was due for payment on or before 2/1/2014; The payment voucher for TSh. 15,390,000 was prepared on 18/1/2014; Contractor received the monies on 28/1/2014 vide receipt number 0602 a delay of more than three weeks.
- inadequate concrete surrounding on culverts was very small at between 50mm and 100mm instead of the required 150mm
- The project is still on going

9.2 *Contract No. LGA/015/IMC/2012/2013/W/01/ LOT 3 for proposed upgrading of St. Mary's Road (1.3 km) to Tarmac level in Ilala Municipality. [Contract Values Tshs 920,703,796.57]*

- The tender document reviewed did not contain specifications.
- SCC wrongly customized SCC Clause 1 defines NCC as adjudicator while SCC Clause 13 defines NCC as adjudicator appointing authority; furthermore the sample form of tender has Eng. Kimambo as the adjudicator. SCC Clause 23 pegs maximum liquidated damages (LD) at 10 % while the performance security is 15% (SCC 26). SCC Clause 23 defines LD as 0.1% per day and maximum 10% (100 days) while SCC Clause 29 defines maximum LD as 2.8% (28 days)
- The contract agreement was dated 13/11/2012, the PE as employer dated the signature on 13/11/2012, Contractor signed but did not indicate the date of signing at the provided slot.
- There was a 7 day delay in giving the site to the contractor. The letter of award dated 24th October 2013 was received by the contractor on 7th November 2013 thus site possession should have been 14th November 2013. However this was done on 21st November 2013 a delay of one week.
- Despite requesting 15% performance bank guarantee in the letter of acceptance, the PE accepted Performance security policy No. No. 496 dated 22/11/2012 from Golden Crescent Assurance. The policy was inadequate as it covers IMC from 22/11/2012 to 21/11/2013. It should have covered the PE up to at least 24/3/2014 ie. 12 months beyond the expected completion date of about 24/3/2013.
- The TB approved variations worth TSh 54,216,000 on 16/3/2013 after first deferring it on a meeting held on 14/2/2013. Going through the two minutes of tender board the AT could not find the reason as to why there was a deferment of decision on 14/2/2014 causing a month delay in works order. The Contractor applied for extension of time from 24/3/2013 to 19/5/2013 vide their letter reference No. DM/092/2013 dated 18/3/2013
- On 30/4/2013 the TB approved 28 days extension from 1/5/2013 to 30/5/2013; it should have been extension from 25/3/2013 to 21/4/2013 as evidenced in the the progress report by Technician who sited 24/5/2013 in her progress report to MWWE on 6/5/2013 when certifying payments in IPC 4.

- There was over deduction of retention monies of TSh. 44,773,632. Total amount deducted up to IPC 4 was TSh. 93,519,622 whereas the maximum required 5% of contract price was TSh. 48,745,989.83 which was reached in IPC 3,
- Though the CD did not include works specifications there was a failure in harmonizing the requirements in drawings of G 15 for the whole road width for subgrade whereas BoQ Bill No. 02 specified G 15 for areas where drainage structures were demolished,
- The quality of the works was poor as evidenced in the failure of the base course and sub base along the road due to inferior material quality and inadequate compaction. The project is still on going

10.0 Dar es Salaam City Council

10.1 Contract No. LGA/018/2013/2014/W/07 LOT 1: Construction of 1.1Km Gravel Road at Pugu Kunyamwezi Dump site. [Contract Values Tshs 84,763,000]

- No Schedule of Drainage for road alignment and Structures e.g. Culverts;
- Design for the road was not available and could not define the width of the road carriage and areas of intervention;
- The BOQ has allowed for traffic accommodation at the sum of TSH, 2,000,000.00
- Some BOQ items were ambiguously written: example, Desalting side drains depth not exceeding 1.5m – 422 m³, Desalting drainage structures – 48 m³ · Open New Drains – 56 m³ ;
- The BOQ allowed Supervision costs amounting to TSH. 4,000,000.00 which the contractor changed to TShs. 2,000,000.00 without approval;
- The works had not been fully commenced due to the inherent rains.

10.2 Contract No. LGA/018/2013/2014/W/07 Lot 2: Spot Improvement works along Pugu Kinyamwezi Dump site (1.2Km). [Contract Values Tshs 42,349,600]

- No Schedule of Drainage for road made alignment and Structures e.g. Culverts;
- Design for the road was not available and could not define the width of the road carriage and areas of intervention;
- Some BOQ items were ambiguously written example; Out of the four bidders, only one did not price the item for supervision which was indicated as N/A. The rest of the bidders amended the document by inserting a rate which is contrary to Regulations,
- Contractor required to insert amount for supervision costs in item 4.0 as L.S “full time” which is ambiguous and difficult to quantify;
- The works had not been fully commenced due to the inherent rains.

11.0 UWASA Dodoma

11.1 Contract No. AE/034/2013-2014/W/03: Trench Excavation and backfilling for New Connection customers. [Contract Values Tshs 69,600,000]

- Inadequate project description, purpose and overall objectives. No technical Specifications for the works. Furthermore, as built drawings requirement were indicated as N/A in the Contract data Sheet.
- No evaluation criteria as well as evaluation Report were observed during the audit; therefore, the evaluation was done adhoc and through experience,
- No progress reports were made available on the status of the works and no quality assurance plan and control were observed for the works,
- No evidence for quality control plan and assurance programme
- Compliance with safety and EMP requirement on site was inadequate and poorly enforced.

12.0 Rorya District Council

12.1 *Contract No. LGA/068/03/W/2013/2014/07: Construction of Two Staff Houses for HODs. [Contract Values Tshs 192,513,500.00]*

- The planning and design was unsatisfactory because apart from ground plan and elevations, there were no any architectural and structural drawings prepared. The BOQs were also unrealistic and specifications prepared were weak. The engineer's estimates prepared were also inaccurate.
- This tender was procured using Competitive Quotation (CQ) but approval on CQ by TB was missing. The Evaluation Committee (EC) consisted of three specialists but appointment letters were missing.
- The approval on award recommendation was given by TB through undated Circular Resolution. Only two unsuccessful bidders were notified on 23rd December 2013 but one was not notified.
- The construction stage was poorly administered. There was no information on whether site possession was done or not. Clause 13 required the Contractor to provide insurance cover, the Contractor did not provide it, and the employer has not taken any step to redress this anomaly.
- Site Instructions were not issued; site Meetings were not held. The supervision of the works was poorly supervised. Payments certificates do not include measurement sheets.
- There was an overpayment of **T.Shs. 11,292,500.00** in IPC No. 1 to the contractor. This amount must be recovered in the next payment certificate.
- Honey combed-concrete was seen with exposed reinforcement steel. The workmanship also on walling was unsatisfactory. In addition, the construction did not comply with scope (Quantum of work done versus specified/paid for). The plinth levels were also incorrect. There was also no manufacturer's certification on corrugated iron sheets to confirm compliance.
- The project had not been completed at the time of this audit but the stages which were audited indicate that the VFM will not be realized if urgent and comprehensive actions are not taken to address the shortfalls observed above.

12.2 *Contract No. LGA/068/03/W/2013/2014/07: PM, RM and Culvert Construction along Buturi - Oliyo - Buturi Road and RM along Buturi - Kasino & Oliyo "A" - Mariwa Shuleni Roads. [Contract Values Tshs 57,099,480.00]*

- Strip maps were not prepared to show location and type of interventions; Culvert drawings were not accurate and contradicted the BOQ [while the drawing showed Grade 20 Concrete for bedding,
- Item 4.3 of the BOQ specified it as Grade 15]. Consequently, Quantities in the BOQ were unrealistically high; Typical crossing of the road showed 6.0 but the culvert width specified on the road was 7.0m.
- Standard Tender Documents were not used. The prospective bidders were given only 28 calendar days to prepare and submit their bids contrary to the requirement of the Third Schedule of G.N. No. 97
- Letter of Acceptance specified contract period of 12 weeks but Clause 20 of SCC specified contract period of ninety in words and 60 in figure.
- Project Manager was not appointed to supervise the construction activities of the project
- No evidence of site possession
- Measurement of works done were not prepared
- Project progress reports were not prepared
- Quality assurance plan was not prepared
- The original completion date was on 27th February 2014 but the project was completed on 11th March 2014 – a delay of 11 days; hence pursuant to clause 26.0 of Contract Data, T.Shs. 628,094.28 was to be deducted as liquidated damages
- The Contractor (M/s Kumba Quality Contractor Ltd) was overpaid a total of T.Shs. 1,267,254.00 .

12.3 *Contract No. LGA/068/03/W/2013/2014/05: Periodic Maintenance, Routine Maintenance and Culvert Construction along Irienyi - Kinesi Road and Kinesi - Kibuyi Road. [Contract Values Tshs 29,883,060.00]*

- Strip maps were not prepared to show location and type of interventions;
- Culvert drawings were not accurate and contradicted the BOQ [while the drawing showed Grade 20 Concrete for bedding, Item 4.3 of the BOQ specified it as Grade 15]. Consequently, Quantities in the BOQ were unrealistically high; Typical crossing of the road showed 6.0 but the culvert width specified on the road was 7.0m.
- Standard Tender Documents were not used contrary to Regulation 83(3) of G.N. No. 97;
- The prospective bidders were given only 28 calendar days contrary to the requirement of the Third Schedule of G.N. No. 97 and Letter of Acceptance specified contract period of 12 weeks but Clause 20 of SCC stated Contract Data specified contract period of ninety in words and 60 in figure.
- Weakness in supervision; Site Instructions were not issued (cases of changed scope were encountered but there were no site instructions to confirm whether they were

under the same scope); The work was rescope with T.Shs. 9,820,000.00 budgeted for RM along Irienyi – Kinesi Road to PM along Kinesi – Kibuyi Road without any Variation Order. Neither was this significant variation approved by TB;

- The supervision of the works was poor supervision. Payments certificates do not include measurement sheets. There was an overpayment of **T.Shs. 6,200,370.94** to the contractor. This project had been completed and retention money released but this amount must be recovered from the Contractor.
- The work done and materials on concrete were visually satisfactory but poor workmanship on concrete and honey-combed concrete was seen on the Box Culvert. The road signs also had started rusting – an indication that they were poorly painted. There were not tests results on gravel materials which were also not adequately compacted.
- The stage of project completion and closure was poorly administered because snag lists were not prepared, management of defects liability period was also poor and final completion reports were not prepared. However, final inspections were carried out.

13.0 Kilindi District Council

13.1 *Contract No. LGA/127/W-RF/04/2013/2014: Periodic Maintenance of Songe - Mvungwe – Lwande (19km) Road. [Contract Values Tshs 332,211,000.00]*

- Inadequate drawings in the bid i.e. bar bending schedule was provided, there was inaccurate estimate of quantities which resulted in increase of quantities in the BOQ and hence additional amount of Tshs 37,687,000.00 on the contract.
- Change of scope of works at Chainage 4+300 for construction of 1.2 x 1.2 x 6m box culvert instead of 1200mm. This CP Culvert and at chainage 3 + 300 for construct 15 pieces of 900mm instead of 1200mm indicated that planning was not done adequately.
- Design of structures along the project route was not properly done. Some places required box culverts but concrete pipe was installed. As a results during the rainfall most of structure were eroded or partly demolished by water
- Evaluation Committee did not sign the code of ethical conducts. The Lowest evaluated bidder, Mzinga Holding Company Ltd with bid price of Tshs 228,654,200 was unfairly disqualified on ground that the price was 15% lower than the Engineer Estimates.
- The tender was awarded to Crotch Company Ltd at TShs. 294,524,000 which increased the PE procurement costs by TShs. 65,869,800.
- The council did not communicate awards decisions to PPRA for publication in the procurement journal and website and the unsuccessful bidders were not informed on the outcome of the procurement process
- Site management meetings were not held. Performance security was not submitted. Although quality control plans were part of the specifications, quality assurance plans were not prepared.
- Progress Reports were not prepared and submitted by the project manager. In accurate and incorrect measurements sheets were provided in all interim payment certificates.

- Contractor was overpaid by Tshs. **6,464,000.00/=** due to re-measured and for works not done.
- Change in scope of works at Chainage 4+300 for construction of 1.2 x 1.2 x 6m box culvert instead of 1200mm CP Culvert and at chainage 3 + 300 for construct 15 pieces of 900mm instead of 1200mm and also variation order No. 2 due to cut and fill at the project area estimated at Tshs 37,687,000 were not approved by the Tender Board.
- Some works were not done or were omitted, but full amount was paid.
- Test results were not made available. Workmanship was also fair but in certain areas of the culverts structures the workmanship was observed to be poor.
- Final completion report was not made available. The contract quantities in the BOQ and paid works are over exaggerated either by omission, incompetence or pure fraud.

13.2 *Contract No. LGA/127/W-RF/01/2013/2014: Routine Maintenance of Kwekiyu- Ngeze (14km), Songe - Mvungwe (8km) and Spot Improvement of Makelele - Komsala - Kukunde Road (21km). [Contract Values Tshs 91,133,500.00]*

- Design of Drainage structures along the project route was not properly done. Some places required box culverts but concrete pipe was installed. As a results during the rainfall most of structure have been eroded or partly demolished by water. Inadequate drawings in the bid i.e. no bar bending schedule provided
- Unsuccessful bidders were not notified on the outcome of the tender process. The council did not communicate awards decisions to PPRA for publication in the procurement journal and website.
- valuation Committee Members did not sign code of ethical conduct
- No Site management meetings were held.
- No quality assurance plans or material testing were done. However, the council paid TShs. 570,000 for test of materials.
- Progress reports were not prepared and submitted. measurements sheets were not provided in all interim payment certificates.
- Some works were not done or omitted but full amount was paid. Contractor was overpaid by Tshs. **7,980,610.40/=** due to re-measured and works not done.
- Test results were not made available for review by the AT.
- Final completion report was not available. The contract quantities in the BOQ and paid works were over exaggerated either by omission, incompetence or pure fraud.

13.3 *Contract No. LGA/127/W-DEV/27/2011/2012: Construction of Sambu Bridge at Mnadani - Sambu - Pagwi Road. [Contract Values Tshs 96,170,000.00]*

- The Bridge was not designed instead standard drawings were adopted as a results completed before the project The bridge structure was washed away with floods in the river.

- The design did not reflect the site conditions as a result the bridge was washed away by floods. Site investigation and hydrological studies were not done.
- Detailed Drawings were not included in the bills of quantities and contract document. The Contract document was not properly modified. While the Letter of acceptance indicated the duration of the assignment to be 21 weeks, clause 1 of SCC indicated as 20 weeks.
- No evidence was provided to prove that this tender was actually advertised to the public; tender evaluation did not fully adhere to the evaluation criteria specified in the tender documents; and unsuccessful bidders were not notified on the outcome of the tender process and PPRA was not notified on the award of contract.
- The Contract was signed on 11th June 2012. However the site possession date was indicated as March 2012. There was no evidence that performance security was provided in accordance with clause 54 of the special condition of contract.
- Site management meetings were not held and no quality assurance plans or material testing were done. Furthermore Progress Reports were not prepared and submitted.
- The works have been suspended for a year now and there were no explanations as to when the contractor will re-mobilised. The Council paid Tshs 41,294,345.00 for works which were demolished by floods.
- The qualities of executed works were not assessed as the bridge structure was washed away by floods.
- At the time of audit the project had not been completed and therefore this indicator was not assessed

13.4 *Contract No. LGA/127/DEV/02/2012/2013: Construction of Storm Water Drainage along Songe Town Roads. [Contract Values Tshs 39,000,000.00]*

- The BOQ did not reflect the work on site. The Total length of the storm water drainage as measured by the audit team was 248m against 800m as provided in the Bills of quantities. This largely indicated that planning and design was not adequately done
- Unsuccessful bidders were not notified on the outcome of the tender process. Evaluation Committee did not sign the code of ethical conducts and responses for arithmetic errors were not attached in the evaluation report,
- Site Possession was not done. Management meetings were not held. Progress reports were not prepared and submitted. Measurements sheets were not provided in all interim payment certificates. Some works were not done or were omitted but full amount was paid. Contractor was overpaid by Tshs. **24,011,900/=** for re-measured and for works not done and variations were not approved by the TB
- The quality of executed works were poor and the workmanship was also very poor
- Substantial completion certificate was not issued. Neither compilation of snag list nor evidence of as-built drawings. Final completion report was not available

13.5 *Contract No. LGA/127/W-REF/03/2012/2013: Periodic Maintenance of Songe Town Roads (15km). [Contract Values Tshs 198,925,500.00]*

- There were a number of variations and re-scoping of works as per letter from the District Engineer dated 20th January 2013 which largely indicated that planning was not adequately done.
- Quantities in the BOQ were merely based on estimates as planning and design was not done.
- Design calculations for drainage structure were not available and Bar bending schedule was not included in the BOQ
- The evaluation team recommended M/S Wintu Co. Ltd to be awarded the tender at TShs. 198,925,500.
- Evaluation criteria were not properly used during the evaluation. Criteria like financial reports, adequacy of working capital, work programme, experiences in similar works, volume of works were used during preliminary examination of bidders to assess their eligibility which was not proper.
- Evaluation report did contain all the necessary attachments like personal covenant, read out bid prices, clarification request and their responses on the outcome of the tender process,
- Unsuccessful bidders were not notified. The council did not communicate awards decisions to PPRA for publication in the procurement journal and website.
- Progress Reports were not submitted. Project completion was delayed but extension was granted for unviable justification. Performance security was not submitted in accordance with clause 54 of SCC.
- Test of materials were not done. Change of scope of works done via the letter with Ref: KDC/R.50/13/5 dated 20th January 2013 were not approved by the tender board.
- Payment for retention fund was delayed for five months. No evidence of site possession.
- Inspection Reports were not prepared. Measurement of works on site was not adequately done, The bills of quantities was not updated despite of the works re-scoping that was done by the District Engineer,
- Some works were not done or was omitted but full amount was paid. Contractor was overpaid by Tshs. 59,925,690.00 for re-measured and for works not done.
- The quality of executed works was poor and the workmanship was also very poor.
- Substantial completion certificate was not issued. Neither compilation of snag list nor evidence of as-built drawings, Final completion report was not available

14.0 Lushoto District Council

14.1 *Contract No. LDC.130/RF-02/2013/2014: Periodic Maintenance of Lushoto Town Paved Roads. [Contract Values Tshs 597,117,800.00]*

- Inadequate drawings in the bid i.e. no bar bending schedule was provided. Works re-scoping amounting to Tshs 164,071,500 indicated that planning was adequately not done.

- Inaccurate estimate of quantities which resulted to increase of quantities in the BOQ hence overpayments and design calculations for drainage structures were not available.
- Unsuccessful bidders were not notified on the outcome of the tender process.
- The council did not communicate awards decisions to PPRA for publication in the procurement journal and website.
- Requests and responses for arithmetic errors were not attached in the evaluation report. Tender evaluation recommended the award be made at TShs. 595,117,800.00 but the Contract was signed for TShs. 597,117,800 hence overpayments of TShs 2,000,000/=
- Project progress reports were not prepared. No information was provided to attest if payment for certificate No.1 amounting to TShs 248,899,050 dated 28th April 2014 was processed within 28 days as stated in the contract.
- Measurement of works on site was not adequately done and hence it resulted in overpayments.
- Tender evaluation recommended the award be made at TShs. 595,117,800.00 but the Contract was signed for TShs. 597,117,800 hence overpayments of TShs 2,000,000.
- No quality assurance plans was observed. In accurate and incorrect measurements sheets were provided in all interim payment certificates.
- Contractor was overpaid by Tshs. **65,895,180** /= for re-measured and for works not done and some works were not done or were omitted but full amount was paid. To a large extent, the contract was poorly administered
- Workmanship was also fair but in certain areas of the culverts structures the workmanship was observed to be poor.
- This project was still under construction and therefore the completion and closure stage was not done

15.0 Mkinga District Council

15.1 *Contract No. LGA/133/2013-2014/W/S/W/08: Construction of Roof Top Rainwater Harvesting Systems for the Government Offices and staff Houses at Kasera Town. [Contract Values Tshs 197,017,000.00]*

- Inadequate drawings in the bid i.e. no drawings and bar bending schedule were provided for the water tanks,
- Inaccurate estimate of quantities which resulted in increase of quantities in the BOQ hence overpayments,
- Requests and responses for arithmetic errors were not attached in the evaluation report,
- Quality of inspection reports were not available or observed,
- Site possession was not done,
- No timely issuance of site instructions,
- No site meeting,
- Project progress reports and Quality assurance plan were not prepared,

- Measurement of works on site not adequately done,
- Works completion were delayed for three months until 27th March 2013 but no liquidated damages imposed,
- Contractor was overpaid by a total of Tshs. **3,920,000 /=-** for re-measured and for works not done.

16.0 Kasulu District Council

16.1 *Contract No. KSDC/W/2013/2014/26: Routine, Spot Improvement and Periodic Maintenance of Road Works Package 01.[Contract Values Tshs 242,520,000.00]*

- The project was not in the procurement plan. There was no evidence to show that the selection of roads to be included in the project was done on the basis of the inventory and condition survey,
- The tender documents were not complete and missed vital documents such as strip maps,
- There was no evidence that the Council engineer prepared a detailed engineering estimate.
- Unsuccessful bidders were not notified on the outcome of the tender process,
- The tender evaluation reports lacked the necessary documents such as the tender opening records, tender adverts, and confirmation of error corrections and not adhering to award criteria contained in the solicitation documents
- The council did not publish the tender awards contrary to regulation 21 and 97(12) of GN No. 97 of 2005,
- There were no records of handing over the site to the contractor contrary to Clause 23.1 of the general conditions of contract.
- The Supervising Engineer, that is, the District Engineer, did not have qualified staff to supervise the project. No person was appointed to supervise the project contrary to Clause 1.1 of the GCC. Furthermore, The project had no programme of works,
- There was no evidence that the project had a quality assurance programme and Environmental management plan,
- Most of the information required for effective implementation of the Construction stage were not available; general correspondences, progress reports, site instructions record; minutes of site meetings; and material testing records ,
- Project time was not properly managed. At the time of the audit of the project had delayed by 20 days, no extension of time was requested by the contractor or action taken by the Council,
- The road surface along had ruts in some section and excessive loose material indicating poor compaction.
- The roads were not done according to the standard road cross sections as per contract. The contractor was paid TZS 23,400,000.00 for work that was poorly done as follows:
 - Town Roads:
 - Item 2.2 Light reshaping TZS 13,000,000,00 for 10km

- Kasulu – Kabanga Road
- Item 2.2 Light Reshaping -TZS 6,500,000.00 for 5km
- Kabanga - Msambara Road,
- Item No 2.2 Light Reshaping –TZS 3,900,000.00 for 3km.
- The quantities of gravel for spot improvement and periodic improvement on completed section along Kasulu – Kabanga Road were significantly low compared to the contract quantities for Periodic Maintenance 475.31 (Contract 687.50), and Spot Improvement 62.33 (Contract 137.5M³).

16.2 *Contract No. Construction of Conference Hall for Kasulu District Council Occupying 1500 Square Metres together with services and drainage system. [Contract Values Tshs 351,849,000.00]*

- The council had no design reports for architectural and structural designs,
- There were no detailed architectural working drawings.
- Generic specifications were used and there was no specifications specific for the project. The BOQ was inaccurate and incomplete. It omitted important items such as Preliminaries and General items, Roof gutter, and had inaccurate quantities for major items of construction such concrete and reinforcement, leading to excessive variation amounting to 74% of the original contract,
- There was no evidence of the detailed cost estimate by the consultants being prepared.
- Most information on the tender process were missing including: Tender advert and submission of bids; Appointment and composition of tender evaluation committee; (iii) Publication of award; Tender evaluation report; Notification of unsuccessful bidders;
- The project had no programme of works, The quality of contractor’s staff was poor, The project had no site agent at the time of the audit, the contractor had no site office.
- There was no evidence that the project had a quality assurance programme,
- Neither did the contractor submit the performance nor did the Council demand it contrary to Clause 54 of the GCC and Clause 25 of the SCC.
- There was no evidence of the risk insurances for the project and no the environmental management plan,
- Most of the information required for effective implementation of the Construction stage were not available; such as general correspondences; progress reports, site instructions record; minutes of site meetings; and material testing records;
- The project had a cost overrun of TZS 261,149,607.00 which is 74% of the original contract sum arising out of re-measurements, additional works and change in specifications or design. The variations could not be assessed because some of the works were already covered and there was unavailability of some the documents.
- The project had an overall delay of 25 months by the time of this audit (26th July 2014). There was no evidence of assessing the application for extensions of time where granted or applying liquidate damages.

- The workmanship was generally fair with a few items exhibiting poor workmanship such as wall not being plumb, uneven gutter soffit and roof truss welding joints ;
- The functional requirements were not met as revealed by the wrong dimensions for the balcony as well as executive secretary and secretaries offices on the ground floor;
- The quality of roof structure was poor in that small steel pipe of 50mm diameter instead of 76mm pipes were used and welding joints had sludge inclusions.
- The contractor had no environmental management plan and had very poor site housekeeping,

17.0 Kibondo District Council

17.1 *Contract No. LGA/041/2013-2014/W/05: Periodic Maintenance and Routine Maintenance of Kibondo District Council Roads Package 4 (Bridge at Kumayi and Katunguru Rivers). [Contract Values Tshs 139,303,000.00]*

- There was no evidence to show that the selection of roads to be included in the project was done on the basis of the inventory and condition survey,
- The tender document was not complete and missed vital documents such as strip maps,
- There was no evidence that the Council engineer prepared a detailed engineering estimate,
- There was no evidence of the appointment of the tender evaluation committee,
- The award was based on the engineers estimate, a criteria not contained in the tender dossier,
- Unsuccessful bidders were not notified on the outcome of the tender process,
- The council did not publish the awards and the tender evaluation report lacked the necessary documents such as the tender opening records, tender adverts, confirmation of error corrections,
- The pricing of major items of construction was not consistent as evidence by prices for concrete for which the contractor quoted for TZS 400,000.00 for both concrete Class 20 and Class 30. The market price for Class 30 for Kibondo was TZS 350,000.00 up to Tshs 400,000.00.
- Possession of time was not properly managed and the Contractor was provided with the site that could not be accessed leading to the contract delay of 52 days and necessitated shifting of one of the bridge from Kumwayi River to Nankuye - Migombani because the Council had not acquired the right of way,
- The project had no programme of works and there was no evidence that the project had a quality assurance programme,
- There was no evidence of the Environmental management plan,
- Most of the information required for effective implementation of the Construction stage were not available; such as general correspondences;
- Site instructions, progress reports, site instructions record; minutes of site meetings; and material testing records,

- The quality of workmanship was generally poor especially for Kumwayi bridge,
- The quality of materials used especially the aggregates for concrete was poor and could not attain Class 30 concrete specified,
- The bridge members at Kumayi (Nakuye) had uneven surfaces due to bulging of concrete and honey combs,
- The bridges had dimension which were not consistent with the drawings. All bridges did not much the standard drawings,
- The bridge slab at Katunguru river was skewed and misaligned with the walls and partly falling outside the supports at both ends,
- Fill and gravel at both ends was not compacted,
- Up to certificate NO 3, the contractor was overpay **TZS 42,644,600.00** as for work not done and of poor quality as follows:

a) Kumwayi (Nankuye Bridge)

1) Preliminary and General Items:

Exploration excavation and laboratory testing TZS 975,400.00. Only one test for base concrete was done for TZS 25,600/=

2) Substructure and Superstructure:

Item 2.5 Class 30 concrete TZS 2,852,000.00 for 7.13M³

Item 2.7 Fill to raise approaches embankment TZS 3,388,000.00 for 274M³

3) Road Works:

Item 3.2 Gravel Wearing Course TZS 16,320,000.00 for 1360M³ Gravel

Item 3.3 Stone Masonry TZS 1,354,300.00 for 4.6M³

b) Katunguru Bridge

1) Preliminary and General Items:

Exploration excavation and laboratory testing TZS 1000,000.00. No test was done,

2) Substructure and Superstructure:

Item 2.7 Fill to raise approaches embankment TZS 3,388,000.00 for 274M³

3) Road Works:

Item 3.2 Gravel Wearing Course TZS 16,320,000.00 for 1360M³ Gravel

Item 3.3 Stone Masonry TZS 1,354,300.00 for 4.6M³

18.0 Ukerewe District Council

- 18.1** *Contract No. LGA 092/2013-2014/W/SEDP II/02: Completion, Construction and Provision of School Building Facilities at Nduruma Secondary School. [Contract Values Tshs 205,073,025.00]*

- Structural details were missing;
- Evaluation report did not include relevant and mandatory attachments,
- Publication of awards was not done contrary to Regulations 21 and 97(12) of G.N. No. 97,
- Project Managers was not appointed to supervise the construction activities of the project as required by Reg. 243(1) and 252 of GN No. 446 of 2013.
- Contrary to Clause 15 the contractor did not submit updated programme within seven days,
- Clause 7 of SCC required the contractor to provide insurance cover but the same was not provided,
- Clause 26 of SCC required the contractor to provide performance security of 10% of contract price but there was no evidence that this contractual requirement was complied with.
- The work done and materials used were of unsatisfactory quality. Specifically, there was no manufacturer's certification on corrugated iron sheets used; 25mmx250mm fascia board was specified and paid for but 25mmx200mm was used; and Cracks on wall and foundation on Laboratory and classrooms were observed.
- Project completion and closure was poorly administered. Except for issuing of substantial completion certificate, other requirements under this stage were not documented. Snag list was not prepared, and management of defects liability period was poor.

19.0 Musoma Municipal Council

19.1 *Contract No. LGA/064/2012/2013/Q/N/04: Construction of One Block of Two Classrooms at Mwisenge Primary School. [Contract Values Tshs 23,989,718.00]*

- The planning and design was fair but structural drawings were missing. Dimensions on architectural drawings were also incorrect. Details on windows and door were not prepared,
- Standard tender documents were not used, evaluation report did not include all the relevant attachments, and prospective bidders were not given adequate time to prepare their bids, Furthermore, project manager was not appointed to supervise the construction activities of the project,
- The construction stage was poorly administered because there was no evidence of site possession; and no information on start and completion dates. Site meetings were not held and site instructions were not issued, project progress reports were not prepared.
- The contract period was not stated in neither the form of agreement nor letter of acceptance. In addition, Payments were not based on actual quantities done and measurement prepared were incorrect leading to a total overpayment of **T.Shs. 3,785,760.16.**
- Manufacturer's certification for corrugated iron sheets used was missing. There were also serious cracks on walls and potholed floor. In addition, the quality of timber used for roof trusses was untreated while treated timber was specified and paid for.

- The Employer did not timely act upon contractor's requests. example: a request for extension of time was submitted on 4th March 2013 but it was responded to on 30th April 2013 – 57 days later. There were also no records to ascertain when the project was declared substantially complete

20.0 Tabora Municipal Council

20.1 Contract No. TMC/LGA/124/RF/2012-2013/02: Periodic Maintenance of Uledi-Ipuli, Majengo and Isike Roads in Tabora Municipality. [Contract Values Tshs 171,906,000.00]

- Specifications used were prepared for tarmac roads which are not suitable for gravel roads.
- There was a delay of almost 3 months with no contractual remedy as per SCC,
- Quality Assurance program for this project was not developed as a result adherence of it could not be determined.
- Tests for material used in the structures were not done, furthermore, Contrary to the requirement of the Cl.54 of GCC, Performance bond was not submitted.
- No progress reports, no extension of time, the project delayed for 3 months and no liquidated damages was recovered from the contractor.
- Final report which was prepared following termination was incomplete as it misses key components such as final priced BoQ.
- The project site was not seen (visited) by the auditors as it was claimed that the site has tarmac on it.

21.0 Shinyanga Municipal Council

21.1 Contract No. LGA/112/2013-2014/RF/W/10: Culvert Construction along Kamarage (2No.), Mwamashela (4nn.), Ndembezi (4No.), Kitangili (4No.), Mwasele (2no.), Majengo mapya (4no.) within Shinyanga Municipality. [Contract Values Tshs 75,390,000.00]

- The project was not in the APP.
- Contrary to the requirement of the GCC, Performance bond was not submitted.
- The specifications are not in line with the GCC example Sec. 1.04 of Specs (Sureties) which refers Cl. 10 of GCC (Language of Tender),
- Quality Assurance program for this project was not developed as a result adherence of it could not be determined.
- Tests for material used in the structures were not done.
- Contrary to the requirement of the GCC, Performance bond was not submitted.
- No measurement sheets were prepared and attached with the IPC for payments.
- Details of VO no.1 of TSh.3,588,000.00 (10th June 2014) was not found.
- About 75% of all completed works are defective. Substantial Completion Certificate was not prepared though the project was substantially completed and as a result snags were not identified and the DLP was ending.

22.0 Songea District Council

22.1 Contract No. SDC/LGA/102/TN/W/12/2013/2014: Rehabilitation of Mpitimbi - Mbinga Mhalule Road. [Contract Values Tshs 333,132,000.00]

- No design as well as calculations of the masonry abutment bridge structure. Drawings that were specified in the bid/contract documents were inadequate. The drawings lacked bar bending schedule, abutment as well as pier foundation details.
- The Evaluation report did not include necessary and relevant attachments such as tender adverts, minutes of bid opening minutes and technical details of the evaluation.
- No evidence of the signing Code of ethics and attached to the evaluation report. The contract agreement included tender data sheets contrary to the standard contract Documents issued by PPRA. None of the awards was published in the newspapers or submitted to PPRA for publication in PPRA's website and Journal.
- No site possession on the contracts reviewed was done within the prescribed time in the contract. No site management meetings were held during the project implementation period
- No project progress reports as well as management meetings were observed. No measurements sheets were provided in all interim payment certificates.
- No cleanup of the site. Windrows left on the edge of the road Poor quality of Concrete works on the culverts constructed i.e. headwalls and wing walls.
- Average Road Width along Mpitimbi - Mbinga Mhalule Road is 3.75m, therefore, contractor was overpaid on gravel by Tshs. 30,175,000 (3,017.50m³ of gravel).
- Poor workmanship and compaction of the bridge approaches contrary to the specifications in the contract. No Road Signs were erected on site.
- Total Amount overpaid was Tshs. 17,900,000.00. Poor and Shoddy work on the bridge structures (I.e. Deck, stone masonry abutments)
- No River Training amounting to Tshs. 47,775,000/= Additional works: Apart from site clearance, no activity was done despite the approval and payment of Tshs. 14,503,000.
- As-built drawings requirement made N/A in the Contract data Sheet
- No snag list were prepared, site handover minutes. records or any other site instructions issued with respect to the defects on the works executed were not provided. No final project reports as well as site handover management meetings records were observed.

23.0 Kinondoni Municipal Council

23.1 Contract No. KMC/DCQ/2/W/2013/2014: Upgrading of Maandazi Road 1.0Km from Gravel to Tarmac Level. [Contract Values Tshs 799,018,900.00]

- The project was not included in the procurement plan and lacked detailed designs;
- The project was procured using Competitive Quotations a method which is above the required thresholds of Tshs, 100,000,000 (PPR, 2005) and Tshs 200,000,000 (PPR, 2013);

- Contractor was issued with instructions for Variation order No. 1 to provide 6 Nr, service ducts for DAWSCO without proper details;
- The Contractor provided test results for compaction tests prepared and issued by C-Lab. The materials form was not signed for approval. This creates doubts for the produced results;
- The road vertical profile / alignment were not available and site marks indicate heavy fill at the beginning of the road up to CH 0+120 at a corner. Furthermore, the OGL was not immediately established as to whether the alignment could be improved at the corners;
- There exists a playground at the first and second corners which will be considerably at lower level than the FL of the road;
- The contract period has elapsed and no time extension has been granted; Contractor was issued with Site Instructions for relocation of DAWASCO, TTCL and TANESCO services and for each Bill submitted by the statutory undertakings they have added 10% special attendance and 25% profit and Overheads. From the Audited Accounts of Del Monte for years 2007-2010 the profit range in the Company is 1.5%.The overhead range is 11.88%;
- The Site instruction No. 1 for PVC Class C service ducts 300 mm – 6 Nr service ducts had insufficient specification details and the Contractor’s price of TZS 1,850,000 was not analyzed;
- Site Instruction for demolition of existing structure was improperly measured in 500m³ instead of following the SMM for demolition items.;
- The compaction tests were done at C-Labs (TZ). The test result Form lacked approval signatures. Point where test samples were taken was not indicated;
- There was no evidence that all adjustments for Provisional Sums Variation resulting from Engineer’s Instructions amount to **TZS 135,826,290.19** were approved by the Tender Board; The road is on going.

23.2 *Contract No. LGA/017/2012/2013/W/09/LOT 01: Proposed Construction of Box Culvert at Mburahati kwa Mwinyi. [Contract Values Tshs 161,649,800.00]*

- The drawings were inadequate for construction of the Box culverts, so was the Bar bending schedules not provided. This was specifically noted for the Twin Cell Box Culvert which has not been constructed up to the time of the audit -May 2014;
- The provision for approach roads (incoming and outgoing) is inadequate and requires to be revised in the design to avoid fills at the approaches being washed away by storm;
- Adequate study was not undertaken as it appears the works were being done at a pressure
- The feasibility study report of the project was not available and the APP was not prepared;
- Two bidders were evaluated but in the post-qualification the evaluation team indicated the post-qualification was carried out to 1st ranked bidder “M/S GIMMEX Construction Ltd who was not among the two bidders who had submitted bids (SKOL Building Contractors Ltd and SERICO Company). The bid for SKOL had an

arithmetic error of 5,000,000.00 in which the bidder did not accept corrections but the contract was drawn with the corrected bid price. The report was accepted by PMU and processed by Tender Board and the contract was awarded to M/S SKOL Building Contractor;

- The Acceptance letter for the said project was issued on 23rd July, 2013 however, the site handing over was done on 10th January, 2014, commencement date on 18 January 2014 with the completion period of 3 months ending on 18th April, 2014;
- Explanations are required why the project is delayed for so long from issuance of acceptance letter to handing over the site and completion. The project has not started and it is not clear if the Contractor's Performance is still valid or the rates quoted in 2013 are still valid now!
- The location is at a valley with some invaded constructions on the river upstream and on the sideways;
- Some of the structures are in the vicinity of the construction site which have to be removed or massive protection should be considered during construction;
- The project was not yet started while the contract period was almost coming to an end;
- No technical staff was assigned to supervise the project. This situation has led some of the projects to be improperly done / executed or not executed at all;
- No reports were available in the project files or reported in the quarterly reports. Quality of Environmental Management Plan (EMP) was missing.

ANNEX 5 - 4: UNJUSTIFIED PAYMENTS MADE TO CONTRACTORS FOR FY 2013/14

S/N	Name of the PE	No of Projects	Project Name	Contract Amount	Category	Detected Overpayment	Remarks
1	Kigoma District council	1	Contract No. LGA/043/2013/2014/W/2-Lot 5: Routine Maintenance of Pasua - Bitare 13Km, and Periodic Maintenance of Biture - Bubango 9.1Km Road.	82,711,500.00	Road	17,655,803.33	The overpayment was detected on gravel wearing course for 706.23m ³ .
2		2	Contract No.KDC/043/2013/2014/W/2 - Lot 1: Routine Maintenance of Kalinzi - Kitwanga 19.9Km, and ChankabwimbaMakongoro 13Km (Package 1).	51,269,000.00	Road	9,748,333.33	The Contractor was overpaid on gravel wearing course for 243.71 m ³ which was not included into the work.
			Subtotal	133,980,500.00		27,404,136.66	
2	Kibondo District Council	3	Contract No. LGA/041/2013 - 2014/W/02: Routine and Periodic Maintenance of Kibondo District Council Roads Package 1.	132,205,000.00	Road	29,253,274.18	The contractor was overpaid on gravel wearing course for 2287.46 m ³ . The road had no gravel at all.
		4	Contract No. LGA/041/2013-2014/W/05 for Periodic Maintenance and Routine maintenance of Kibondo District Roads(Construction of Box Culverts at Kumwayi and Katunguru Rivers)	139,303,000.00	Road	42,644,600.00	The contractor was overpaid for some of the works which were not done and some of the works done but with poor quality.
		5	Contract No. LGA/041/CTB-15/2012-2013/W/17 for Construction of Piped water Supply and Civil works at Kiduduye and	1,224,401,273	Water	352,800,000	The contractor was overpaid for supply and installation of pipes for Rising Main

S/N	Name of the PE	No of Projects	Project Name	Contract Amount	Category	Detected Overpayment	Remarks
			Kagezi Villages in Kibondo District Council.				and Distribution System while there was no pipeline constructed.
			Subtotal	1,495,909,273.00		424,697,874.18	
3	Tarime District Council	6	Contract No. LGA/067/2013/2014/W/01 Package 2: for Periodic Maintenance along Kemakorere - Borega Road.	102,998,500.00	Road	6,624,600.00	Payments were made not based on the actual quantities measured on site.
		7	Contract No: LGA/067/2013/2014/W/01 Package 3 for Periodic Maintenance along Gwitiryo - Pemba - Kitagutiti	108,314,800.00	Road	4,560,000.00	The payments were made not based on the actual quantities measured on site.
	Musoma Municipal Council	8	Contract No. LGA/064/2012/2013/Q/W/04: Construction of One Block of Two Classrooms at Mwisenge Primary School.	23,989,718	Building	3,565,122.66	Payments were made not based on the actual quantities measured on site.
		9	Contract No. LGA/064/2012/2013/Q/W/02: Construction of Waste Disposal Point (Ghuba), Market Butchers and Installation of 10 Televisions.	30,988,240	Civil works	1,109,803.20	Payments were made not based on the actual quantities measured on site.
		10	Contract No. LGA/064/2012/2013/W/01: Periodic Maintenance, Spot Improvement and Culverts Construction along Buhare Roads	102,998,500	Bridge	9,749,846.00	Payments were made not based on the actual quantities measured on site.
			Subtotal	211,313,300.00		11,184,600.00	

S/N	Name of the PE	No of Projects	Project Name	Contract Amount	Category	Detected Overpayment	Remarks
		11	Contract No. LGA/064/2012/2013/W/02: Periodic Maintenance along Nyasho - Majita, Mwisenge - Misango and Mwisenge - Majengo Roads.	75,290,000	Road	25,059,730.00	Payments were made not based on the actual quantities measured on site.
			Subtotal	233,266,458.00		39,484,501.86	
5	Ukerewe District Council	12	Contract No. LGA 092/2013-2014/W/RF/01: RM along Nansio Urban Roads (9.0Km), PM along Nansio Urban Roads (4.0Km) and Nansio - Malegea Road (4.3Km).	236,637,218	Road	1,329,750.00	Payments were made not based on the actual quantities measured on site.
		13	Contract No. LGA 092/2013-2014/W/RF/02: Spot Improvement along Bugombe - Namangamba - Murutunguru Road (4.0Km), SI along Murutanga - Buzegwe Road (4.5Km), Namagondo - Bulamba Road (5.2Km), SI along Bulamba - Musozi Road (3.0Km) and Repair of Chamato Box Culvert	56,659,860	Road	1,334,986.25	Payments were made not based on the actual quantities measured on site.
		14	Contract No. LGA 092/2013-2014/W/RF/03: Routine Maintenance along Igalla - Selema Road (6.2Km), SI along Muhula - Kahama - Igalla Road (8.4Km), Halwego - Mukunu - Kameya Road (4.1Km), Kiozu - Busiri Road (2.7Km), Igongo - Kameya Road (3.8Km), Muriti	91,522,900	Road	36,120	Payments were made not based on the actual quantities measured on site.

S/N	Name of the PE	No of Projects	Project Name	Contract Amount	Category	Detected Overpayment	Remarks
			- Itira - Ihebo Road (5.0Km) and Repair of Kahama Box Culvert				
			Subtotal	384,819,978.00		2,700,856.25	
6	Maswa District Council	15	Contract no. LGA/109/2012/2013/W/RF/03/7: Periodic Maintenance of Handuki - Nyashimba 12.5 Km and Structures of Handuki - Nyashimba (Culverts)	114,775,000	Road	40,060,000.00	Measurements sheets which reflected the actual quantities at site were not considered when payments were made to the contractor.
		16	Contract No. LGA/109/2013/2014/W/05: Construction of Simply supported bridge and repair of Solid Drift along Bugarama - Msela - Wigelekelo Road	90,802,000	Bridge	22,324,100.00	Measurements sheets which reflected the actual quantities site were not considered when payments were made to the contractor.
		17	Contact No.LGA/109/2012/2013/W/04/RT/ 07: Structures of Bushitala - Masanwa (Bridges) and Spot improvement of Bushitala - Masanwa road (10Km0 and Periodic Maintenance of Isangeng'he - BudekwaMwabaraturu Road (6Km)	169,850,000	Road	19,016,000.00	Measurements sheets which reflected the actual quantities atsite were not considered when payments were made to the contractor.
		18	Contract No. LGA/109/2012/2013/CQ/W/ 27: Completion of Kizungu Dispensary Phase One.	50,000,000	Building	5,738,610.00	Measurements sheets which reflected the actual quantities at site were not

S/N	Name of the PE	No of Projects	Project Name	Contract Amount	Category	Detected Overpayment	Remarks
		19	Contract No. LGA/109/2012/2013/ CQ/W/ 18: Renovation of Maswa District Hospital Buildings.	49,749,360	Building	10,377,077	considered when payments were made to the contractor. Measurements sheets which reflected the actual quantities at site were not considered when payments were made to the contractor.
			Subtotal	360,401,360.00		57,455,787.00	
7	Kishapu District Council	20	LGA/108/2012/2013/Mwigumbi/ SEDP I/ APL: Completion of School Building and Provision of School Building Facilities at Mwigumbi Secondary School.	187,239,750	Building	60,508,850.00	The contractor was overpaid on the exaggerated quantities and non existing works.
		21	Contract No.LGA/108/2012/2013/ Ngofera /SEDEP II/APL: Completion of Construction and Provision Building Facilities at Ngofila Secondary School	151,650,000	Building	10,179,950.00	The contractor was overpaid on the exaggerated quantities and non existing works.
		22	Contract No. LGA/108/2011/2012/ Mipa Sec/ C.02: Construction of Mipa Hostel	108,085,195	Building	46,541,227	The contractor was overpaid on the exaggerated quantities and non existing works.
			Subtotal	446,974,945.00		117,230,027.00	

S/N	Name of the PE	No of Projects	Project Name	Contract Amount	Category	Detected Overpayment	Remarks
8	Mwanza City Council	23	Contract No. LGA/089/2012/2013/W/11/03: Spot Improvement works along MajengoMapya (0.4Km) Pasiansi - Lumala (0.5Km) and Periodic Maintenance Works along Kijiji - Bigbite (1Km) and Breweries (0.5Km)	65,032,304.80	Road	14,669,062.41	Payments effected without considering the actual measurements taken from the site.
		24	Contract No. LGA/089/2012/13/W/11/03: Construction of Stone Pavement Road (Lying of Stone Pavement Wearing Course) Along Sweya Road (5.3Km), Ihumilo Road (0.54Km), Capripoint - Maji Road (0.2Km) and Nyakurunduma Road (0.5Km)	590,114,500.00	Road	147,233,200.00	The contractor was paid for the works which did not exist at site. Also there were exaggerated quantities paid for.
		25	Contract No. MCC/089/2012/2013/W/11: Construction of Stone Pavement at Capripoint - Maji (0.2Km) and Nyakurunduma - Mkuyuni (0.5Km) Road witinNyamagana and Mkuyuni Ward	115,764,500.00	Road	37,452,245.00	The contractor was overpaid on the exaggerated quantities and non existing works.
		26	Contract No. MCC/089/2012/2013/W/11: Construction of Stone Pavement at Ihumilo (0.675Km) and Sweya Road (0.53km) within Mkolani Ward	198,137,700.00	Road	500,000	The contractor was overpaid on the exaggerated quantities and non existing works.
			Subtotal	1,647,366,318.32		359,775,524.24	

S/N	Name of the PE	No of Projects	Project Name	Contract Amount	Category	Detected Overpayment	Remarks
		27	Contract No. MCC/089/2011/2012/W/42: Completion of 10 holes Toilet Block, Class partition and Water Harvesting at Kilimani Secondary.	22,886,520.00	Building	6,278,688.00	The contractor was overpaid on the exaggerated quantities and non existing works.
		28	Contract No. MCC/089/2011/2012/W/07: Construction of Mother and Child Clinic at Utemini Area within Mwanza City Council (Makongoro Clinic)	853,568,493.52	Building	153,642,328.83	The Contractor was paid over and above the contract price of Tshs. 853,642,328.830 without justification.
9	Kilindi District Council	29	Contract No. LGA/127/W-REF/03/2012/ 2013: Periodic Maintenance of Songe Town Roads (15km).	198,925,500.00	Road	59,925,690.00	The overpayment was observed on re-measured and works not done
		30	Contract No. LGA/127/DEV/02/2012/2013: Construction of Storm Water Drainage along Songe Town Roads	39,000,000.00	Civil works	24,011,900.00	The overpayment was observed on re-measured and works not done
		31	Contract No. LGA/127/W-RF/01/2013/2014: Routine Maintenance of Kwekivu- Ngeze (14km), Songe - Mvungwe (8km) and Spot Improvement of Makelele - Komsala - Kukunde Road (21km)	91,133,500.00	Road	7,980,610.40	The overpayment was observed on re-measured and works not done
		32	Contract No. LGA/127/W-RF/04/2013/ 2014: Periodic Maintenance of Songe- Mvungwe - Lwande (19km) Road.	332,211,000.00	Road	6,464,000.00	The overpayment was observed on re-measured and works not done
			Subtotal	661,270,000.00		98,382,200.40	

S/N	Name of the PE	No of Projects	Project Name	Contract Amount	Category	Detected Overpayment	Remarks
10	Lushoto District Council	33	Contract No. LGA/LDC.130/W/MIVARE/ 2012/13/01: Rehabilitation of Mkatooni – Kinko – Kireti – Kwai Road	668,685,000	Road	77,388,000.00	The contractor was overpaid on the exaggerated quantities and non existing works.
		34	Contract No. LDC.130/RF-02/2013/2014: Periodic Maintenance of Lushoto Town Paved Roads.	597,117,800.00	Road	65,895,180.00	The overpayment was observed on re-measured and works not done
		35	Contract No. LDC/WMDRO/RF/2012/2013: Spot Improvement on Nyasa – Hetoye Road and Bridge works at Dule	76,000,000.00	Road	7,659,300.00	The overpayment was observed on re-measured and works not done
			Subtotal	1,341,802,800.00		150,942,480.00	
11	Mkinga District Council	36	Contract No. LGA/133/2012/2013/RF/W/01: Construction of Bosha Bridge and Periodic Maintenance of Mianzini – Bosha Road	90,358,500.00	Bridge	17,075,500.00	The contractor was overpaid on the exaggerated quantities and non existing works.
		37	Contract No. LGA/133/2013-2014/RF/W/02: Periodic Maintenance of Mwakijembe – Ngambo, Duga – Mwakijembe and Duga – Mwakikonge Road .	61,250,000.00	Road	2,430,000.00	Payments effected without considering the actual measurements taken from the site.
		38	Contract No. LGA/133/2013-2014/RF/W/06: Periodic Maintenance, Routine Maintenance and Spot -Improvement of Kasera Town Roads, Stakishari – Mkinga –	61,739,000.00	Road	3,632,440.00	The overpayment was observed on re-measured and works not done.

S/N	Name of the PE	No of Projects	Project Name	Contract Amount	Category	Detected Overpayment	Remarks
			Kasera JCT, Stakishari - Mwandusi, Mtimbwani Msimbazi, Kizingani - Gandikeni - Kwale and Kwale - Kichalikasi Roads.				
		39	Contract No. LGA/133/2012/2013/RF/W/04: Periodic Maintenance of Mwakijembe - Mgambo and Duga - Mwakijembe Road.	120,142,000.00	Road	6,687,500.00	Payments effected without considering the actual measurements taken from the site.
		40	Contract No. LGA/133/2013-2014/WS/W/08: Construction of Roof Top Rainwater Harvesting Systems for the Government Offices and staff Houses at Kasera Town.	197,017,000.00	Civil works	3,920,000.00	Payments effected without considering the actual measurements taken from the site.
			Subtotal	530,506,500.00		33,745,440.00	
12	Bunda District Council	41	Contract No. LGA/065/2013-2014/W/RF/04: Routine Maintenance, Spot Improvement, Periodic Maintenance and Installation of Culverts on Guta - Bulamba - Kasuguti Road	96,390,000.00	Road	10,445,000.00	The contractor was paid for the works which did not exist at site. Also there were exaggerated quantities paid for.
		42	Contract No. LGA/065/2013-2014/W/RF/09: Routine Maintenance, Spot Improvement, Periodic Maintenance and Installation of Culverts on Package IX: Bitaraguru - Kiwasi and Bunda - Nyasana - Kabasa Roads	94,743,000.00	Road	5,300,000.00	Payments effected without considering the actual measurements taken from the site.

S/N	Name of the PE	No of Projects	Project Name	Contract Amount	Category	Detected Overpayment	Remarks
		43	Contract No. LGA/065/2013-2014/W/LCDG/ 03: Spot Improvement and Installation of Culverts on Bulamba - Mwiruruma Road	69,450,000.00	Road	8,453,000.00	This overpayment was observed on re-measured and works not done
		44	Contract No. LGA/065/2013-2014/W/RF/01: Upgrading of Bunda Town 1.35Km Road Gravel Road to Bituminous Standard.	676,234,941.00	Road	13,807,025.00	The contractor was paid for the works which did not exist at site. Also there were exaggerated quantities paid for.
			Subtotal	936,817,941.00		38,005,025.00	
13	Butiama District Council	45	Contract No. LGA/BTM-DC/2013-2014/W/ 33: Routine Maintenance & Periodic Maintenance along Biatika - Rwamkoma - Butiama Road.	73,374,000.00		14,457,900.00	Payments effected without considering the actual measurements taken from the site.
		46	Contract No. LGA/BTM-DC/2013-2014/W/ 40: Routine Maintenance, Spot Improvement, Periodic Maintenance and Installation of Culverts along Kitaramanka - Magunga - Busegwe Road	124,126,000.00		14,727,800	The contractor was paid for the works which were not existed at the site. Also there were exaggerated quantities paid for.
			Subtotal	197,500,000.00		29,185,700.00	

S/N	Name of the PE	No of Projects	Project Name	Contract Amount	Category	Detected Overpayment	Remarks
14	Rorya District Council	47	Contract No. LGA/068/03/W/2013/2014/07: Construction of Two Staff Houses for HODs	192,513,500.00	Building	11,292,500.00	The overpayment was observed on re-measured and works not done
		48	Contract No. LGA/068/03/W/2013/2014/07: PM, RM and Culvert Construction along Buturi - Oliyo - Buturi Road and RM along Buturi - Kasino&Oliyo "A" - MariwaShuleni Roads.	57,099,480.00	Road	1,267,254.00	The overpayment was observed on re-measured and works not done
		49	Contract No. LGA/068/03/W/2013/2014/05: Periodic Maintenance, Routine Maintenance and Culvert Construction along Irienyi - Kinesi Road and Kinesi - Kibuyi Road	29,883,060.00	Road	6,200,370.94	The overpayment was observed on re-measured and works not done
			Subtotal	279,496,040.00		18,760,124.94	
15	RAS -Lindi	50	Contract No. RAS-006/2012/2013/HQ/W/04: Construction of Domitory at Ilulu Girls Secondary School.	51,359,000.00	Building	11,125,500.00	Payments effected without considering the actual measurements taken from the site.
		51	Contract No. RAS-006/2012/2013/HQ/W/03: Construction of Division Office at Lindi - Sudi	53,176,900.00	Building	11,176,000.00	Payments effected without considering the actual measurements taken from the site.
			Subtotal	104,535,900.00		22,301,500.00	

S/N	Name of the PE	No of Projects	Project Name	Contract Amount	Category	Detected Overpayment	Remarks
16	Iramba District Council	52	Contract No. LGA/118/2011/12/W/WSDP/ 23-4: LOT No. IRAD D4: Construction of Boreholes Pumped Schemes (Pump Houses, Pipe Network, Water Storage Tanks, Water Points and Cattle Troughs) for IGUGUNO Sub project in Iramba District	847,099,550.00	Water	29,551,470.00	The overpayment was observed on re-measured and works not done
		53	CONTRACT No: LGA/118/2010/11/W/ WSDP/23-2: Lot No. IRAD C2: Construction of Boreholes Pumped Schemes (Pump Houses, Pipe Network, Water Storage Tanks, Water Points and Cattle Troughs) for KIDARAFI Sub Project in Iramba District.	225,402,025.20	Water	3,612,393.00	Payments effected without considering the actual measurements taken from the site.
		54	Contract No. LGA/118/2011/2012/W/01-LOT 12: Package I: Periodic Maintenance: Kidarafa-Malaja-Nkito; Package II: Spot Improvement: Kisuluiga-Muntamba-Nkinto; Package III: Structures: Nkalakala-Mwanga&Kisuluiga-Muntamba-Nkinto	58,974,800.00	Road	5,650,000.00	The overpayment was observed on re-measured and works not done
			Subtotal	1,131,476,375.20		38,813,863.00	
17	Singida Municipal Council	55	Contract No. LGA 115/SMC/2012/2013/No. 16: Construction of Water Supply Civil Works for Unyanga Village.	498,154,668.00	Water	24,319,391.12	The contractor was overpaid on the exaggerated quantities and non existing works.

S/N	Name of the PE	No of Projects	Project Name	Contract Amount	Category	Detected Overpayment	Remarks
		56	Contract No. LGA 115/SMC/2012/2013/No. 17: Construction of Water Supply Civil Works for Kisaki Village.	551,178,075.00	Water	1,300,000.00	The contractor was overpaid on the exaggerated quantities and non existing works.
		57	Contract No. LGA/115/2012/2013/W/No.4-LOT 2: Emergency repair of Kisasida - Unyambwa - Irumgi Drifts.	27,572,000.00	Bridge	8,770,000.00	The contractor was overpaid on the exaggerated quantities and non existing works.
		58	Contract No. LGA/115/SMC/2013/2014/W/ No. 1: Spot Improvement of Majengo - Unyamikumbi Road.	42,831,100.00	Road	7,840,000.00	The contractor was overpaid on the exaggerated quantities and non existing works.
			Subtotal	1,119,735,843.00		42,229,391.12	
18	Kondoa District Council	59	Contract No. LGA/021/RF/2012/2013/75: Upgrading Kondoa Township Roads to Bitumen Standard	339,887,500.00	Road	28,787,494	Payments effected without considering the actual measurements taken from the site.
		60	Contract No. LGA/021/2012/2013/W/10/ 049: Upgrading of Magereza Junction-Kondoa District Hospital Road to double Surface Dressing Standard	200,982,518.00	Road	33,721,001.93	The contractor was overpaid on the exaggerated quantities and non existing works.
			Subtotal	540,870,018.00		62,508,495.93	

S/N	Name of the PE	No of Projects	Project Name	Contract Amount	Category	Detected Overpayment	Remarks
19	Songea District Council	61	Contract No. SDC/LGA/102/TN/W/12/2013 /2014: Rehabilitation of Mpitimbi - Mbinga Mhalule Road.	333,132,000.00	Road	110,293,000	The contractor was paid for the works which did not exist at site. Also there were exaggerated quantities paid for.
			Subtotal	333,132,000.00		110,293,000.00	
			Total	12,091,175,549.52		1,685,100,527.58	

ANNEX 5 - 5: ASSESSMENT OF RED-FLAGS FOR THE PROJECTS WITH CORRUPTION LIKELIHOOD

S/No.	Procuring entity	Contract/tender	Pre-bid phase (%)	Evaluation and award phase (%)	Contract management phase (%)	Project Average score (%)
1.	Chamwino District Council	LGA/019/2013/2014/W/08 for construction of the Proposed Office Block for Chamwino DC at Chamwino Township	30.0	20.0	20.51	23.50
		LGA/019/2013/2014/W/09 Lot 1 for completion, construction and Provision of School Building Facilities at Msanga Sec School	18.18	10.0	42.86	23.68
2.	Dodoma Municipal Council	LGA/020/2012/2013/W/23 for Completion, construction and Provision of School Building Facilities at Mbalawala Sec School	0.0	5.00	46.15	14.89
		LGA/020/2013/2014/NCT/W/02 for Periodic Maintenance of Martin Luther-Swaswa, SI Nzunguni-Mahomanyika, RM UjenziwaNyumbu, Cana, UnjenziwaNyumbu&Swaswa Culverts	0.0	5.56	38.46	13.33
		LGA/020/2013/2014/NCT/W/03 for Periodic Maintenance of Ipagala - Swaswa, Spot Improvement of Ipagala West and Construction of Culvert Ipagala West	0.0	5.26	50.0	15.56
		LGA/020/2013/2014/NCT/W/04 for periodic Maintenance of Mhande-Chololo, Chololo Road, construction of Drift and Routine Maintenance of Ntyuka Road	0.0	5.26	50.0	15.56

S/No.	Procuring entity	Contract/tender	Pre-bid phase (%)	Evaluation and award phase (%)	Contract management phase (%)	Project Average score (%)
3.	Kondoa District Council	LGA/021/2012/2013/W/68 for completion, construction and Provision of School Building Facilities at Goima Sec Sch, Kondoa DC	7.14	45.0	21.05	26.42
		LGA/021/RF/2012/2013/75 for upgrading Kondoa Township Roads to Bitumen Standard	35.71	25.0	42.86	33.33
		LGA/021/2012/2013/W/74 for construction of Ward Grade 2 at Kondoa DC	42.86	15.0	7.14	20.83
4.	RAS Lindi	LGA/021/2012/2013/W/10/049 for Upgrading of Mageeza Junction-Kondoa District Hospital Road to double Surface Dressing Standard	61.54	33.33	53.85	48.79
		RAS - 006/2012/2013/HQ/W/01 for construction of COTC Dormitory at Nachingwea Nursing School	9.1	21.4	62.5	31
		RAS - 006/2012/2013/HQ/W/01	9.1	23.1	71.4	34.5
		RAS - 006/2012/2013/HQ/W/03 for Construction of Division office at Lindi District - Sudi	9.1	21.4	71.4	39
		RAS - 006/2012/2013/HQ/W/04	9.1	21.4	71.4	34
		RAS - 006/2013/2014/HQ/S/01	8.33	15.4	25	16
		RAS - 006/2013/2014/HQ/S/02	8.33	7.7	40	18.67

S/No.	Procuring entity	Contract/tender	Pre-bid phase (%)	Evaluation and award phase (%)	Contract management phase (%)	Project Average score (%)
5.	Kilwa District Council	LGA/055/HQ/W/2012/2013/01	9.1	12.5	28.6	16.7
		LGA/055/HQ/R/2013/2014/02	0	12.5	33.3	15.3
		LGA/055/HQ/W/2012/2013/03	9.1	18.8	37.5	21.8
		LGA/055/HQ/R/2013/2014/04	0	12.5	66.7	26.4
		LGA/055/HQ/B/2012/2013/05	9.1	18.8	100	42
		LGA/055/HQ/R/2013/2014/06	9.1	18.8	42	23.3
		LGA/055/HQ/R/2012/2013/03	12	12.5	33.3	19.3
		LGA/055/HQ/R/2012/2013/09	0	6.7	40	15.6
		LGA/O55/HQ/5/2013/2014/22	18	13.3	33.3	21.5
		AE/049/2013-14/NC/02	60	46.15	50.00	51.72
6.	LUWASA					
		ME/007/2013-14/HQ/C/01	0	23.1	0	7.7
		MOHSW/2013-14/W/25	11.1	15.4	100	42.2
		MOHSW/2013-14/HQ/G/08	18.2	7.7	100	42
		MOHSW/2013-2014/HQ/G/06	18.2	7.7	100	42
		MOHSW/2013-2014/HQ/G/10	18.2	7.7	100	42
		ME/007/2013-14/HQ/G/EAPHLNP/01	18.2	15.4	62.5	32
		MOHSW/2013-14/HQ/G/001	0	7.7	100	35.9
		MOHSW/2013-14/HQ/G/05	0	7.7	100	35.9
		ME/007/2013-2014/HQ/G/03	27.3	7.7	100	45.00
7.	Ministry of Health and Social Welfare	MOHSW/2012-2013/HQ/G/04	0	15.4	100	38.5

S/No.	Procuring entity	Contract/tender	Pre-bid phase (%)	Evaluation and award phase (%)	Contract management phase (%)	Project Average score (%)
8.	Maswa District Council	MOHSW / 2012-2014/G/QUOT/02	18.2	15.4	62.5	32.0
		MOHSW / 2013-14/G/01	0	7.7	83.3	30.5
		MOHSW / HQ / 2013-2014/G/02	0	7.7	83.3	30.8
		LGA / 109 / 2012 / 2013 / W / RF / 04 / 7 for Periodic Maintenance of Hinduki - Nyashimba Road 12.5 km and Structures of Hinduki - Nyashimba (Culverts)	0.0	5.0	50	18
		LGA / 109 / 2012 / 2013 / W / 04 / RT / 07 for Structures of Bushitala - Masanwa (Bridges) and Spot improvement of Bushitala - Masanwa road (10kms) and Periodic Maintenance of Isageng'he - Budekwa - Mwaraturu road (6kms)	0.0	5.0	50	18
		LGA / 109 / 2012 / 2013 / CQ / W / 27 for Completion of Kizungu Dispensary Phase One	0.0	5.0	50	18
		LGA / 109 / 2012 / 2013 / CQ / W / 18 for renovation of Maswa District Hospital Buildings	0	5.56	52	19
		LGA / 109 / 2012 / 2013 / CQ / W / 12 Renovation of Maswa Girls Secondary School, Drainage and Plumbing System	100	100	100	100

S/No.	Procuring entity	Contract/tender	Pre-bid phase (%)	Evaluation and award phase (%)	Contract management phase (%)	Project Average score (%)
9.	Mwanza City Council	LGA/089/2012/13/W/9/10 for spot Improvement Works along MajengoMapya (0.4km), PasiansiLumala (0.5km) and Periodic Maintenance works along Kijiji – Bgbite (1km) Roads Within Mwanza City	8.33	11.11	37.50	19.57
		LGA/089/2012/13/W/11/03 forconstruction of Stone Pavement Road (Lying of Stone Pavement Wearing Course) Along Sweya Road (5.3km), Ihumilo Road (0.54km), Capripoint – Maji Road (0.2km) and Nyakurunduma Road (0.5km)	0.0	11.11	23.08	11.
		MCC/089/2012/2013/W/11 forConstruction of Stone Pavement at Capripoint – Maji (0.2km) and Nyakurunduma – Mkuyuni (0.5km) Road within Nyamagana and Mkuyuni Ward)	0.0	20	38.46	16.28
		MCC/089/2012/2013/W/11 forconstruction of Stone Pavement at Ihumilo (0.675km) and Sweya Road (0.53km) within Mkolani Ward	0.0	11.11	38.46	16.28
		MCC/089/2011/2012/W/07 for Construction of Mother and Child Clinic at Utemini Area within Mwanza City (Makongoro Clinic)	100	100	100	100

S/No.	Procuring entity	Contract/tender	Pre-bid phase (%)	Evaluation and award phase (%)	Contract management phase (%)	Project Average score (%)
10.	Kishapu District Council	LGA/108/2012/2013/ for Mwigumbi/SEDP I/APL for Completion of construction and provision of School Building Facilities at Mwigumbi Secondary School	0.0	20	53.33	24.49
		LGA/108/2012/2013/Ngofera/ SEDP II/APL for Completion of Construction and Provision of School Building Facilities at Ngofila Secondary School	0.00	20	53.33	24.49
		LGA/108/2011/2012/MipaSec/C.01 for construction of Mipa Hostel	100	100	100	100
		LGA/108/2013/2014/RE/W/03 for Routine and Spot Improvement of Mhunze - Iganga - Mwamashela - Muhunze - Lubaga, Kishapu - Mwakipoya and M/Lohumbo - Masangala Roads	8.33	16.67	100	16.13
11.	Iramba District Council	No. LGA/118/2010/11/W/ WSDP/23-3: LOT No. IRAD C3 for construction of Borehole Pumped Scheme	8	19	50	26
		No. LGA/118/2010/11/W/ WSDP/23-2: LOT No. IRAD C2 for construction of Borehole Pumped Scheme at Kidarafa	8	17	58	26

S/No.	Procuring entity	Contract/tender	Pre-bid phase (%)	Evaluation and award phase (%)	Contract management phase (%)	Project Average score (%)
12.	Mafia District Council	<p>LGA/008/2013/2014/W/2013/2014 (Lot I-III) for Construction of Borehole, pumped piped scheme (pump house, water storage tank, domestic water points, pipes network, chambers, supply and installation of submersible pump and diesel generator) for Kungwi village</p> <p>MDC/CTB/CW/2012/2013 (LOT I-II) for Construction of Water supply piped scheme (Pump house, supply and installation of submersible pump and generator, water tank, water points, pipes network and chambers) for Bweni village</p> <p>LGA/008/2013/2014/W/01 (package I-IV) for Routine Maintenance, Spot Improvement, and Culvert Installation along Kilimahewa-Mdungani Roads, Routine Maintenance, Spot Improvement and Culvert Installation along Kibaoni - Chemchem Road, Routine Maintenance along Mwembemtu - Usewe, Spot Improvement along Mwembemtu - Mlongo Road</p>	0	35	6.3	16.3
			0	35	6.3	16.3
			7.7	25	13.3	16.7

S/No.	Procuring entity	Contract/tender	Pre-bid phase (%)	Evaluation and award phase (%)	Contract management phase (%)	Project Average score (%)
13.	MTUWASA	MTUWASA/TB-WSDP/CC01/2008/09 for Supervision Consultancy Services for Water Supply Project Immediate Works for Mtwara Municipality and Masasi and Nachingwea Township	0	0	26.7	8.3
14.	DAWASCO	Tender No. AE/032/2013-2014/HQ/G/01 for supply of chemicals	0	30	33.3	22.45
		Tender No. AE/032/2013-14/HQ/NC/01 & 02 for security services	0	35	6.7	16.3
		Tender No. AE/032/2013-14/HQ/G/6, 7, 17 & 23 for supply of pipes and fittings	7.1	30	13.3	18.4
15.	Mkinga District Council	LGA/133/2013-14/RF/W/02 for periodic Maintenance of Mwakijembe - Ngambo, Duga - Mwakijembe and Duga - Mwakikonge Road	8.33	0.0	43.75	17.39
		LGA/133/2013-2014/RF/W/06 for periodic Maintenance, Routine Maintenance and Spot -Improvement of Kaseru Town Roads, Stakishari - Mkinga - Kaseru JCT, Stakishari - Mwandusi, MitimbwaniMsimbazi, Kizingani - Gandikeni - Kwale and Kwale - Kichalikani Roads	7.14	0.0	29.41	11.76

S/No.	Procuring entity	Contract/tender	Pre-bid phase (%)	Evaluation and award phase (%)	Contract management phase (%)	Project Average score (%)
16.	Bunda District Council	LGA/065/2013/W/LGCCD/03 for SI and Culverts Installation along Bulamba - Mwiruruma Road (8Km)	8	9	21	13
		LGA/065/2012-2013/W/RF/11 for RM, SI, PM and Culverts Installation along Bunda Township Roads (31Km)	6	12	33	26
		LGA/065/2013-2014/G/18 for Procurement of office stationeries	7	22	18	20
17.	Butiama District Council	Supervision of Construction of Piped Water Supply at Kamugendi Village	16	10	36	21
		LGA/BTM-DC/2013-2014/W/20 for Completion of Maternity Ward at Butiama Hospital Phase III	8	6	36	17
		LGA/BTM-DC/2013-2014/W/40 for RM, SI, PM and Installation of Culverts along Kitaramanka - Magunga - Busegwe Road	8	6	29	14
		LGA/BTM-DC/2013-2014/W/31 for RM along Kyasuke - Ryamisanga - Masurura, Bugunga - Buruma - Kiabakari, Mwibagi - Kwigutu - Nyasirori & Nyamika - Ryamugabo - Mayani Roads	8	6	29	14
		LGA/BTM-DC/2013-2014/W/33 for RM & PM along Biatika - Rwamkoma - Butiama Road	8	6	29	14

17.	Butiama District Council	LGA/BTM-DC/2013-2014/W18 for Construction of Piped Water Supply Systems at Kamugendi Village	8	6	29	14
		LGA/BTM-DC/2013-2014/W/38 for Rehabilitation 8km of Mwibagi-Kwigutu-Nyasirori Road	12	8	22	14
		LGA/BTM-DC/2013-2014/W/39 for Rehabilitation 8km of Nyamika-Ryamugabo-Mayani Roads	12	8	22	14
		LGA/BTM-DC/2014-2015/ 22A, 22B & 22C for Revenue collections at 42 different centres	8	6	28	14
		LGA/BTM-DC/2013-2014/G/23 for fumigation	10	7	36	18
		Internet and Email connection	10	7	36	18
		Maintenance contract services	10	7	36	18
		LGA/BTM-DC/2013-2014/G/03 for Procurement of Diesel	6	6	22	11
		Examination Expenses	6	5	22	11
		LGA/BTM-DC/2013-2014/G/12 for Procurement of Medicines	6	5	30	14
		LGA/BTM-DC/2013-2014/G/17 for Procurement of Petrol	6	5	30	14
		LGA/BTM-DC/2013-2014/G/16 for Procurement of School meals	6	5	30	14
		LGA/BTM-DC/2013-2014/G/20 for procurement of uniform and ceremonial Dresses	6	5	30	14

S/No.	Procuring entity	Contract/tender	Pre-bid phase (%)	Evaluation and award phase (%)	Contract management phase (%)	Project Average score (%)
18.	Rorya District Council	LGA/068/03/W/2013/2014/07 for Construction of Periodic, RM & Culvert Construction along Buturi-Oliyo - Buturi Road and Routine MR Buturi - Kasino&Oliyo-MariwaShuleni Roads. LGA/068/03/W/2013/2014/09 for RM along Randa - Masike - Busanga - Nyarombo&Omoche - Masike SI along Kirogo - Michirobi Roads LGA/068/03/W/2013/2014/05 for PM and RM along Irienyi - Kinesi and Kinesi - Kibuyi Roads LGA/068/03/W/2013/2014/11 for RM along Bukama - Kyangasaga, Omoche - Nyabikondo, Omoche - Manyanyi, Omoche - Radienya - Kirogo - Ryamang'ang'a&Kyangasanga - Isegere Roads LGA/068/03/W/2013/2014/01 for RM along Mirare - Rodi, Kogaja - Kopanga&Nyambogo - Mirare Roads; SI along Nyamusi - Panyakoo& Culvert Construction along Nyambogo - Mirare Roads. LGA/068/03/W/2013/2014/03 for SI along Shirati - Michire, Shirati - Mnigo - Rwang'enyi, Mnigo - Momba - Mnigo - Nyahongo and Minigo - Mombasa Roads.	33	12	33	26
			33	12	20	22
			33	12	40	28
			33	12	13	19
			33	12	13	19
			33	12	27	24

		LGA/068/04/W/2014/2014 for Construction of two Proposed Staff Houses for HODs	27	6	42	25
		LGA/068/08/NC/2013/2014 for Transportation of Maize form Shinyanga to Rorya	13	12	27	17
19	The Mwalimu Nyerere Memorial Academy	LGA/068/01/NC/2013/2014 for Revenue Collection (Agents)	30	6	11	16
		PA/022/2012-2013/MNMA/W/01	30.7	0	84.6	34.8
		Provision of Security Services	60	0	20	36
20	Ilala Municipal Council	LGA/015/2012/2013/W/01 LOT 07	0.0	0.0	37.5	10.2
		LGA/015/IMC/2013/2014/W/02/ LOT 01	0.0	0.0	31.25	10.6
		LGA/015/IMC/2012/2013/W/07/ LOT 01	0.0	0.0	25	8.3
		LGA/015/IMC/2012/2013/W/01/ LOT 3	0.0	0.0	31.5	10.6
21	Dodoma Urban Water and Sewerage Authority (DUWASA)	AE/034/2013/2014/W/03	27.27	18.18	0.00	14.29
22	Capital Development Authority	AE/021/2013/2014/G/09	27.27	7.14	0.0	11.11
		AE/021/2012/2013/W/04-phase 2	0.0	0.0	27.27	6.98
23	Temeke Municipal Council	LGA/016/W/13-14/Q03	18	5.2	21	14.6
		LGA/016/W/13-14/Q07	23	0	20	14.3
		LGA/016/W/13-14/Q55	21	0	20	13.7
		LGA/016/W/2013-2014/Q56/LOT 2	14	0	21	11.8

24	Ministry of Communication, Science and Technology	ME/006/2012/2013/TANZICT/MCST/G/09	25	0.0	25	16.7
		ME/006/RCIP/2013/2014/HQ/G/04	20	0.0	33.3	17.8
25	Medical Store Department	Supply of National Flag Mlingoti	18.18	11.11	25	18.09
26	Registration and Insolvent Trustee Authority (RITA)	ME 012/2013-14/EAAPP/C/32	28.57	20.0	6.25	18.27
27	Hanang District Council	LGA/059/2013/2014/W/04B	18	17	25	20
28	Monduli District Council	MDC/LGA/004/2013-2014/GVT/CONT/W/09	18	17	25	20
		MDC/LGA/004/2013-2014/RF/CONT/W/10	14	5	33	18
		MDC/LGA/004/2013-2014/RF/CONT/W/08	14	5	33	18
		MDC/LGA/004/2012/2013/CONT/W/05	38	36	33	36

