Chinese firm on the spotlight for inflating cost of road project

BY SIMON MASABA

A multi-billion road construction contract awarded to China Communication Construction Company (CCCC) is in the spotlight over allegations of inflated costs and violation of the procurement processes.

The project was the upgrading of the 107km Mubende-Kakumiro-Kagadi road, in which the Uganda National Roads Authority (UNRA) officials are being faulted for abuse of office.

The Kampala Capital City Authority (KCCA) contracts committee meeting of November 9, 2015 approved the award of contract for the road project to M/s CCCC at sh484b, inclusive of all applicable taxes.

Sources revealed that at the time, KCCA offered UNRA support in terms of expertise to the contracts committee. However, details emerged that the original contract price had been hiked from sh364b, according to UNRA engineers.

A UNRA document of best evaluated bidder, seen by *Saturday Vision*, under procurement reference number UNRA Works 2013-14 00015/01 01 open bidding, indicates that Kolin Insaat was the best bidder for the road project, with a contract price sh315b.

Five road construction firms — Kolin, SBI/RCC, CCCC, Mot-Engil and Sinodyro competed for the road project under open international biding. After review, SBI/RCC and CCCC did not qualify after they failed the 'technical bid.'

A re-invitation of CCCC and another firm (name withheld), that did not participate in the first phase under restricted international bidding, is still a point of contention by both UNRA and the Inspector General of Government (IGG).

However, *Saturday Vision* has learnt that UNRA awarded the contract to CCCC under unclear circumstances at a mind-blowing figure of sh484b.

A CCCC letter signed by Ding Jianming, a manager at the road construction firm, addressed to the UNRA's head of procurement and disposal unit, indicated that the price of the bid is sh484b.

"Why did they (UNRA) go under restricted bidding and award the contract at sh484b to a firm that did not even qualify?" a UNRA official, who spoke to *Saturday Vision* on condition of anonymity, faulted colleagues.

"I am irritated with the calls I receive from the IGG's office and statement recordings all the time, including at Police," said the official.

In August 2014, the director of procurement, Eng. Godfrey Ssambwa, wrote to Jianming, notifying him of the technical bid evaluation result, which they had failed to meet.

"Reference is made to your bid for the design and build for upgrading Mubende-Kakumiro-Kagadi road (107km). The evaluation of the technical bids has been completed and I regret to inform you that your bid did not satisfy the technical/qualification requirement specified in the bidding document and will consequently not be considered at financial comparison stage," Ssambwa wrote.

Subsequently, CCCC, through Jianming, wrote to UNRA seeking administrative review.

In his reply to CCCC, the then UNRA acting executive director, James Okiror, noted that observations left only one project among the three cited in the technical bid that fulfils the bidding requirement, instead of a minimum of two projects that were required from the foregoing.

UNRA awarded the contract to CCCC under unclear circumstances at a mind-blowing figure of sh484b, up from sh364b.

Okiror faulted CCCC for failure to provide evidence of past experience in the form of 'employer issued completion certificates' and use of new road design technologies undertaken by bidders in order to maximise the benefits of recent design innovations.

"I regret to inform you that I have not found merit on grounds cited in your application for administrative review and, accordingly, reject the application," Okiror noted.

He also stated that a one Zhang Weidong signed both correspondences in relation to the bidders' complaint.

"Weidong is, however, neither the donor nor one on the powers of attorney enclosed in the bid. There was no special authorisation for Weidong to represent CCCC on matter related to this bidding," Okiror observed.

He added: "This contravenes the objective of appointing an authorised representative in a bidding process and provisions of clause 4(2) (a) of the PPDA (administrative review) regulations, 2014."

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