INSPECTORATE OF GOVERNMENT
Jubilee Insurance Centre, Plot 14, Parliament Avenue
P.O.Box 1682Kampala, Uganda
Telephones: +256(0)414-259788, 0414-259738, 0414-344219
Duty Office:+256 (0)414-347387, Fax: +256 (0)414257590
Website: Email:
THE REPUBLIC OF UGANDA
Our Ref. HQT/123/08/2016
Zero Tolerance to Corruption
INSPECTORATE OF GOVERNMENT

11th June 2019

The Executive Director
Uganda National Roads
Authority (UNRA)
KAMPALA

ALLEGED IRREGULARITIES IN THE MANAGEMENT OF THE TORORO-MBALE AND MBALE-SOROTI ROAD CONTRACTS

The Inspectorate of Government received a complaint emanating from the commission of inquiry on alleged mismanagement of the contracts for the staged reconstruction of Tororo-Mbale and Mbale-Soroti Road by the Contractor, M/s Dott Services Ltd; Supervising Engineers; and UNRA officials. The specific allegations were that;

1. There was double payment of UGX 2,506,767,897/= to the Supervising Consultants of Tororo-Mbale and Mbale-Soroti Road, arising out of paying the second Consultant M/s PEC Consultants for work that was already done by the first Consultant M/s Gibb Africa Ltd.

2. There was financial loss of UGX 13,147,755,395/= and UGX 30,999,736,468/= occasioned to the Government of Uganda on Tororo-Mbale and Mbale-Soroti Roads respectively. That the said loss arose from variations of tender rates of bill items which had no basis in both law and practice.

3. There was a financial loss of UGX 11,526,322,154/= and UGX 18,332,208,000/= incurred during the re-construction of Tororo-Mbale and Mbale-Soroti Roads respectively. That the losses were in respect to compensation to the contractor for idle time due to prolonged costs caused by UNRA awarding contracts and handing over sites to contractor without designs, drawings and strip maps.

Investigations conducted established that;

i. In November 2009, M/s Gibb Africa Ltd was contracted by UNRA to design and supervise construction works for Lot C comprising of :

a) Mukono – Kayunga/Bukoloto Njeru (93 Kms),
b) Jinja – Mukono (52 Kms),
c) Tororo – Mbale–Soroti (156 Kms).

ii. The contract was terminated by UNRA due to poor progress of works and failure by the provider to provide the agreed services.

iii. In July 2013, M/s Professional Engineering Consultants (PEC) Ltd was contracted to supervise the staged reconstruction of Tororo-Mbale and Mbale-Soroti roads.

iv. By the time M/s PEC Ltd was contracted, the two roads had deteriorated and the scope of works had to be revised. There was no evidence that M/s PEC Ltd was paid for the same services that had already been provided by M/s Gibb Africa Ltd.

v. For all the addenda and variations issued, UNRA obtained relevant approvals from the relevant authorities like the Solicitor General and PPDA. Contracts Committee meetings were held and justifications for each addendum were discussed. The allegation that loss arose from variations of tender rates which had no basis in both law and practice was not found to be true.

vi. Payments of compensation of UGX 11,526,322,154 and UGX 18,332,208,000 arising from idle time of machinery and supervision costs due to delays in commencement of works on Tororo-Mbale-Soroti road was not investigated because the matter was before the High court of Uganda (Commercial Division) under **Civil Suit No. 650 of 2016** – Uganda National Roads Authority Vs M/s Dott Services Ltd & Professional Engineering Consultants (PEC) Ltd.

Given the findings, you are informed that this file has been closed. A detailed report of our investigations is herewith attached for your information.

Irene Mulyagonja Kakooza
INSPECTOR GENERAL OF GOVERNMENT

Copied to:
The Permanent Secretary, MoWT- Kampala.