

# Forgeries edge out local suppliers

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**T**he Civil Aviation Authority (CAA) recently echoed concern over rampant forgeries of documents by local suppliers, in a bid to win tenders during the procurement process.

According to Godfrey Matovu, the CAA head of procurement, foreign suppliers have continued to dominate the chain of supply, taking 50% of the total supply to the airport in the 2015/16 financial year.

He says although CAA spent sh110.8b on procurement last year, half of the money was spent on paying foreign service providers due to the failure by local suppliers to meet procurement requirements.

"The main cause of the suspension and elimination of local suppliers was forgery of documents during the tendering process," he says.

Samuel Woneha, the manager for upcountry airports, says document forgeries have greatly increased over the past, leading to delays in decision making and further costs in verifying submitted papers.

Woneha says local suppliers have also consistently supplied poor quality goods despite agreed specifications in the contract bids and also failed to



Director of Public Prosecutions, Mike Chibita, Prime Minister Dr Ruhakana Rugunda, Inspector General of Government Irene Mulyagonja and ethics and Integrity minister Fr. Simon Lokodo during the launch of the national anti-corruption strategy. Statistics by the World Bank indicate that Uganda loses sh510b per year in corruption

deliver the goods in time.

The authority plans to spend approximately sh223b in 2016/17 on procurement, as ongoing works for the expansion of the airport take root.

Geoffrey Okello, a supplier of engineering parts to CAA, says the problem is escalated by the lack of awareness about procurement processes at the CAA.

The executive director of Private Sector Foundation, Gideon Badagawa, insists

service providers must adhere to procurement guidelines provided for in the Public Procurement and Disposal of public Assets (PPDA) Act, which is the legal standard for all public procurement in the country.

Last year, the PPDA suspended more than 100 firms due to flaws in the procurement process.

The firms were suspended for doing shoddy work, corruption, delayed completion of works, submitting forged documents,

forging experience to win tenders and inflation of costs, among others.

According to Uthman Segawa, the PPDA legal and investigations director, corruption, over pricing and shoddy works are some of the most common unethical practices by Ugandan contractors.

"Their offences range from submitting forged documents in bid security, income tax clearance certificate, certificate of registration and bank

guarantee forms. The majority also perform shoddy works, fail to complete contracts on time, get invoiced for work not done, submit a forged completion certificate, or submit forged evidence of works contracts previously undertaken, while others use higher rates than those originally quoted in the bills of quantities," he says.

According to Segawa when a company is suspended, its directors are equally blacklisted and cannot be involved in any public procurement processes in the country.

The PPDA regulations of 2014 say when a company is suspended from public procurement, its directors are equally suspended.

Statistics by the World Bank indicate that Uganda loses approximately \$300m per year through corruption and procurement malpractices.

According to the Uganda Bureau of Statistics (UBoS), public procurement in Uganda accounts for over 70% of the Government's budget for goods and services.

The PPDA Act is based on the United Nations Commission on International Trade Law, on which most East African Community countries have modelled their laws and best practices borrowed from international agencies, such as the World Bank, which require high ethical procurement standards.

The Government is also the biggest employer to the private sector in terms of offering lucrative business opportunities in terms of tenders and contracts.

In December last year, the World Bank pulled a plug on the \$265m 66km Kamwenge-Fort Portal road amid allegations of sexual abuse and misconduct by construction workers and mistreatment of staff working on the project.

The bank also suspended support for two more schemes, citing environmental concerns, reflected in the layers of dust coating nearby inhabitants

According to a statement on its website, the World Bank Group's sanctions system places emphasis on contractors meeting certain integrity compliance conditions before they can participate in World Bank Group-financed projects.

The Summary of World Bank Group Integrity Compliance Guidelines incorporates standards, principles and components commonly recognised by many institutions and entities as good governance, and anti-fraud and anti-corruption practices.

Currently, there are over 181 providers on suspension, with 31 having been suspended over the last one year. The suspensions, according to Segawa, last between one and three years.