



**Busy.** Employees work on a road construction project. Many road construction companies have threatened to stop bidding for road construction works due to delays in awarding contracts to the selected bidders. FILE PHOTO

## Firms warn on delayed UNRA road contracts

BY MISAIRI THEMBO KAHUNGU  
mkthembo@ug.nationmedia.com

**KAMPALA.** Potential contractors are threatening to pull out of road construction works in Uganda over delayed contract awards for major projects.

For more than a year now since the bidding process, the Uganda National Roads Authority (Unra) is yet to award contracts for the multi-billion construction projects for Busega-Mpigi expressway and the Masaka-Bukakata road.

Four of the firms that bid for the two projects said they were now uncertain when the winning bids would be announced, but warned of reluctance to participate in any more Unra projects. The bidders preferred anonymity because they still have a stake in the current projects.

### Busega-Mpigi expressway

For the Busega-Mpigi expressway, government acquired a \$151 (about Shs543 billion) loan from the African Development Bank (AfDB), whereas the Masaka-Bukakata road is to be worked on for \$70m (about Shs203 billion) in a loan from the Islamic Development Bank (IDB).

The Busega-Mpigi expressway is meant to decongest the current one-lane road from Kampala to Mpigi and also connect to Rwanda to boost trade in the region.

The Masaka-Bukakata road is to cater for easy connection to the island district of Kalangala on Lake Victoria.

But *Saturday Monitor* has learnt that the Dubai-based Al Naboodah, the lowest evaluated bidder for the 41-kilometre Masaka-Bukakata road, has since withdrawn from undertaking the works to upgrade it from gravel to paved standard. The bidder cited delays in the award of the contract and the company's loss of interest in working in Uganda as reasons for their pullout.

In a letter dated March 27, 2018,

Mr Swaidan Saeed Juma Al Naboodah, the group's executive vice chairman, notified Ms Esther Kusima, then Unra acting director for procurement, that his company was no longer interested.

"Further to our bid submission dated 5th May 2017, we regret to inform you that Al Naboodah Construction Co. LLC shall no longer be pursuing or participating in the project. Due to the time that has elapsed since the initial bidding date, a restructuring of our company and revised risk assessment, our board has decided not to pursue any further projects in the region at this point in time," the letter reads in part.

When this newspaper contacted Al Naboodah Construction Company to confirm authenticity of the letter, the Group Corporate Communication and Marketing Department revealed in an e-mail last month that the decision was reached after unfruitful 11 months of waiting.

Al Naboodah had been picked as lowest priced bidder during the bid opening with a bid price of Shs141.5 billion. This would save nearly Shs60 billion of about Shs203 billion of the loan government acquired from the Islamic Development Bank.

But one other bidder questioned why it had taken one year to declare the winners since the bids were opened.

"...In the future, our company may not take part in such bidding processes again since it is almost becoming a common practice," said an official of one of the firms that bid on the Busega-Mpigi expressway project.

### Unra says...

Commenting on the project, Unra spokesperson Mark Ssali confirmed that Al Naboodah had withdrawn from undertaking the works on the Masaka-Bukakata road. He said Unra had proceeded to offer the works contract to the second best bidder.

"The process delayed due to complaints by whistleblowers. After the best evaluated bidder had withdrawn, we proceeded to award the second best. But we still had to go through the same process and get all the necessary approvals" Mr Ssali said.

Mr Ssali, however, did not name the second lowest bidder, who has now been awarded the contract, neither did he confirm whether the contract has been officially signed.

### Busega-Mpigi saga

Meanwhile, there is fear among some of the about 10 firms that bid for the construction of the Busega-Mpigi expressway that the project may never takeoff since it has also taken long for a contract to be awarded.

"We are fearing that the Busega-Mpigi expressway project may soon face the same problems as the Masaka-Bukakata one because Unra has kept everyone in suspense. If the lowest bidder has issues, why can't they give the project to someone else?" the source asked.

This newspaper did not independently establish the results of the bid opening for this project, but it has learnt it involved several Chinese firms, an Italian firm, one from Angola and another from South Africa.

But Mr Ssali remained tightlipped over the issues of delayed awarding of the Busega-Mpigi road contract, whose procurement process has also delayed for more than a year.

The loan agreement between the government of Uganda and AfDB was signed by then Finance minister Maria Kiwanuka in 2011, with hope to have construction works completed within two and half years upon release of the funds.

The money for this project was released by AfDB in 2016 and the agreement signed by current Finance minister Matia Kasajja with the bank represented by Mr Gabriel Negatu. Works and Transport minister Monica Azuba Ntege and Unra executive director Allen Kagina witnessed the signing ceremony.

At the time, Mr Kasajja warned Unra against delays in implementation of loan-funded projects and risks of persistent low absorptive capacity for loaned funds, foreign grants and domestic resources.