

Public Procurement Regulatory Authority

**ANNUAL PERFORMANCE
EVALUATION REPORT FOR
THE FINANCIAL YEAR 2007/08**

October, 2008

LETTER OF TRANSMITAL



Hon. Mustafa Haidi Mkulo (MP)

Hon. Mustafa Mkulo (MP),
Minister for Finance and Economic Affairs,
P.O. Box 9111,
DAR ES SALAAM

Honorable Minister,

Pursuant to Section 26 (1) (a) of the Public Procurement Act (PPA), Cap. 410, I have the honour, on behalf of the Board of Directors of the Public Procurement Regulatory Authority (PPRA), to submit to you the Annual Performance Evaluation Report of PPRA for the financial year 2007/08. A copy of the Report shall be submitted to the Controller and Auditor General as required by the same section of the Act.

Section 26(2) of PPA, Cap. 410 requires the Minister to lay this Report before the National Assembly within two months from the date of receiving this report or at the next meeting of the National Assembly whichever comes first.

This report has generally disclosed the performance of the Authority in implementing its mandate as required by PPA, Cap. 410. It has further enumerated the performance of the Procuring Entities (PEs) in carrying out procurement activities in compliance with the Act.

In the financial year 2007/08 the Authority started to collect information on the volume of tenders awarded by the PEs. It has been established that a total of Tshs. 1.8 trillion was spent on various tenders by 153 out of 357 PEs. The total amount spent on procurement of works was Tshs. 1,103.7 billion compared to Tshs. 611.4 billion that was spent on procurement of goods. Tanzania National Roads Agency alone spent Tshs. 649 billion on various tenders which is almost one third of the total procurement volume. Details of this information are contained in the Report. This is a very useful information for planning purposes. PPRA shall make efforts to ensure that all PEs submit their procurement volume data to enable accurate statistics of the proportion of budget spent on procurement to be obtained.

The Authority carried out procurement audits of 70 PEs compared to audits of 20 PEs which were carried out in financial year 2006/07. Overall the level of PEs' compliance with PPA, Cap. 410 and its Regulations has increased from 39 percent in financial year 2006/07 to 43 percent in financial year 2007/08. The level of compliance of MDAs is slightly higher at 45 percent compared to 41 percent for LGAs. This low level of compliance calls for scaling-up of procurement capacity building and monitoring interventions to ensure that PEs improve significantly in complying with PPA, Cap. 410 and its Regulations.

One noted area where PEs are struggling is to get qualified procurement and supplies professionals to work in the newly established Procurement Management Units (PMUs). Although the Authority is stepping up its various interventions aimed at improving the capacity of staff working in the PMUs, these efforts are hampered by lack of qualified staff in the PEs. The noted low level of compliance could to a large extent be contributed by this lack of qualified staff. We call upon the Ministry of Finance and Economic Affairs (MOFEA) to speed up the establishment of the Procurement Policy Unit and the shifting of procurement and supplies cadre from the Ministry of Infrastructure Development to MOFEA as was announced in the Budget Speech for the financial year 2008/09. We also request the Government to embark on a large scale procurement capacity building programme that would ensure quantitative and qualitative increase of procurement staff in the country. We can learn from the experience of the Accountant General's office in capacity building measures for accountants and auditors.

On its part, the Authority despite achieving its set targets, has experienced a shortage of staff and inadequate working space. The current staff compliment of the Authority is not adequate to meet the increased work demand for all PEs scattered in various parts of our country. The Authority had plans to increase its staff complement from the current 51 staff to 75 staff in this financial year. Similarly it had plans to double its rented office space. However all these plans have been shelved to the next financial year due to inadequate budget provided for in the financial year 2008/09. We call upon the Government to increase the budget of the Authority for the financial year 2009/10 to enable it employ new staff, to open zonal offices and to construct its offices in a plot provided by MOFEA at Kurasini area in Dar-es-Salaam City.

Since its establishment, the Authority has depended to a large extent on the funding from Development Partners, particularly the African Development Bank and the Millenium Challenge Threshold (MCT) Programme, to carry out its procurement capacity building and monitoring activities. The MCT programme came to an end in August 2008 and the financial assistance of ADB is coming to an end in December 2009. We request the Government to increase its allocation of funds to PPRA in the F/Y 2009/10 otherwise it will be difficult for the Authority to sustain the programmes which were introduced with the support of the DPs and which are important to improve the procurement performance in the country.

Yours Sincerely,

Dr. Enos S. Bukuku
PPRA Board Chairman

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ABBREVIATIONS AND ACRONYMS

ADB	African Development Bank
AICC	Arusha International Conference Centre
AO	Accounting Officer
APP	Annual Procurement Plan
AQRB	Architects and Quantity Surveyors Registration Board
ARV's	Antiretroviral Medications
ATCL	Air Tanzania Cooperation LTD
AUWASA	Arusha Urban Water Supply and Sewage Authority
BAKITA	Baraza la Kiswahili Tanzania
BMTL	Business Machine Tanzania LTD
BOQ	Bill of Quantities
BOT	Bank of Tanzania
CAMARTEC	Center for Agriculture Mechanism and Rural Technology
CBE	College of Business Education
CDA	Capital Development Authority
CDs	Compact Discs
CEO	Chief Executive Officer
CHRAGG	Commissions for Human Rights and Good Governance
CMA	Commissions for Mediation and Arbitration
CRB	Constructors Registration Board
COET- UDSM	College of Engineering Technology University of Dar Es Salaam
COSTECH	Tanzania Commission for Science and Technology
CPAR	Country Procurement Assessment Report
CPI	Compliance Performance Indicators
CTB	Central Tender Board
DAC	Development Assistance Committee
DANIDA	Danish International Development Agency
DAWASA	Dar es Salaam Water and Sewerage Authority
DAWASCO	Dar es salaam Water and Sewage Company
DDCA	Drilling and Dam Construction Agency
DICC	Dar es Salaam Internacional Conference Centre
DFID	Department for International Development

DIT	Dar es Salaam Institute of Technicalogy
DMI	Dar es Salaam Maritime Institute
DUCE	Dar es Salaam University College of Education
EASTC	East Africa Statistical Training Center
EDF-PSU	European Development Fund-Programme Support Unit
ERB	Engineers Registration Board
EWURA	Energy and Water Utilities Regulatory Authority
FY	Financial Year
GN	Government Notice
IA	Independent Assessor
IAA	Institute of Accountancy Arusha
ICTs	Information and Communication Technologies
IFM	Institute of Finance Management
IJA	Institute of Judicial Administration
JNIA	Julius Nyerere International Airport
JWTZ	Jeshi la Wananchi wa Tanzania
KCMC	Kilimanjaro Christian Medical Center
KIC	Kilimanjaro International Corporation
LAPF	Local Authorities Pension Fund
LGAR	Local Government Authorities Regulations
LGAs	Local Government Authorities
LITI	Livestock Training Institute
MAB	Ministerial Advisory Board
MCT	Millennium Challenge Threshold Programme
MDAs	Ministries, Departments and Agencies
MOFEA	Ministry of Finance and Economic Affairs
MOI	Muhimbili Orthopedic Institute
MOID	Ministry of Infrastructure Development
MPs	Members of Parliament
MSD	Medical Stores Department
MORUWASA	Morogoro Urban Water Supply and Sewage authority
MTSP	Medium Term Strategic Plan
MUCCOBS	Moshi University College of Cooperative and Business Studies
MUHAS	Muhimbili University of Health and Allies Sciences
NACTE	National Accreditation Council of Technical Education

NAO	National Audit Office
NAFFCO	National Fire Fighting Manufacturing Co LTD
NBAA	National Board of Accountants and Auditors
NBMM	National Board for Materials Management
NCAA	Ngorongoro Conservation Area Authority
NCC	National Construction Council
NDC	National Development Corporation
NEC	National Electoral Commission
NEEC	National Economic Empowerment Council
NEMC	National Environment Management Council
NHC	National Housing Corporation
NHIF	National Health Insurance Fund
NIMR	National Institute for Medical Research
NIT	National Institute of Transport
NMI	National Museum of Tanzania
NSSF	National Social Security Fund
OECD-DAC	Organization for Economic Cooperation and Development - Development Assistance Committee
OPRAS	Open Performance Review and Appraisal System
OUT	Open University of Tanzania
PACS	Project Anti- Corruption System
PCBS	Procurement Capacity Building Strategy
PCCB	Prevention and Combating Corruption Bureau
PCDC	Procurement capacity Development Center
PEs	Procuring Entities
PFMRP	Public Financial Management Reform Program
PMIS	Procurement Management Information System
PMCC	Procurement Monitoring and Compliance Committee
PMO	Prime Minister Office
PMO-RALG	Prime Minister's Office, Regional Administration and of Local Government
PMUs	Procurement Management Units
PO-PSM	President's Office, Public Service Management
PPA	Public Procurement Act
PPAA	Public Procurement Appeals Authority

PPDA	Public Procurement and Disposal Authority
PMG	Paymaster General
PPF	Parastatal Pension Fund
PPOA	Public Procurement Oversight Authority
PPRA	Public Procurement Regulatory Authority
PSA's	Production Sharing Agreement
PSPF	Public Service Pensions Fund
PSRC	Parastatal Sector Reform Commission
PST	Permanent Secretary to the Treasury
RAS	Regional Administrative Secretary
REA	Rural Energy Agency
RFP	Request for Proposal
RITA	Registration Insolvency Trusteeship Agency
RUBADA	Rufiji Basin Development Authority
SBDs	Standard Bidding Documents
SCMP	System for Checking and Monitoring Procurement
SIDO	Small Scale Industry Development Organization
SUMATRA	Surface and Marine Transport Regulatory Authority
TAA	Tanzania Airport Authority
TACAIDS	Tanzania Commission for Aids
TAKUKURU	Taasisi ya Kuzuia na Kupambana Rushwa
TAMISEMI	Tawala za Mikoa na Serikali za Mitaa
TANESCO	Tanzania Electric Supply Company
TANROADS	Tanzania National Roads Agency
TANAPA	Tanzania National Parks
TASAF	Tanzania Social Action Fund
TAWIRI	Tanzania Wildlife Research Institute
TAZAMA	Tanzania Zambia Mafuta Pipeline
TB	Tender Board
TBA	Tanzania Building Agency
TBS	Tanzania Bureau of Standards
TCAA	Tanzania Civil Aviation Authority
TCRA	Tanzania Communications Regulatory Authority
TCU	Tanzania Commission for Universities
TEMDO	Tanzania Engineering Manufacturing and Development Organization

TEMESA	Tanzania Electrical and Mechanical Services Agency
TFDA	Tanzania Food and Drugs Authority
TFRI	Tanzania Fisheries Research Institute
TIA	Tanzania Institute of Accountancy
TIRDO	Tanzania Industrial Research and Development Organization
TLSB	Tanzania Library Service Board
TMA	Tanzania Meteorology Agency
TOR	Terms of Reference
TPB	Tanzania Postal Bank
TPC	Tanzania Posts Corporation
TPDC	Tanzania Petroleum Development Corporation
TRA	Tanzania Revenue Authority
TTCL	Tanzania Telecommunication Co LTD
TUGHE	Tanzania Union for Government and Health Employees
TUT	Tanzania Unit Trust
TPRI	Tropical Pesticides Research Institute
USAID	United States Agency for International Development
UPS	Uninterruptible Power Supply
UWSA's	Urban Water and Sewage Authorities
USA	United States of America
USD	United State Dollar
VETA	Vocational Education and Training Authority

ACKNOWLEDGEMENTS

This is the Second Annual Report to be issued by PPRA during its three years of existence. During this time PPRA has grown from a small and unknown organization to a modest respectable organization both within and outside the country.

The success of PPRA, and hence the production of this report would not have been possible had it not been for constructive ideas and criticism from many stakeholders of public procurement. PPRA is grateful to all those who contributed in one way or another to its success and in the preparation of this report.

We wish to express our gratitude to Board Members, and in particular to the three Board Members, Mr. Abubakar Rajabu, Mr. Justine Mding'i and Mr. Peter Magunguli whose three years term ended on 30th April, 2008 for their invaluable input in shaping the current PPRA.

PPRA is grateful to the Ministry of Finance and Economic Affairs through the able leadership of Hon. Minister Mustapha Mkullo and his Deputies Hon. Omari Y. Mzee and Hon. Jeremia S. Sumari, and the Permanent Secretary Mr. Grey Mgonja and his Deputies Mr. J. M. Haule, Mr. T. Msongole and Mr. R. M. Khijjah for their invaluable support and advice towards improving PPRA's activities. The Treasury Registrar's Office, under the leadership of Mrs. A. Bukuku has been willing to listen and to advise PPRA on how to improve its operations. We extend our gratitude to her as well.

Special thanks are due to the Government, the African Development Bank, the Millennium Challenge Threshold Programme and PFMRF Basket Funding partners for financing PPRA's activities. Special thanks are also extended to TANROADS, Tanzania Ports Authority, Tanzania Tourist Board, TANAPA, and SUMATRA who contributed generously to finance the Third Meeting of OECD-DAC JV on Procurement which was held in Arusha in May 2008.

We are very grateful to various Parliamentary Committees including the Finance and Economic Affairs Committee, Public Accounts Committees, Local Government Accounts Committee and Public Organization Accounts Committee for their constructive ideas and comments which have contributed to PPRA's improvements on its operation.

PPRA would not have realized its success and indeed the success of the Tanzanian Procurement System if it wasn't for many Procuring Entities that continuously sought advice on how to improve procurement activities in their institutions. They equally responded regularly to PPRA's calls to provide information on various aspects of procurement as part of many assignments carried out by PPRA through consultants towards setting systems and interventions for improvement of procurement system in the country. We extend many thanks to them.

Last but not least, many thanks are to PPRA Management and staff who have worked very hard and tirelessly to enable the Authority accomplish its planned commitments for the year.

EXECUTIVE SUMMARY

The Authority

The Public Procurement Regulatory Authority was established by the PPA, Cap 410 with the responsibility to regulate and oversee implementation of PPA by PEs. The Act has stipulated in detail the objectives, functions and powers of the Authority. The mandate of the Authority is to ensure that the procurement process in the public sector is open, fair, transparent, effective, efficient and provides value for money.

The Authority is governed by the Board of Directors and its day to day activities are accomplished by the Chief Executive who is assisted by four Directors and three Heads of Units and other staff in the following divisions/units:

- a) Finance and Administration Division
- b) Capacity Building and Advisory Services Division;
- c) Monitoring and Compliance Division;
- d) Information Technology Division;
- e) Legal Unit;
- f) Internal Audit Unit;
- g) Procurement Management Unit

The core functions of PPRA are provided under Section 7 of the Act and can be grouped into six categories as follows:-

- a) To offer advisory services to public bodies and any other person;
- b) To monitor and enforce compliance with the Act;
- 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; and
- f) To facilitate resolution of procurement complaints.

This is the second annual report for the Authority since its establishment three years ago. It highlights important milestones achieved by the Authority in the F/Y 2007/08.

Achievements for the Financial Year 2007/08

On overall, PPRA has been able to achieve most of what it set out to do in the FY 2007/08. Notable achievements include:

- a) Further strengthening of the Authority in terms of operating systems, physical assets and human resources which are fundamental for it to carry out its mandate under PPA CAP. 410 and its Regulations.
- b) Development and dissemination of various bidding documents, guidelines and procedural forms for better carrying out of procurement functions by the PEs and bidders.
- c) Capacity building of PEs, bidders and other procurement stakeholders on procurement procedures through various means including tailor made trainings, workshops, and newspaper and journal articles. During the period under review a total of 1213 PEs staff attended tailor made trainings organised by PPRA in collaboration with the respective PEs, 65 members of MP attended workshops organised by PPRA while 123 other stakeholders attended PPRA's sensitisation workshops.
- d) Provision of advisory services in various areas aimed at improving procurement performance of PEs.
- e) Monitoring of procurement activities of PEs through the implementation of its System of Checking and Monitoring Procurement activities; visiting PEs to check out compliance and carrying out of procurement audits. During the period under review a total of 79 PEs were trained on the use of SCMP; 146 PEs were visited by PPRA staff to monitor and advise on their procurement processes; and 70 PEs were audited.
- f) Carrying out investigations on 15 cases of allegations on mis-procurement as part of its responsibility to administer and enforce compliance with PPA CAP. 410 and the Regulations and guidelines issued under it.
- g) Establishment of a bi-monthly Tanzania Procurement Journal aimed at providing procurement stakeholders with vital information on procurement activities in the country.
- h) Rolling out of Procurement Management Information System to 66 PEs in which 95 participants attended training on how to use the system
- i) Organising successfully the third meeting of the OECD-DAC JV on Procurement which was attended by 85 foreign and 73 local participants.

Performance of Procuring Entities (PEs)

Information collected from 153 out of 357 PEs indicated that contracts worth Tshs. 1,800,974 million were awarded in the F/Y 2007/08 of which 38% were for goods, 55% were for works, 4% were for consultancy services and 3% were for non-consultancy services. On overall there has been poor response by PEs to provide information on awarded tenders which would have facilitated the collection and provision to the public of this important data on public contracts. This is good starting point and it is expected that many PEs would come forward to provide information once they realise the usefulness of the contract award information to the public and for planning purpose.

Out of 70 procurement audits carried out, it was established that the average level of compliance of PEs to the PPA CAP. 410 and its Regulations was 43%. MDAs had a higher compliance level of 45% compared to that of LGAs of 41%. The highest compliance level was 76% while the lowest was 7%. With this level of compliance, PPRA has a daunting task of ensuring that a compliance level of 80% is attained by 2010. The Government and Development Partners need to support PPRA in its endaeover of ensuring that more and more PEs comply with the Act and the Regulation. This shall be possible through provision of adequate funds to implement various capacity building and monitoring interventions already developed by PPRA.

Challenges

Despite of the recorded achievements, the Authority faced a number of challenges during this Financial Year. Notable ones include the following:-

- a) **Absence of a permanent office building:** The Authority's current offices are at the PPF Tower building which is very expensive and therefore not sustainable in the long run. A plot at Kurasini area has been provided to PPRA by the Ministry of Finance and Economic Affairs and efforts are underway to prepare proposals on how to develop the plot.
- b) **Financial Constraints:** Funding of Authorities operations still remains a challenge. Given the importance of achieving value for money in public procurement, there is a need, in the long run to find a funding mechanism which will be fully dedicated to support procurement reforms, capacity building and monitoring.
- c) **Increased workload:** In response to procurement audits and investigations carried out by PPRA more PEs have become aware of the importance of carrying out procurement in accordance with the Law. This has increased the demand of PPRA services and this has put a lot of pressure to deliver given the current staff compliment of the Authority. The Board had approved the employment of 22 staff on temporary basis while awaiting the revision of the organization structure and manning levels. This has not been possible due to budgetary constraints.

- d) Low Compliance Level with the Act:** Although some PEs are putting a lot of effort to improve their procurement system, many are still performing below average. This is attributed to lack of adequate and qualified procurement staff in the PMUs.

Prospects for the Financial Year 2008/09

In 2008/09, 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 the major activities that will be undertaken:

- (a) Implementing various strategies and tools that have been developed; and monitor their effectiveness in improving procurement practice in the country. This includes implementation of PCBS and SCMP, and rolling out of the PMIS. In this regard 1500 PE's staff shall be trained on various aspects of procurement, SCMP shall be rolled out to 100. PEs, procurement audit of 90 PEs and 150 PEs will be trained on the Use of PMIS.
- (b) Finalisation the preparation and start the implementation of various systems and strategies under preparation. These include the Medium Term Strategic Plan, System for Procurement of Common Use Items, and Public Procurement Anti-Corruption Strategy.
- (c) Computerisation of PPRA's systems including accounting, payroll and human resources systems.
- (d) Implement further reforms in the identified areas including amendment of the Act and the Regulations to ensure that procurement practice is free of inefficiency, abuse, corruption and offers value for money to the public.
- (e) Carrying out feasibility study on various legal, technical, economical and financial issues for the introduction of e-procurement in the country.
- (f) Marketing the various developed strategies to potential Development Partners with keen interest in procurement reforms for possible support and funding which is very much required if significant progress is to be made in strengthening the procurement system in the country.

1.0 GENERAL INTRODUCTION

PPRA was officially established on 1st May 2005. In the three years of its existence, the Authority has been able to establish itself as a reputable organization within and outside the country. It has been able to strengthen itself in terms of physical and human resources, and to establish various tools that are used to enable it to discharge its oversight function effectively and efficiently.

This report, is a follow up of the last year's report which was the first since the establishment of the Authority. It highlights the achievements that have been attained by the Authority in strengthening its oversight efficiency, in building procurement capacity, in developing various procurement guidelines, in monitoring of procurement activities carried out by PEs, in outlining measures aimed to improve the procurement system in the country and in setting and rolling out the system of sharing procurement information.

The report also contains a detailed overview of the performance in PEs in the award of various tenders and in complying with the Public Procurement Act (PPA), Cap 410 and its Regulations.

2.0 REGULATORY AND INSTITUTIONAL FRAMEWORK OF PROCUREMENT IN TANZANIA

Public procurement in Tanzania is governed by the PPA, Cap 410. The Act provides for the objectives, functions and powers of the Authority, the public procurement principles, prohibitive actions in public procurement which include fraud and corruption and the methods of procurement. It also sets out a good control and audit system as well as complaints resolution mechanism.

Institutional-wise, the Act separates clearly the functions of the accounting officers, tender boards and user departments, procurement management units and make them responsible and accountable for their individual procurement decisions and actions.

To implement the Act, three sets of regulations have been issued. These are:-

- a) The Public Procurement (Goods, Works, Non-Consultant Services and Disposal of Public Assets by Tender) Regulations GN. No 97 of 2005;
- b) The Public Procurement (Employment and Selection of Consultants) Regulations GN. No 98 of 2005;
- c) The Local Government Authorities' Tender Boards (Establishment and Proceedings) Regulations, 2007.

In line with the issued Regulations, Standard Bidding Documents (SBDs) and other procurement guidelines and procedural forms have been issued by PPRA and they all form part and parcel of procurement framework in the country.

3.0 BACKGROUND INFORMATION ABOUT PPRA

3.1 Establishment and Objectives of PPRA

PPRA was established under Section 5 of PPA, CAP. 410 as an autonomous body under the Ministry of Finance. Its objectives are:-

- a) To ensure the application of fair, competitive, transparent, non-discriminatory and value for money procurement standards and practices;
- b) To harmonize the procurement policies, systems and practices of the central government, local governments and statutory bodies;
- c) To set standards for the public procurement systems in the United Republic of Tanzania,
- d) To monitor compliance of PEs; and
- e) To build procurement capacity in the United Republic of Tanzania in collaboration with relevant professional bodies.

3.2 Vision¹

PPRA's Vision is to become a model procurement oversight body with highly trained, competent and dedicated personnel working in unison towards improving and promoting procurement practices which offers value for money to the public.

3.3 Mission

PPRA's Mission is to foster and promote a public procurement regime that is able to offer value for money to the public.

3.4 Functions

The functions of PPRA are given under Section 7 of the Act as follows:

- (a) advise central Government, local governments and statutory bodies on all procurement policies, principles and practices;
- (b) monitor and report on the performance of the public procurement systems in the United Republic of Tanzania and advise on desirable changes;
- (c) set training standards, competence levels, certification requirements and professional development paths for procurement experts in consultation with relevant professional bodies and any other competent authorities;

¹ Both vision and mission statement have been revisited in the prepared PPRA's Medium Strategic Plan which is yet to be approved by the Board.

- (d) prepare, update and issue authorized versions of the standardized tendering documents, procedural forms and any other attendant documents to PEs;
- (e) in collaboration with relevant professional bodies, ensure that any deviation from the use of the standardized tendering documents, procedural forms and any other attendant documents is effected only after prior written approval of the Authority;
- (f) issue guidelines under Section 89 of the Act;
- (g) organize and maintain a system for the publication of data on public procurement opportunities, awards and any other information of public interest as may be determined by the Authority;
- (h) conduct periodic inspections of the records and proceedings of the PEs to ensure full and correct application of this Act;
- (i) monitor the award and implementation of public contracts with a view to ensuring that:
 - (i) such contracts are awarded impartially and on merit;
 - (ii) the circumstances in which each contract is awarded or as the case may be, terminated, do not involve impropriety or irregularity;
 - (iii) without prejudice to the functions of any public body in relation to any contract, the implementation of each such contract conforms to the terms thereof.;
- (j) institute:
 - (i) procurement audits during the tender preparatory process;
 - (ii) contract audits in the course of the execution of an awarded tender; and
 - (iii) performance audit after the completion of the contract in respect of any procurement as may be required;
- (k) determine, develop, introduce, maintain and update related system - wide data -bases and technology;
- (l) develop policies and maintain an operational plan on capacity building, both for institutional and human resource development;
- (m) agree on a list, which shall be reviewed annually of works, services and supplies in common use by more than one procuring entity which may be subject to common procurement;
- (n) establish and maintain institutional linkages with entities with professional and related interest in public procurement;
- (o) facilitate the resolution of procurement complaints;
- (p) administer and enforce compliance with all the provisions of this Act, regulations and guidelines issued under this Act;
- (q) undertake research and surveys nationally and internationally on procurement matters; and
- (r) undertake any activity that may be necessary for the execution of its functions,

The Act gives PPRA powers of carrying out investigations for alleged mis-procurement; calling for any documents or information regarding any procurement; and recommending disciplinary actions for those in breach of the Act.

3.5 Organisation Structure of the Authority

3.5.1 Board of Directors

The Board of Directors is the governing body of the Authority. It consists of a non-executive Chairman, 6 non- executive members and the Chief Executive Officer. The Board had the following members by 30th April, 2008:-

- | | | |
|--------------------------|---|-------------------------|
| • Dr. Enos S. Bukuku | - | Chairman |
| • Mrs. Salome Sijaona | - | Member |
| • Mr. Abubakar Rajabu | - | Member |
| • Mr. Julius Mamiro | - | Member |
| • Mr. P.N.M. Magunguli | - | Member |
| • Mr. Justine S, Mding'i | - | Member |
| • Ms. Mwamini Tulli | - | Member |
| • Dr. Ramadhan S. Mlinga | - | Chief Executive Officer |

On 1st May, 2008 three new Board members were appointed to replace the following three Board members whose three years term came to an end:

- Mr. Abubakar Rajab;
- Mr. Peter. N. M. Magunguli;
- Mr. Justine Mding'i

The new appointed members for a period of three years with effect from 1st May, 2008 are:-

- Mr. Omary Chambo;
- Dr. Edmund B. Mndolwa;
- Hon. Mussa Azan Zungu (MP)

3.5.2 Divisions and Units of the Authority

The day to day activities of Authority are accomplished by the Chief Executive Officer who is assisted by Four Directors and Three Heads of Units and other staff in the following division/units:

- Finance and Administration Division
- Capacity Building and Advisory Services Division;
- Monitoring and Compliance Division;
- Information Technology Division;
- Legal Unit;
- Internal Audit Unit;
- Procurement Management Unit

The approved organization of structure of the Authority is shown in **Figure 3.1**. The approved staff compliment for the Authority is 51 as per breakdown shown in **Table 3.1**.

Table 3.1: Approved Staff Compliment for the Authority

DIVISION/UNIT	POST	APROVED STAFFING LEVELS
Chief Executive Officer	Chief Executive Officer	1
	Executive Assistant Secretary	1
	Public Relations Officer	1
Capacity Building and Advisory Services	Director	1
	Personal Secretary	1
	Manager - Guidelines Development and Dissemination	1
	Manager - Research and Documentation	1
	Manager - Training and Advisory Services	1
	Procurement Specialists	5
	Library and Documentation Officer	1
Monitoring and Compliance	Director	1
	Personal Secretary	1
	Manager - Investigation and Procurement Audit	1
	Manager - Contract and Performance Audit	1
	Procurement Specialists	4
Information Technology	Director	1
	Personal Secretary	1
	Manager - Systems and Network Administration	1
	Manager - Data Base Administration	1
	Systems and Network Administrator	2
	Date Base Administrator	2
Finance and Administration	Director	1
	Personal Secretary	1
	Chief Accountant	1
	Manager - Administration and Human Resources	1
	Accountants Assistants	2
	Administrative Officer	1
	Human Resources Officer	1
Internal Audit	Chief Internal Auditor	1
	Auditor	1
Legal Unit	Principal State Attorney	1
	State Attorney	1
Procurement Management Unit	Senior Procurement Specialist	1
	Procurement Specialists	1
Other Support Staff	Drivers	4
	Receptionist/Telephone Operator	1
	Records Management Officer	1
	Office Attendants	1
Total		51

Already it has been established that the current staff compliment is not adequate to meet the current PPRA workload, and that there is a need to establish Zonal Offices to cater for capacity building and monitoring of LGA's procurement activities.

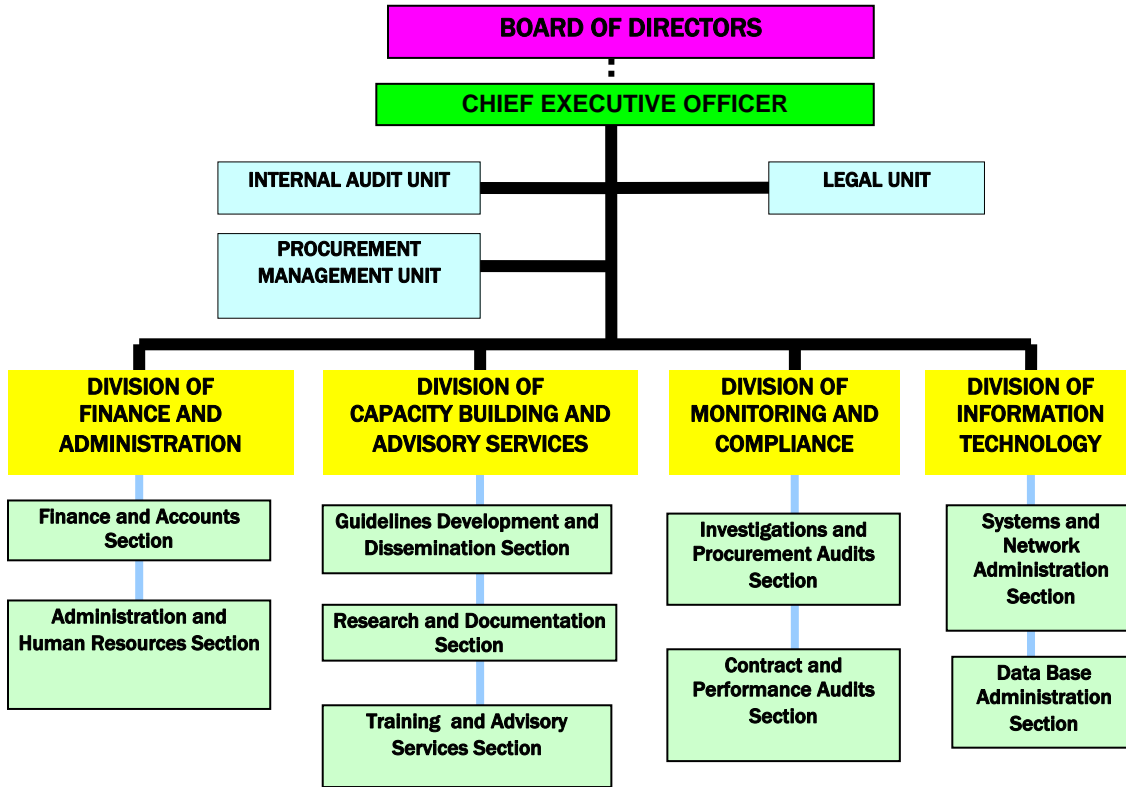


Figure 3.1: Organisation Structure of PPRA

While awaiting the preparation and approval of a new revised organisation structure, the Board of Directors of PPRA, as a temporary solution, in May 2008 approved the recruitment of 22 staff as shown in **Table 3.2** on temporary basis. It was not however not possible to recruit additional staff due to inadequate budget provided for personnel emoluments in the F/Y 2008/09.

Table 3.2 Staff increase approved by the Board

Title	Number
1 Investigation Officer	3
2 Principal Procurement Experts	5
3 Accountants	2
4 Senior PEs	8
5 State Attorney II	1
6 Drivers	2
7 Office Attendant	1
Total	22

4.0 PERFORMANCE OVERVIEW OF THE FINANCIAL YEAR 2007/2008

4.1 Introduction

In FY 2007/08 the Authority planned to consolidate achievements that have been made in the previous two years of its existence. In particular it intended to ensure that all programs and systems that have been developed are properly implemented and/or rolled out to the PEs. The Authority planned to consolidate the achievements that have been made by;

- (a) Implementing various strategies and tools that have been developed; and monitor their effectiveness in improving procurement practice in the country. This included implementation of PCBS and SCMP, and rolling out of the PMIS,
- (b) Embarking on a special programme of capacity building for the LGAs to carry out procurement,
- (c) Implementing further reforms in the identified areas to ensure that procurement practice is free of inefficiency, abuse, corruption and offers value for money to the public,
- (d) Putting special focus on strengthening of Procurement Professional Body, Establishment of Procurement Cadre and Staffing of and creating a conducive working environment for PMUs,
- (e)
- (f) Marketing the various developed strategies to potential Development Partners with keen interest in procurement reforms for possible support and funding which is very much required if significant progress is to be made in strengthening the procurement system in the country. This was particularly crucial as the Authority was approaching the end of the Financial Support which is provided under the MCT and ADBs programmes which to a large extent have helped PPRA achieve some of its objectives.

In addition to the above planned interventions, PPRA 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. Generally, this year has seen an increased scope of PPRA's activities due to increased knowledge and demand of PPRA's services by various stakeholders.

During the year under review. PPRA has continued to receive funding from the Government, PFMRP Basket funding and ADB Grant for Institutional Support for Good Governance and the Millenium Challenge Threshold Programme to finance its activities.

4.2 Strengthening of PPRA

The Authority has continued to strengthen itself to effectively and efficiently discharge its mandate under the Public Procurement Act, Cap. 410. During this financial year the following actions were taken to strengthen PPRA:-

4.2.1 Preparation of Staff, Administrative and Financial Regulations

Staff and Administrative Regulations, 2007 were developed to provide guidance and procedures for administering and managing human and physical resources. Likewise, Financial Regulations were developed to manage and ensure internal control over financial resources. These Regulations came into force between July and December, 2007.

4.2.2 Improving the Filing and Registry System

With technical assistance from the Department of Archives and Records in the Public Service Management a new system of filing and registry was installed in the Authority in February, 2008. It included keyword classification system and procurement codes. The revision of filing and registry system involved records base line survey, decongestion of inactive records, classifying, sorting and packing of inactive and active records.

4.2.3 Recruitment of New Staff

The Authority finalized recruitment of 3 staff (Computer Systems Analyst I, Computer System Administrator II and Library and Documentation Officer II) between July and November, 2007.

Unfortunately, in May, 2008 the Authority lost one Procurement Expert I and an Executive Assistant Secretary. Procurement Expert I passed away after long illness while Executive Assistant Secretary resigned on her own accord. As at 30th June, 2008 the Authority had 49 staff. The Authority is in the process of filling in these vacancies.

Annex 4.1 gives the current list of PPRA staff and their positions.

4.2.4 Establishment of Workers Council

Progress was made towards the establishment of Workers Council by the registration of 15 staff to establish a trade union branch under TUGHE Union which is a prerequisite for establishment of a Workers Council. Meanwhile staff participated in Authority's decision making process through staff meetings which were scheduled after every three months. During the period under review only two meetings were conducted. The target of holding four meetings could not be achieved due to an increase of activities which demanded a number of staff to work out of the office and station.

4.2.5 Employees Performance Review and Appraisal

The Authority adopted Open Performance Review and Appraisal Systems (OPRAS) for review and appraisal of employees performance. All staff were trained on Open Performance Review and Appraisal Systems (OPRAS) between July and December, 2007. They all agreed with their supervisors on performance objectives and targets for the period of January and June, 2008. Appraisal meetings were planned to be convened in early July, 2008.

4.2.6 Preparation of Medium Term Strategic Plan

During the year under review the Authority engaged a consultant to develop a Medium Term Strategic Plan (MTSP). The Consultant started the work in June, 2008 and had issued an Inception report by the end of the year. The work is planned to be completed by the end of October, 2009.

The strategic plan for the period 2009/10 to 2014/15 shall be the guiding document for PPRA's activities in the next five years. The plan of action and the budget for the FY 2009/10 shall be based on the prepared MTSP.

4.2.7 Establishment of Office and Acquisition of Working Facilities

During the review period the Authority acquired four vehicles indicated in **Table 4.1** to be used in carrying out procurement audits and capacity building of procuring entities.

Table 4.1: Acquired Motor Vehicles in FY 2007/08

S/N	Registration No.	Type	Date
1	STK 4357	Mitsubishi Pajero	12/12/2007
2	STK 4358		
3	STK 4505	Toyota Land Cruiser Hard Top	08/05/2008
4	STK 4506		

In addition the Authority acquired furniture and office equipments shown in **Tables 4.2 and 4.3** respectively to create a more conducive working environment.

Table 4.2: Office Furniture Acquired in FY 2007/08

S/N	Description	Quantity (pcs)
1	Office table type III	5
2	Office chair type II	5
3	Book Shelves (for files)	11
4	Steel Cabinet	14
5	Office table type IV	3
6	Reading chairs	8
7	Librarian counter	1

S/N	Description	Quantity (pcs)
8	Coffee table	8
9	News paper rack	1
10	Dining chairs	12
11	Microwave	1
12	Cupboard	5
13	Secretarial chairs	5
14	Conference table	1
15	Office table type I	1
17	Water Dispenser	2
18	Paper Shredders	6

Table 4.3: Office Equipments Acquired in FY 2007/08

SN	DESCRIPTION	QUANTITY
1	Laptop	16
2	Computers	35
3	Servers	7
4	UPS	36
5	Printers	8
6	Scanners	7
7	Rack Cabinets	2
8	Projectors	3
9	VPN Concentrator	1

4.2.8 Training of PPRA Staff

The Authority recognizes the need to have human resources with requisite knowledge, skills and attitudes in order carry out its operations effectively and efficiently. During the year under review a number of staff participated in short and long term training as explained below.

- a) **Long-Term Training:** Three staff were sponsored to pursue masters degree programmes and one staff who was an employee of the Ministry of Finance and Economic Affairs (MoFEA) on secondment to PPRA continued with his undergraduate studies commenced in year 2004. The staff was working with the then Central Tender Board (CTB) which was later on transformed into PPRA.
- b) **Short-Term Training:** The Authority facilitated a number of staff to attend short trainings as detailed in **Table 4.4** below.

Table 4.4: PPRA’s Staff Attendance to Short Trainings

S/N	Details	No. of staff in gender		Total
		Male	Female	
1	Short courses	24	14	38
2	Seminars	6	6	12
3	Workshops	6	2	8
4	Meetings	10	7	17
5	Forum	1	2	3
6	Conference	4	4	8
7	Familiarization visits	7	5	12

- c) **In-house training:** In-house training of staff was carried out on three identified areas: effective management and leadership for Management staff and managers; effective communication skills to all staff; and report writing to managers and all technical staff. Details of these trainings and staff attendance is given in **Table 4.5**.

Table 4.5: In-house Training Offered to PPRA Staff

Staff Involved	Training	Date
17 staff (management team and managers)	Effective Management and Leadership Skills	29/11-01/12/2007 and 06-08/12/2007
47 staff irrespective of their cadres	Effective Communication Skills	11-12/01/2008 and 18-19/01/2008
31 staff (technical staff and managers)	Report Writing	08-09/05/2008 and 15-16/05/2008

4.2.9 Streamlining internal use of ICTs

The Authority recognizes that ICT is an important enabler of its day to day operations in order to achieve effectiveness and efficiency. Accordingly, various computer-based systems were developed during the review period aimed at improving the way all staff work towards their targets and enhance security of data. The systems developed include internally-hosted mailing system and Intranet for sharing information; Controlled access to shared resources; increasing the capacity of Internet service. Regular maintenance of all IT systems were also carried out to ensure that all IT systems are in good working conditions.

4.3 Development and Dissemination of Procurement Management Tools

4.3.1 Standard Tender Documents and Evaluation Guidelines:

PEs are required to acquire supplies, services and works in accordance with existing legal and regulatory framework. To help them comply with PPA, Cap 410, PPRA has issued various documents, including Standard Bidding Documents (SBDs), guidelines, procedural forms and manuals.

During the year under review a total of twelve (12) new bidding documents and guidelines were prepared and posted on the website as shown below:-

- a) Standard Pre-Qualification Document for Procurement of Goods/ Supply & Installation of Equipment and Plants, June 2008;
- b) Standard Bidding Document for Procurement of Petroleum Products, June 2008;
- c) Standard Bidding Document for Procurement of Commodities, June 2008;
- d) Standard Invitation for Quotations for Procurement of Non-Consultant Services, June 2008;
- e) Evaluation Guideline for Quotation Documents, June 2008;
- f) Standard Format for Expression of Interest, June 2008;
- g) Evaluation Guideline for Expression of Interest, June 2008;
- h) Standard Request for Proposal – Selection and Employment of Individual Consultants, June 2008;
- i) Supply and Installation of Information Systems;
- j) Procurement of Textbooks and Reading Materials;
- k) Procurement of Pesticides; and
- l) Guidelines for Community Participation in Procurement Proceedings

Draft documents for procurement under Public Private Partnership, including Request for Qualification and Request for Proposals and Guidelines for Evaluation were also prepared but following a review of the same, it was found that the documents needed further work before they can be adopted for use in the Country. The review of the documents would be completed before the end of the first half of the financial year 2008/09.

4.3.2. Simplification and translation of SBDs, guidelines and user manuals into Kiswahili

One of the problems experienced by PEs, particularly at the Local Government Authority Level is the complexity of some of the SBDs issued by the PPRA. For that reason, PPRA has carried out simplification of Five (5) SBDs before translating them into Kiswahili. The five bidding documents which have also been posted on PPRA's website include:

- a) Standard Invitation for Quotation for Procurement of Goods;
- b) Standard Invitation for Quotation for Procurement of Minor Works;
- c) Standard Invitation for Quotation for Procurement of Non-Consultancy Services,
- d) Evaluation guideline for Invitation for Quotation; and
- e) SBD for Small Works Contracts.

Procurement process for selecting and employing a Consultant to translate the simplified documents was completed at the end of the year. The Consultant is expected to finish the assignment before the end of the first half of the financial year 2008/09.

4.3.3 Preparation and issuance of Procurement Procedural Forms

In order to ensure consistent format and reporting, PPRA has prepared Seventeen (17) procedural forms for use by the PEs. These forms which are shown below are all available in PPRA's website:

- a) Letter for appointment of Tender Board Chairperson/ Members/ Secretary;
- b) Procurement requisition - submission to Procurement Management Unit (PMU);
- c) Request for approval of procurement/selection method - submission to Tender Board;
- d) Request for approval of pre-qualification document/expression of interest and notice - submission to Tender Board;
- e) Request for approval of bidding document/request for proposal and bid notice/shortlist - submission to Tender Board;
- f) Request for approval of addendum to bidding document/request for proposal - submission to Tender Board;
- g) Minutes of pre-bid meeting;
- h) Record of receipt of bids;
- i) Record of Bid/Proposal Opening;
- j) Membership of evaluation committee - submission to Accounting Officer;
- k) Request for approval of evaluation report and recommendations - submission to Tender Board;
- l) Membership of negotiation team - submission to Tender Board;
- m) Request for approval of negotiation plan- submission to Tender Board.

- n) Record of negotiations.
- o) Request for approval of negotiations - submission to Tender Board;
- p) Request for approval of contract award recommendations - submission to Tender Board; and
- q) Request for approval of contract amendments - submission to Tender Board.

These documents shall be disseminated to PEs during capacity building trainings scheduled for the financial year 2008/09.

4.4 Capacity Building of Procuring Entities and Bidders

4.4.1 Procurement Capacity Building Strategy

It is acknowledged that procurement system in the country will be greatly enhanced when the procurement officers in the PEs have adequate knowledge and capacity to carry out procurement, and the suppliers and service providers are aware of the procedures and have capacity and capability to participate in government procurement opportunities. This is expected to be achieved through the implementation of a Procurement Capacity Building Strategy (PCBS).

A detailed action plan for the implementation of the PCBS was prepared and PPRA embarked on the process of soliciting funds amounting to Tshs 22 billion for its implementation. Various development partners including the African Development Bank, PFMRF Basket Partners including the World Bank, and Belgian Technical Cooperation have been consulted to solicit funding for implementing the strategy which is very important for medium and long term success of the procurement reforms. However, for long term sustainability of capacity building efforts, the Government needs to have a dedicated procurement development fund to be used to finance all procurement capacity building interventions. PPRA is in the process of preparing a proposal for submission to the Government on the formation of such a fund.

4.4.2 Training and Dissemination of the Public Procurement Act, Principles and Practices

4.4.2.1 Training of Staff in Procuring Entities

Training is among the short term interventions of the PCBS. It is important so as to impart the necessary knowledge and skills that will enable people involved in the procurement process to work more effectively and efficiently. PPRA has been conducting training to staff of the PMUs, Tender Boards members of MDAs, LGAs and Parastatals. The training so far have been on modular form as detailed below:

- a) **Module 1:** General Overview of PPA, CAP 410 and its Regulations
- b) **Module 2:** Introductions to the Procurement of Goods;
- c) **Module 3:** Introductions to the Procurement of Works;

- d) **Module 4:** Introductions to the Procurement of Consultancy Services; and
- e) **Module 5:** Introductions to the Procurement of Non Consultancy Services

There were delays in recruiting a Consultant to carry out training for 1200 PEs staff which was scheduled for the year under review. However, by the end of the year the identified consultant had been invited for negotiations and is expected to begin work in September 2008 upon successful negotiations.

Encouragingly however, the PEs themselves have been very pro-active to demand training from PPRA by organizing and agreeing to meet the costs for tailor made training to their institutions. As of 30th June 2008, the total number of PEs that received tailor made training was 14, while the overall number of participants was 1213. The list of PEs and number of participants in each of the training are shown in **Table 4.6**. Unlike the regular workshops the tailor made seminars were not organized in modules, but rather gave an overview of the Act, Regulations and procurement procedures to meet specific training needs of the institutions.

4.4.2.2 Sensitization Workshops to Procurement Stakeholders:

One workshop was conducted in 2007 in Dar es Salaam, while four workshops were conducted in Arusha, Dodoma, Mwanza and Mbeya in 2008 to sensitize the procurement stakeholders on the importance of procurement to national development and to solicit their views on how to improve the Tanzanian procurement system. The workshops were part of the implementation of procurement reforms under the Millenium Challenge Threshold Programme.

A total of 123 participants were registered for the workshops as compared to the planned target of 400 participants. The list of participants included 118 public sector participants as compared to only five from the private sector. The small number of participants from the private sector signifies a low level of understanding of their role in shaping the public procurement system in the country. In spite of the smaller number, the participants gave very useful contributions which have been taken on Board by PPRA in its recommendations to the Government on how to improve the procurement system.

Table 4.6: Tailor Made Training for 2007/2008

S/N	PROCURING ENTITY	No. OF PARTICIPANTS	DATES	VENUE
1	Ministry of Water	363	July 2007	Arusha and Mbeya
2	National Housing Corporation	25	July 2007	Tanga
3	Tanzania Cotton Board	14	August 2007	Dar es Salaam
4	TANESCO	33	August 2007	Dar es Salaam
5	Arusha Municipal Council	17	September 2007	Arusha
6	Temeke Municipal Council	20	September 2007	Temeke, Dar es Salaam
7	Magereza	168	January 2008	Dar es Salaam
8	RAS - Shinyanga	12	March 2008	Mwanza
9	TANESCO	393	April 2008	Arusha and Mbeya

S/N	PROCURING ENTITY	No. OF PARTICIPANTS	DATES	VENUE
10	Ministry of Planning	32	April 2008	Morogoro
11	PCCB	50	April 2008	Njombe, Iringa
12	Ministry of Home Affairs	36	April 2008	Morogoro
13	SUMATRA	24	April 2008	Bagamoyo
14	Fair competition commission	8	May 2008	Dar es Salaam
15	TPDC	22	May 2008	Bagamoyo
TOTAL		1213		

4.4.2.3 Workshop for Members of the Parliament

Three workshops were conducted for members of Parliamentary Committees to educate them on the importance of public procurement and the role played by PPRA to monitor and regulate the procurement sector, and on their general oversight role for efficient utilization of public resources. The first workshop was held on 31st March 2008 in Dar-es-Salaam for Finance and Economic Affairs committee and was attended by 20 members. The second workshop for Public Accounts and Local Government Accounts committees which attracted 20 members also took place in Dar es Salaam on 3rd April 2008. The third workshop intended for the members of Public Organizations Committee of Parliament was conducted on 28th June 2008 in Dodoma and was attended by 25 members.

4.4.2.4 Setting of Training Standards, Competence Levels, Certification Requirements and Professional Development Path for Procurement Experts

PPRA is mandated to set training standards, competence levels, certification requirements and professional developments paths for procurement experts in consultation with relevant professional bodies and any other competent authorities. As initial stages of implementing this mandate, PPRA organised a meeting with NACTE, TCU, NBMM and VETA as accreditation and registration bodies for training Institutions, to set the strategies towards a planned workshop. The workshop is expected to attract various stakeholders involved in formulation of curriculum, accreditation and training in procurement. It was also agreed that the terms of reference be formulated to assist the committee towards achieving the objective. The committee has been formed and the plan is to conduct the workshop by October 2008 which will set the direction for setting the required standards.

4.4.2.5 Documentation Centre for Procurement Related Information

In its effort to provide the procurement stakeholders with much needed information on procurement activities both within and outside the country, in the year under review PPRA has started the process of establishing a documentation centre. The centre is intended to house important and relevant literature materials, newspapers and journals, and many other documents relating to procurement in general and public procurement in particular. Following the recruitment of a library and documentation officer, few books have been procured and advanced stages of procuring more books and publications have already been reached. The centre is expected to be fully operational in the financial year 2008/09.

4.5 Provision of Advisory Services

PPRA has been offering Advisory Services to all PEs through out the country. During the financial year 2007/08, the Authority has issued advisory services on the following areas:- the use of SBDs, the use of various Guidelines issued by the Authority, interpretation of PPA, Cap 410 and its Regulations and on various applications for retrospective approvals.

4.5.1 General Advisory

PPRA has provided general advisory to a number of procurement issues, however, the main ones were provided to address the application of PPA, Cap 410 and its Regulations and on the use of SBDs and various procurement guidelines.

4.5.2 Review of Applications for Retrospective Approvals

PPRA in collaboration with the Stock Verification Department and the Technical Audit of the Ministry of Finance have been mandated by Regulation 42(1) of G.N. No. 97 of 2005 and Regulation 95(1) of GN. No. 98 of 2005 to advise the Paymaster General on the received applications for retrospective approvals.

During the review period, ten (10) applications for retrospective approvals were reviewed and the Paymaster General was advised accordingly. General weaknesses identified in these applications were:-

- There were no justifiable basis for emergency procurement;
- There were no justifiable basis for single source procurement;
- Necessary approvals in the procurement process were not obtained;
- Evaluations were not done;
- Payment to suppliers and service providers were not done on time.

Ten (10) reviewed applications for retrospective approvals and their positions shown in **Annex 4.2**.

Since the granting of retrospective approval provisions is intended to cater for cases of emergency procurement, revision to the Act have been proposed to ensure that the use of this provision is not abused and that there is very clear delineation of cases of emergency and non-emergency procurement.

4.6 Checking and Monitoring Procurements in PEs

4.6.1 System for Checking and Monitoring

In the year under review, a significant progress was made to roll out the System for Checking and Monitoring Procurement² (SCMP) developed by the Authority to assist it to check and monitor procurement activities of PEs.

During this financial year, the Authority trained 79 PEs that included 57 LGAs and 22 MDAs. A total number of 230 participants attended the training. The training was targeted to Tender Board Chairpersons, Heads of PMUs, and Internal Auditors. This makes the total number of PEs trained and ready to use the system to be 227.

The objective of the training was to train participants on how the system works. However, since the system includes various processes in public procurement as provided in the PPA Cap 410 and its Regulations, participants used the opportunity to share knowledge and experience in the application of PPA and its Regulations.

The training covered the following specific areas; preparations of Annual Procurement Plan including case studies by TANESCO and exercise; Checking and monitoring checklists for Goods, Works, Non-Consultancy Services and Disposal of Public Assets by tender including a case study by TANESCO; Checking and monitoring checklists for consultancy services including a case study; Report format for non-competitive procurement; Monthly procurement report format; Guidance on tender numbering; Introduction on the procurement information Management System; and lastly there were general discussions on major problems encountered in the application of PPA and its Regulations.

The list of PEs that participated in the training is shown under **Annex 4.3**.

4.6.2 Monitoring Procurement Processes in the PEs

During the reporting period, one hundred and forty six (146) Procuring Entities (PEs) were visited to monitor compliance to the Public Procurement Act, Cap 410 and its Regulations. They included Local Government Authorities (LGAs), Ministries, Independent departments and Agencies (MDAs).

A number of weaknesses listed below were observed and they were common to almost all the visited PEs:

- a) **Poor Record Keeping:** There were no proper filing systems and most of the procurements had no complete set of records. Tender and contract documents were found to be scattered in different user departments and kept in different files which made retrieval of information to be cumbersome. This is contrary to the requirement under Reg.23 (m) of GN. No. 97 of 2005 which requires PMUs to maintain and archive records of procurement and disposal process.

² See details of the System in PPRA's website.

- b) **Lack of Established PMUs:**PMUs were not established contrary to the provision under Section 34 of the PPA CAP. 410 which requires procuring entities to establish Procurement Management Units staffed to appropriate levels,
- c) **Interference of Powers:** There were Interferences of powers and functions between the Accounting Officers, Tender Boards, PMUs and User Departments contrary to the requirements under Section 38 of PPA which calls for independence of functions and powers of the Accounting Officer, Tender Board, PMU and User Departments,
- d) **Not preparing APP:**APPs were not prepared. Preparation of Procurement Plans is a mandatory requirement under section 45 of the PPA, CAP 410.
- e) **Nor Using STDs:** STDs were not used contrary to the provisions under Reg.83 (3) of the GN.No.97 of 2005 and Regulation 52(2) of the GN No. 98 of 2005 which requires PEs to use appropriate standard documents prepared by PPRA.
- f) **Inappropriate Tender Evaluation:** The evaluation of tenders did not follow evaluation guidelines issued by PPRA, some of the used evaluation criteria were not stipulated in the tender documents, important documents such as minutes of tender opening, list of firms which purchased bidding documents were not appended to the evaluation report.
- g) **Not following appropriate approval channels:** There were no approvals by the Tender Board on invitation to bidders, draft bidding documents, procurement methods and variation orders. The PMUs prepared invitation to bids and bidding documents, and issue them to bidders without prior approval by the Tender Board. This is contrary to Reg.54 (1), Reg. 80(3) and Ref. 80(4) of the GN.No.97 of 2005.
- h) **Inappropriate Contract Award Communications:** The Secretaries to the Tender Board communicated award decisions to successful bidders contrary to the requirements under Section 33 of PPA CAP. 410. Award notifications to unsuccessful bidders were not done contrary to Regulation 97(11) of GN. No 97 of 2005 which requires notifications to be issued to unsuccessful bidders by indicating the name and accepted bid price of the successful bidder.
- i) **Lack of quality assurance:** The Accounting Officers did not appoint Inspection and Acceptance committees to inspect the supplied goods. This is contrary to the provisions under Reg. 126 and Reg.127 of GN.No.97 of 2005 which requires Accounting Officers to appoint goods inspection and acceptance committees to ascertain the quality of the supplied goods with respect to specifications in the contract. The inspection report then forms the basis for certifying payments on received goods.
- j) **Not publishing tender awards:** Tender awards were not published to the public contrary to the requirement of Reg. 97 (12) of the GN No. 97 of 2005.
- k) **Not submitting monthly and quarterly procurement reports to PPRA:** Monthly and quarterly procurement reports were not prepared. This is a requirement under the Checking and Monitoring System for procurement activities to all MDA's (A circular was issued by PPRA on 23rd July, 2007).
- l) **Not submitting tender adverts to PPRA:** Tender advertisements were not submitted for posting into PPRA's website. This is a requirement under Regulations 9(a) and 7(a) of GN.No.97 and GN.No.98 of 2005 respectively.

- m) **Using bid security instead of bid securing declaration:** A secular issued by PPRA to use Bid Securing Declaration instead of Bid Security to procurements eligible for exclusive preference was ignored.
- n) **Poor contracts management:** There were a number of weaknesses in contracts administration such as delayed payments, lack of quality control, delayed compilation of projects, excessive variation orders, incorrect claims assessment, etc.

Appropriate recommendations were provided to all the visited PEs and they were required to report to PPRA the status of implementation of the recommendations within two months. Some of the PEs have already implemented the recommendations and others are being followed up.

The observed non-compliances were mainly due to lack of appropriate skilled staff in the PMUs, inadequate staff in the PMUs, and insufficient knowledge of the provisions in the PPA and its Regulations.

Annex 4.4 provides a list of PEs that were visited.

4.6.3 Administrative Review and Investigation of Procurement Complaints

4.6.3.1 Administrative Review of Procurement Complaints

Section 81 of PPA, Cap 410 empowers PPRA to make administrative review of procurement complaints. During the reporting period, PPRA received, reviewed and issued decisions on five (5) applications for administrative review in accordance with Section 81 of PPA, 2004. PPRA has also maintained a Register of procurement complaints reviewed by Accounting Officers and complaints referred to PPAA and PPAA appeal decisions.

4.6.3.2 Investigations on allegations, complaints and reported cases of mis-Procurements

Section 8 of PPA, Cap 410 empowers PPRA to conduct investigation on various matters including the award of public contracts. During the period under review PPRA conducted investigation on sixteen (16) issues relating to allegation, complaints and reported cases of mis- procurements.

Summary of reviewed procurement complaints and investigations conducted with actions taken are shown in **Annex 4.5**

4.6.4 Development of Public Procurement Anti-Corruption Strategy

PPRA embarked upon the task of preparing an anti-corruption strategy in public procurement in order to assist the Authority and the government at large to minimize public procurement related corruption as well as monitoring and measuring the level of corruption by using baseline indicators to be developed. The Scope of service included the following;

- a) To identify potential areas in the procurement process (successive stages in the procurement cycle including planning, choice of procedures, solicitation of offers, examination and evaluation of offers, negotiations, award of contract and contract management) prone to corruption and suggest measures to be taken to eliminate opportunities for corruption;
- b) To suggest the mechanism (tools and techniques) for undertaking anti-corruption monitoring and audits in public procurement;
- c) To establish indicators for measuring and monitoring the extent of corruption in public procurement;
- d) By using the established indicators, assess the baseline indicators on the extent of corruption in public procurement;
- e) To review the Project Anti-Corruption System (PACS) for construction projects and suggest any modifications for adopting them,
- f) To assess the existing public procurement appeals mechanism and suggest improvement (if any);
- g) To suggest the code of ethics for all participants (including bidders and public officials) involved in the procurement process,
- h) To suggest short and long term anti-corruption strategies in public procurement and establish tools for monitoring the implementation of the suggested strategies.

At the end of the year under review, a Consultant appointed to carry out the assignment had submitted an inception report and is expected to complete the assignment in October, 2008. Thereafter rolling out of the developed strategy will follow.

4.6.5 Review of Project Anti-Corruption System (PACS)

The review and customization of the Project Anti-Corruption System to suit the Tanzania environment was one of the activities under the MCT. The system was developed by Transparency International as a tool for curbing corruption in construction projects.

The main objective was to assess the possibility of implementing PACS in Tanzania and whether its implementation will have a meaningful effect in reducing corruption in the procurement process in Tanzania.

PACS was initially designed by Transparency International as a generic version that can be adopted by any country. It therefore needs to be customized in order to fit to the country situation. The customization process in Tanzania started with country consultations that were undertaken by one of the consultants involved in the design of PACS who subsequently prepared the country consultation report, which concluded that PACS could be implemented in Tanzania without requiring changes in existing legislation.

Initial Customization of Standards and Templates

The Consultant customized the standards and templates to the Tanzania environment and produced drafts standards and templates. PPRA then formed a PACS Working Group (Group) to advise on practical and legal issues related to the implementation of PACS in Tanzania. The Group held its first meeting from 28th - 30th April 2008 at the Palm Tree Village Hotel, Bagamoyo to undertake a detailed customization of PACS for Tanzania and to review proposal for PACS piloting and implementation.

Testing of the Customized Standards and Templates

The process of testing the customized standards and templates involved the appointment of an Independent Assessor (IA) who assessed the presence or otherwise of corruption incidences in the procurement of two projects identified by PPRA. These projects were being implemented by the Ilala Municipal Council and involved construction of classrooms at Mchikichini Secondary School (worth TZS 229,403,040) and Mnazi Mmoja Secondary School (worth TZS.244,363,675).

Outcome of the piloting process

The Working Group met again on the 27th June 2008 to review the piloting process and a final recommendations on the implementation of PACS in Tanzania. Unfortunately it was not possible to make adequate assessment of the quality of the data and information obtained due to shortage of time provided to the consultant. Stakeholders' opinion was that the system will be very useful in enhancing the anticorruption strategies in the procurement system in Tanzania.

The major worry of the designers and other stakeholders was the willingness of the procuring entities and service providers to avail information to the IA.

The Working Group recommended the following:-

- a) PACS should be incorporated in the Public Procurement process in Tanzania.
- b) Implementation of PACS should start with a few projects in order to capture issues that could not be captured during the piloting phase and to use the information gathered to refine the system before full implementation. Alternatively, another pilot could be undertaken with provision of adequate time. The time should be long enough to cover the duration of a procurement process.
- c) The Independent Assessor should be recruited and paid by PPRA in order to make the IA adequately independent of the project owners (procuring entities) and to optimize their use, especially on smaller projects.

Source of funds for paying the fees for the IA was proposed to come from either PPRA's operational budget or from the projects themselves. It was however observed that this could delay implementation of PACS because there may be a need to change laws and financial procedures, which may involve the Parliament. It was thus recommended that the pilot phase should be extended so that funding can be sought from the development partners.

- d) There will be need to provide training to all key participants and stakeholders in order to make sure the process is well understood. Training should focus on both PACS system and on transparency and anticorruption.

- e) Sensitization is also very crucial in order to buy-in stakeholders and involve them in the monitoring process.

The extent to which PACs can be implemented is one of the aspects to be looked and reported upon by a consultant appointed to prepare Public Procurement anti-Corruption Strategy.

4.6.6 Collection and review of tender notices and contract awards

Procuring Entities are required to submit to PPRA their annual procurement plans (APPs) and tender notices for monitoring purposes and posting into the website. Similarly, they are required to submit to PPRA the name of the winning bidder and contract amount for each contract they award.

During the reporting period, a total of 32 PEs submitted their APPs to PPRA as shown in **Annex 4.6**. The submitted APPs were posted in the PPRA's website. The number of PEs that submitted APPs is less than 10% of all PEs indicating a marginal compliance level.

Similarly, 1074 tender notices (goods - 389, works - 373, consultancy services - 143, non-consultancy services - 155, and disposal of public assets - 14) were collected from newspapers and some of them were submitted to PPRA by PEs. The notices were reviewed and posted on the website and some of them into the Tanzania Procurement Journal. The number of tender notices submitted by PEs in compliance with the requirement in the procurement regulations was only 39% of all the collected tender notices while 61% of the collected tender notices were not submitted by PEs as required by the Public Procurement Regulations, instead they were obtained from newspapers. The analysis indicates a low level of compliance in this area. Out of the collected tender notices by Ministries, Parastatals, Agencies, Independent Departments and Local Government Authorities; 26%, 46%, 61%, 64% and 18% were submitted by PEs to PPRA respectively as shown in **Figure 4.1** below.

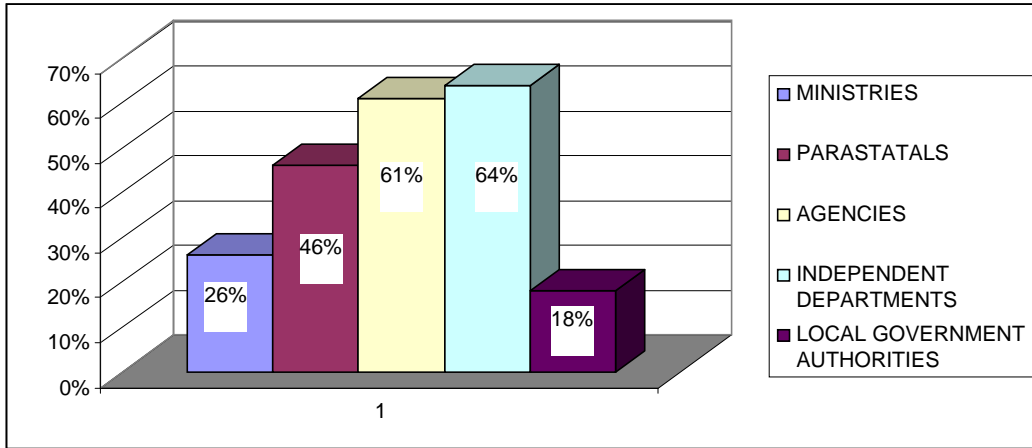


Figure4.1: Level of compliance in submitting tender notices

666 awarded contracts were also reported by PEs to PPRA and posted into the website and some of them into the Tanzania Procurement Journal during the same period. The reported contracts were about 62% of the collected tender notices.

Due to the observed low compliance in submitting APPs, tender notices and contracts awards, compliance monitoring and enforcement will be enhanced during the next financial year.

4.7 Sharing and Dissemination of Procurement Information

4.7.1 Publication of the Tanzania Procurement Journal

PPRA established a procurement journal that was strongly recommended in the 2003 CPAR. The journal referred to as *The Tanzania Procurement Journal* was registered on 6th June 2007 with certificate of registration No. 00000401 and ISSN No. 1821-6021. The journal is being produced bi-monthly and sold or distributed to procurement stakeholders. The Journal provides additional information and guidance as well as relevant technical papers and news relating to public procurement and related aspects. By end of June 2008, 9 editions had already been published.

4.7.2 Strengthening the Authority's website; www.ppra.go.tz

The Authority is continuously strengthening its website as a tool for collecting and disseminating public procurement information. As a result, since it became operational in 2004, various public procurement information and downloadable documents are published regularly, consistently and timely. The information and documents available on the website include PPA Cap 410 and Regulations made under it; Standard Bidding Documents (SBDs); General and Specific Procurement Notices; Various Guidelines on public procurement issues; training opportunities etc.

During the period under review, the following achievements has been made:-

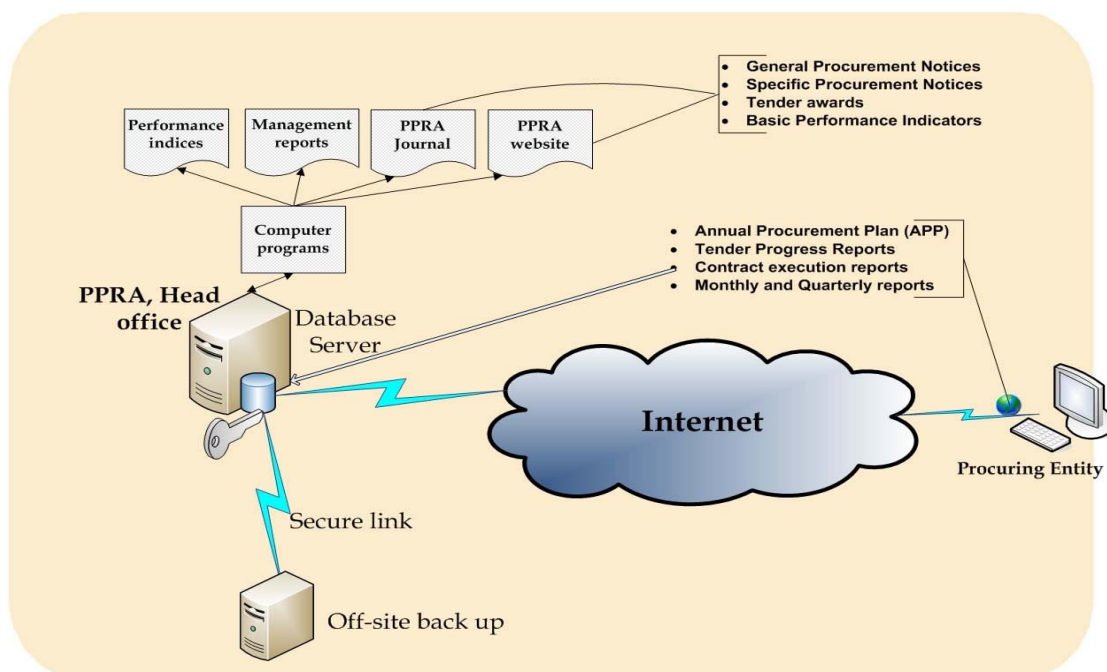
- a) The website has been transformed from static to dynamic mode (database-driven) thus simplifying its management and maintenance.
- b) Additional features have been introduced to simplify navigation, collection and searching of information. This includes online registration of Suppliers, Contractors and Consultants and criteria-based searching of tender opportunities and contracts awarded.
- c) Tender information submitted by PEs and published in the website during the period under review include:-
 - i) 45 General Procurement Notices
 - ii) 171 Specific Procurement Notices
 - iii) 674 Awarded Tenders
- d) A database comprising 2,540 Suppliers, Contractors and Consultants have been created and made available on the website.

4.7.3 Procurement Management Information System (PMIS)

Following the development of the System for Checking and Monitoring Compliance with PPA 21 of 2004 by all PEs, the Authority, recognising the benefits of using Information and Communication Technologies (ICTs), has developed PMIS to support the manual system. The System facilitates online submission of procurement information by PEs to the Authority using Internet technology. The information submitted is stored in databases for checking and monitoring purposes. The systems architecture is shown in **Figure 4.2**.

During the period under review, the following achievements has been made:-

- a) Development of PMIS which started in 2006/7 has been finalised and the System made available through the Internet at the address <http://pmis.ppra.go.tz>
- b) 95 participants from 65 PEs have been trained on how to use PMIS. List of PEs and participants is attached as **Annex 4.7**
- c) Follow-up visits to PEs have been carried out and as a result 48 PEs are registered as Users of PMIS.



Procurement Management Information System (PMIS)

Figure 4.2: Architecture of PMIS

Despite PPRA's efforts to introduce the use of ICT in collection and sharing procurement information, the response of the PEs and the general public has been very low. There is generally a need to increase more public awareness of the use of ICT for increased efficiency and economy of procurement operations.

4.8 Interventions aimed at Improving the Procurement System

4.8.1 Establishment of PMUs and Regularizing Staffing Levels

With the establishment of PMUs in all PEs, and with the many changes which are taking place in the field, both in professional practice and in respect to legal and regulatory framework, MDAs, LGAs and parastatals must adjust their staffing to meet the new requirements.

To achieve this, PPRA prepared a structure and staffing levels for PMU and scheme of service of procurement professionals and forwarded it to the Permanent Secretary, President's office, Public Service Management for review and guidance.

A notable progress towards the establishment of Scheme of Service of Procurement Staff, is the decision of the Government to transfer the procurement and supplies cadre from the Ministry of Infrastructure Development to the Ministry of Finance and Economic Affairs; and the establishment of a Procurement Policy Unit within the Ministry of Finance and Economic Affairs to oversee procurement policy issues and the procurement Cadre.

4.8.2 Professionalizing Procurement

Professionalizing procurement is concerned with the standards that are developed and enforced, and the manner in which the procurement field is governed to ensure that practitioners are properly qualified and always ready to perform effectively and that the procurement process is managed with integrity.

PPRA, in collaboration with NBMM, worked together to amend the NBMM Act No. 9, of 1981. The Act was amended and Procurement and Supplies Professionals and Technicians Board, 2007 was passed by the Parliament and assent by the President, of the United Republic of Tanzania.

The process of recruiting a consultant to prepare Regulations for implementing the Procurement and Supplies Professional Board's Act and a Code of Ethics for procurement and supplies professionals was almost complete by the year end. Meanwhile, the PPRA in collaboration with NBMM formed a joint committee to provide input and supervise the consultant as he prepares the two documents. The committee comprises experts from Ministry of Justice and Constitution, NBMM, PPRA and Ministry of Infrastructure Development.

4.8.3 Research and Surveys

PPRA planned to engage consultants to carry out specific studies in collaboration with its staff. Four (4) key issues were the subject of this year's research and survey efforts, namely; establishment of PMUs and Tender Boards, utilization of preference scheme, procurement supply market, and distribution of contracts between local and foreign firms. All these were expected to provide important inputs to procurement capacity development interventions. The following was accomplished during the year ending in 30th June, 2008.

- (a) A report on status of procurement institutional setup for Government Ministries was prepared,
- (b) A similar report on **175** procuring entities including **53** Parastatal Organizations, **11** Independent Departments, **34** Executive Agencies, **67** Local Government Authorities and **10** Regional Administrative Secretariats was prepared,
- (c) A report on distribution of public contracts between local and foreign firms for awards worth Tshs 100,000,000 and above has not been completed due to very slow response by PEs. Significant progress has been made in respect of compiling data with respect to works contracts, because of availability of such information in the office of the Contractors Registration Board,
- (d) Survey on application of preference scheme has also suffered from lack of cooperation by PEs. The process is underway to compile the information from reports submitted to the Authority as part of implementing the SCMP,
- (e) Research on procurement supply market which is being done by a consultant is in progress. The consultant had already submitted an inception report by end of the year.

4.8.4 Establishment of a System for Procurement of Common Use Items

Another aspect of measuring procurement performance is the whole issue of transaction costs by PEs. Significant cost savings can be achieved if some requirements of the PEs are aggregated and procured jointly. There was therefore need for establishment of a system for procurement of common use items. A consultant was engaged to develop the system and by 30th June he was about to submit the draft report and present the system to key stakeholders. A list of common use items and average prices of such items was prepared and is under review by PPRA.

4.8.5 Amendments of PPA, Cap 410

During the review period, PPRA in collaboration with the Ministry of Finance and Economic Affairs has consolidated all proposed amendments on the Act from different stakeholders and prepared a schedule of amendments. The Schedule of amendments was submitted to the Permanent Secretary, Ministry of Finance and Economic Affairs in July, 2007. It is expected that the amendments would be tabled in the Parliament in November, 2008.

The amendments, to a large extent aim at addressing some of the weaknesses that were observed by a select Parliamentary Committee on the contract for Emergency procurement of power supply between TANESCO and Richmond Development LLC. The main issues addressed in the proposed amendments include:-

- a) PPRA to become an autonomous oversight body capable of discharging its function without interference,
- b) PPRA to have power to issue directives, to suspend the procurement process and cancel the procurement contract if after investigation it is proved that there is violation of PPA, Cap 410 and its Regulations,
- c) To provide for criteria and a procedure for doing emergency procurement,
- d) To provide for circumstances which a tenderer shall be debarred from participating in public procurement,
- e) To provide for stern measures/severe punishment for any person who contravenes the provision of PPA, Cap 410,
- f) To provide for a procedure of conducting due diligence to local and foreign bidders recommended to be awarded public procurement contracts.

4.9 International Collaboration

4.9.1 Procurement Capacity Development Workshop in Copenhagen

PPRA was invited by the United Nations Procurement Capacity Development Centre (PCDC) in collaboration with DFID, DANIDA and the OECD-DAC Joint Venture for Procurement Secretariat to attend a three day workshop that was held in Copenhagen Denmark from 22nd to 24th April 2008.

This initial workshop involved a small group of participants from east Africa, namely; Kenya, Malawi, Tanzania, Uganda and Zambia. These countries have all been pilots under the OECD-DAC Joint venture for Procurement and already have hands on experience that will be invaluable for the development of similar workshops. PPRA was represented by its Chief Executive Officer and two members of staff.

4.9.2 Third Meeting of the OECD-DAC JV on Procurement

Tanzania, through PPRA, hosted the Third Meeting of the OECD-DAC JV on Procurement from 5th to 7th May, 2008 at Ngurdoto Hotel in Arusha. The meeting attracted 85 foreign and 73 local participants. The main objective of the meeting was to update participants on the state of the 2008 monitoring exercise of the Paris Declaration and to clarify on the strategic issues regarding the country procurement systems that Joint Venture proposes to share with preparatory regional workshops and members of High Level Forum on Aid Effectiveness in Accra, Ghana, September, 2008. Furthermore, the participants had the forum to share experiences in developing procurement capacity development strategies and discussed on the draft document on experiences to date in applying the OECD procurement assessment methodology.

4.9.3 East African Procurement Forum

One of the major achievements of the East African countries is that each of them has enacted a Public Procurement Law. The laws are intended to, among other things, streamline public procurement (to ensure it is carried out in a non-discretionary manner) in order to achieve value for money, enhance efficiency in budget execution and service delivery, reduce corruption in procurement and promote national private sector. However, it was observed that in each country the implementation of the law is not fully achieving its objectives as envisaged because of a combination of factors. These are, amongst others, weak enforcement of compliance with the law, low capacity of the public sector (inadequate technical skills in procuring entities to support procurement), weak and/or uniformed private sector, and poor governance, including weak roles of competent Authorities in public procurement. There were also ambiguities and unclear provisions in the laws, unclear and/or conflicting mechanisms for dealing with Appeals and Complaints and weak roles of Development Partners and Civil Society.

It was on that basis that, the Public procurement and Disposal Authority (PPDA) of Uganda in collaboration with the World Bank hosted a three days East African procurement Forum from 10th to 12th June 2008 in Kampala Uganda. The forum attracted participants from Uganda, Tanzania, Kenya, Burundi, Rwanda and Southern Sudan. The main purpose of the Forum was to bring together stakeholders in public procurement from the countries to discuss and learn from

each other on how to enhance the effectiveness of public procurement laws. The forum focused on three main areas; i.e. (i) enforcing compliance with public procurement law, (ii) capacity building, and (iii) Operating Systems. The Forum provided an opportunity for participants to learn what works well and what does and to get a sense of how stakeholders would support and contribute to an effective public procurement system.

4.9.4 Uganda Public Procurement and Disposal of Public Assets Authority's Visit to PPRA

A delegation comprising the members of the board of directors and senior management of PPDA of Uganda visited PPRA on 9th and 10th August following an invitation by the latter. The two institutions which have almost similar functions discussed various issues relating to the procurement oversight function and shared experience on implementation of reforms in public procurement. The delegation had an opportunity to meet officials of Public Procurement Appeals Authority, National Board of Materials Management, Government Stores, National Construction Council and Contractors Registration Board. The visit enhanced good working relationship and both PPRA and PPDA are striving to maintain good ties.

4.9.5 Kenya Public Procurement Oversight Authority's Visit to PPRA

The Public Procurement Oversight Authority (PPOA) of Kenya visited PPRA and other institutions involved in public procurement and registrations of professionals in the country from 8th to 10th May, 2008. PPOA delegation was led by the Chairperson of the Advisory Board and included board members and senior management officials. The two institutions held talks on a variety of issues including the regulatory/oversight functions, the differences and the similarities. The two bodies shared experience and talked about major challenges facing them and possible interventions.

5.0 PERFORMANCE OF PROCURING ENTITIES

5.1 Volume of Contracts Awarded by the Pes in F/Y 2007/08

5.1.1 General Overview

Procuring entities are required by the procurement regulations to submit to PPRA the name of winning tenders and the tender amounts to enable PPRA to keep track of all awarded contracts and compile procurement statistics. Unfortunately, only a few PEs have been complying with this requirement.

Following poor response by PEs to submit information on individual tender award, PPRA requested them towards the end of the financial year PPRA to submit a summary of awarded tenders giving the numbers and values of contracts awarded under the four categories, namely; goods, works, consultancy services and non-consultancy services. The summary of tenders awarded in terms of values is shown in **Annex 5.1**.

Out of 357 PEs, only 153 which is equivalent to 42.8 percent responded to PPRA's request to submit tender award information while 204 have so far failed to do so. The submitted information reveals that contracts amounting to Tshs. 1,800,974 million were awarded by these 153 PEs as shown in Table 1. If one assumes those PEs which responded to be representative sample, the value of awarded contracts would be more than is Tshs 3 Trillion, which is close to one half of the central Government budget for this financial year. A summary of values of contracts awarded by various categories of PEs and types of procurement is shown on **Table 5.1**. An analysis of the values shows that out of Tshs 1.8 trillion about 95 percent is for supply of goods and execution of works.

Table 5.1: Summary of Volume of Tenders Awarded in million Tshs..

Category of PE	Goods	Works	Consultancy Services	Non-Consultancy Services	Total
Ministries	116,230	181,042	8,696	2,650	308,618
Parastatal Organisations	13,779	205,594	6,909	15,645	541,926
Executive Agencies	23,802	651,472	29,225	5,756	710,254
Urban Water and Sewerage Authorities	5,873	1,103	144	381	7,500
Independent Departments	131,520	1,062	744	6,843	140,169
Regional Administrative Secretariats	1,996	7589	527	828	10,940
Local Government Authorities	21,238	55,850	435	4,042	81,565
Total	614,838	1,103,711	46,681	36,144	1,800,974

The value of contracts for consultancy and non consultancy services is just about 5 percent of the total. The percentage distribution of values for different types of procurement is shown in **Figure 5.1** in terms of goods, works, consultancy services and non consultancy services.

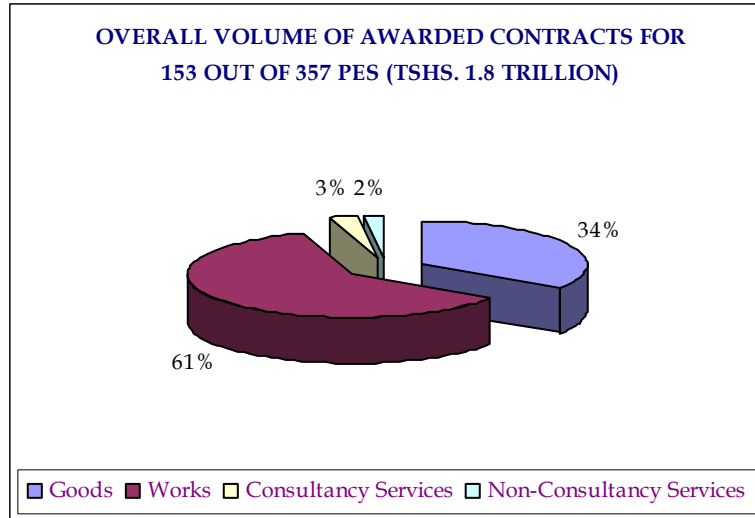


Figure 5.1(a): Percentage Distribution of Volume of Awarded Tenders

The results have been seriously influenced by two major PEs, namely TANROADS and TANESCO. When the two PEs (Tshs 936 Billion) are excluded the distribution changes as shown in **Figure 5.1(b)**.

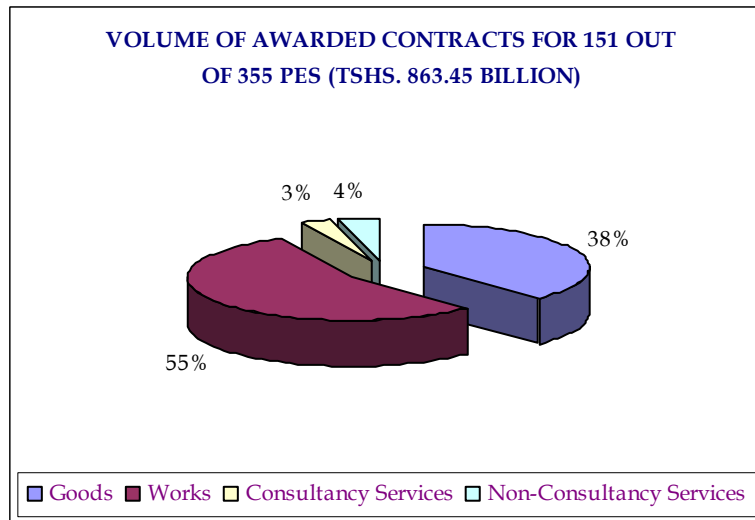


Figure 5.1(b): Percentage Distribution of Volume of Awarded Tenders (Excluding TANROADS and TANESCO).

The results show that on average, works contracts constitute the highest amount in terms of value of contracts awarded by the remaining PEs, followed by goods and very small amounts for consultancy and non-consultancy services.

Five PEs had total volume of awarded contracts above Tshs. 100 billion and only other six had volume of contracts between Tshs. 10 and 100 billion as shown in **Figure 5.2**. The overall distribution of values of contracts for all PEs is shown in **Figure 5.3**

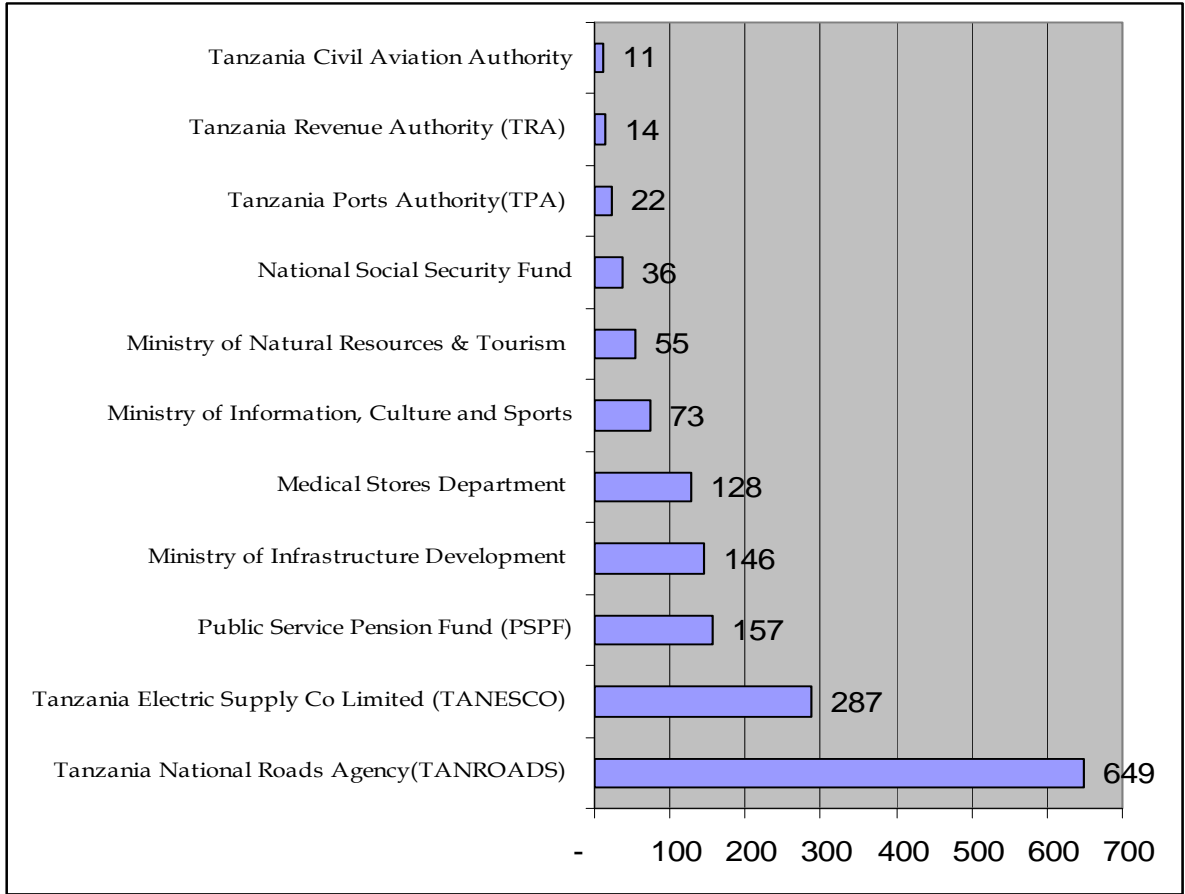


Figure 5.2: PEs with Tender Volumes above Tshs. 10 billion

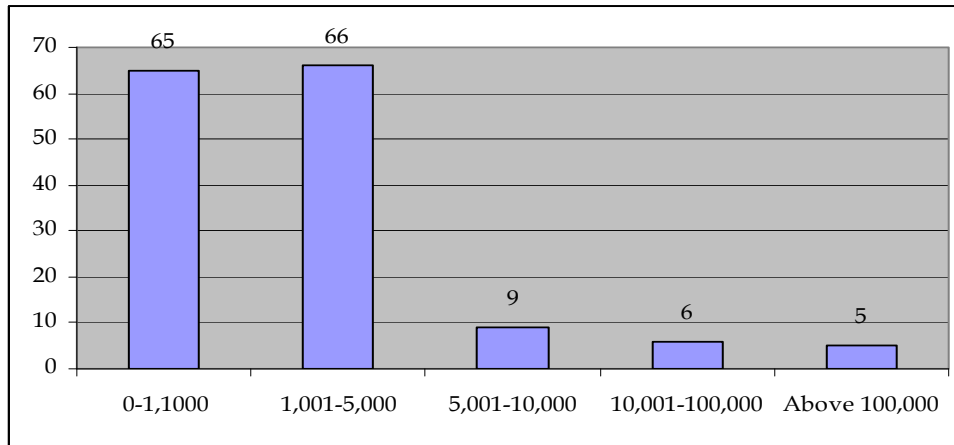


Figure 5.3: Distribution of Volume of Awarded Tenders by PEs

5.1.2 Contracts Awarded by Ministries

Only 16 out of 27 Ministries submitted tender award information of which analysis is shown in **Figures 5.4**. The analysis shows clearly that tenders awarded by the Ministries were mainly for works and goods with negligible value awarded for services.

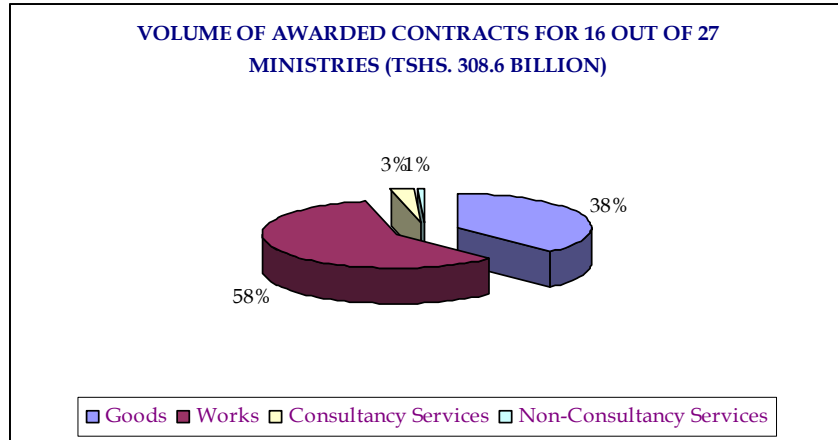


Figure 5.4 Percentage distribution of volumes of tenders awarded by Ministries

5.1.3 Contracts Awarded by Parastatal Organisations

The Authority received 37 responses out of 102 Parastatal Organisations which were requested to submit tender award information. The distribution of awarded tenders is shown in **Figures 5.5**. Again, as already discussed above, TANESCO's procurement has had great influence on the distribution. **Figure 5.5(a)** shows the situation with TANESCO included, while **Figure 5.5(b)** depicts the distribution without the giant PE.

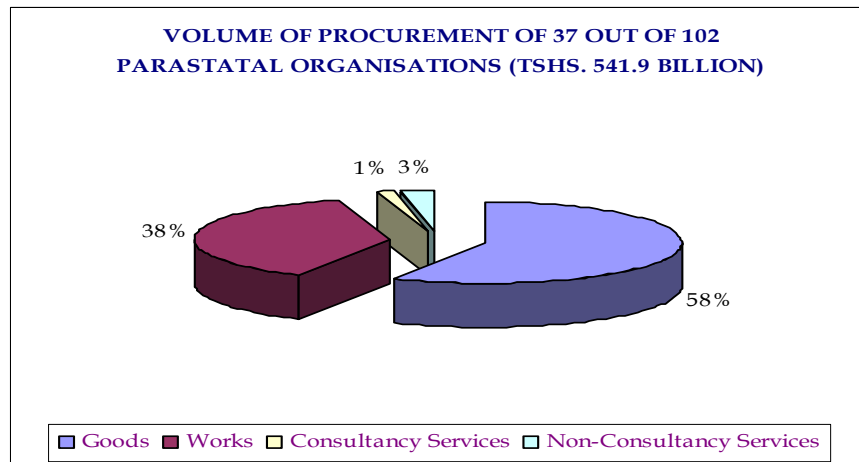


Figure 5.5(a): Percentage distribution of volumes of tenders awarded by Parastatal Organisations (Including TANESCO)

The results indicate that with the exception of TANESCO, there is a very high expenditure on works, a pattern which is quite different from that of the Ministries.

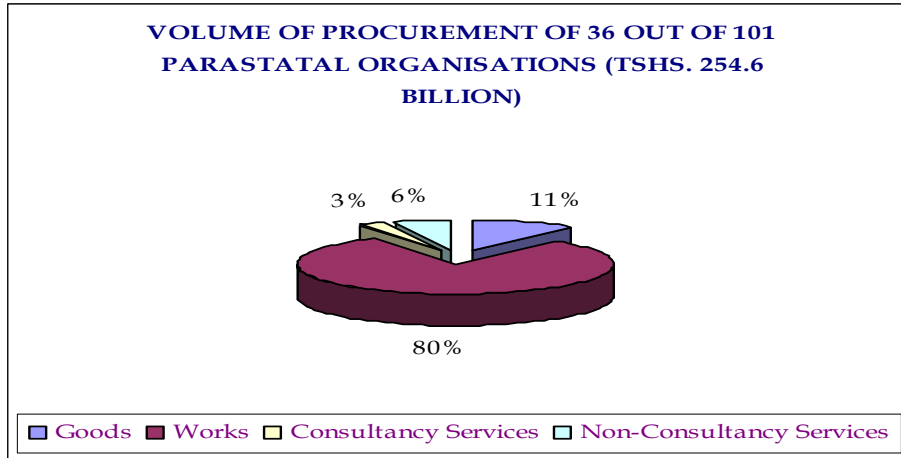


Figure 5.5(b): Percentage distribution of volumes of tenders awarded by Parastatal Organisations (Excluding TANESCO)

5.1.4 Contracts Awarded by Executive Agencies

Submission of tender award information by Executive Agencies was also not satisfactory, with only 12 out of 28 responding positively to PPRA's request. Like in the case of parastatal organizations, a single PE (TANROADS) has seriously influenced the results as shown in **Figure 5.6**. When TANROADS is excluded, the values of tender awarded for goods and works were about the same, while consultancy and non consultancy services is also of significant proportion as shown in **Figure 5.6(a)**.

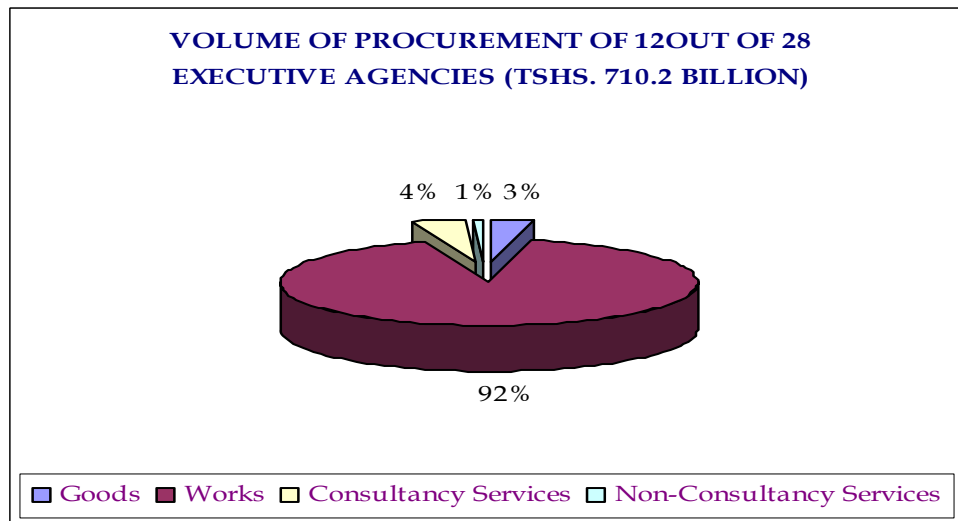


Figure 5.6(a): Percentage distribution of volumes of tenders awarded by Executive Agencies (Including TANROADS)

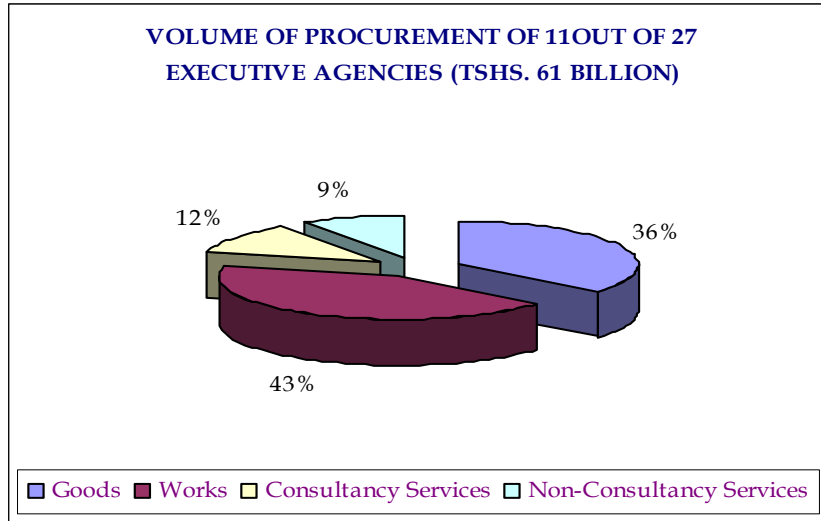


Figure 5.6(b): Percentage distribution of volumes of tenders awarded by Executive Agencies (Excluding TANROADS)

5.1.5 Contracts Awarded by Urban Water and Sewerage Authorities

Urban Water and Sewerage Authorities (UWSAs) response to PPRA’s request to submit tender award information was also low, with only 8 out of 24 complying. Analysis of submitted information by UWSAs produced the results shown in **Figures 5.7**. Over 87 percent of the value of awarded tenders is for goods and works. The value of awarded tenders for supply of goods was twice the amount awarded for works related contracts.

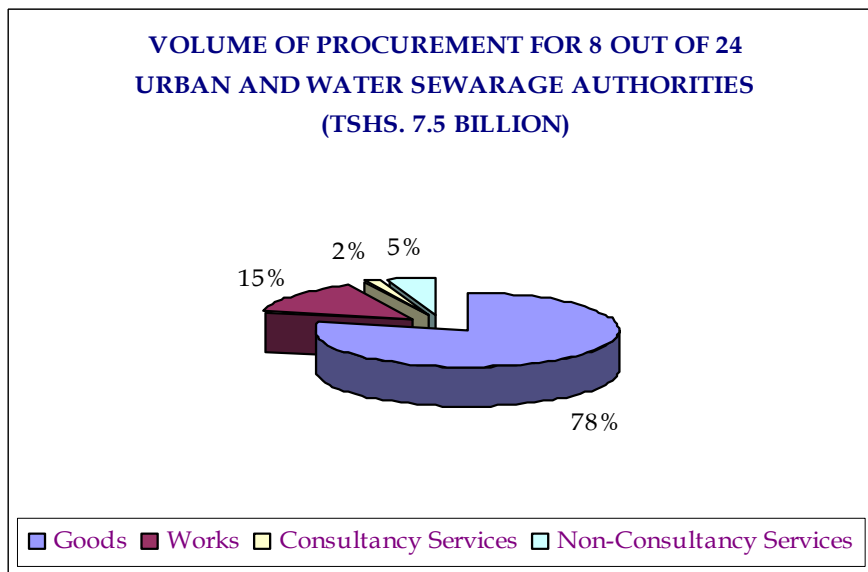


Figure 5.7 Percentage distribution of volume of tenders awarded by UWSAs

5.1.6 Contracts Awarded by Independent Departments

Out of 23 Independent Departments only 8 responded to PPRA’s request to submit tender award information. The values of awarded tenders were analysed and results are presented in **Figures 5.8**. The results show that supply of goods constitutes the main expenditure of the Independent departments.

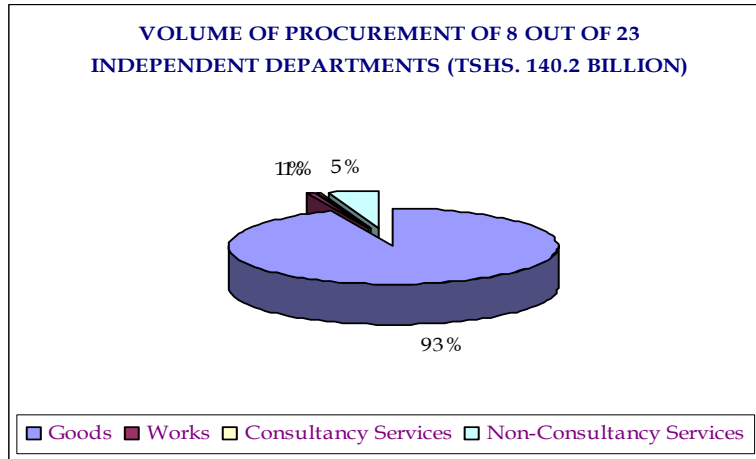


Figure 5.8: Percentage distribution of volumes of tenders awarded by Independent Departments

5.1.7 Contracts Awarded by Regional Administrative Secretariats

In response to PPRA’s request for PEs to submit tender award information only 10 out of 21 Regional Administrative Secretariats (RAS) responded. The analysis of the data furnished by RAS produced results as shown in **Figure 5.9** below. The largest proportion of the value of awarded tenders was for procurement of goods and works, with works accounting for 69 percent. The amount of tender award for consultancy and non consultancy services is fairly small.

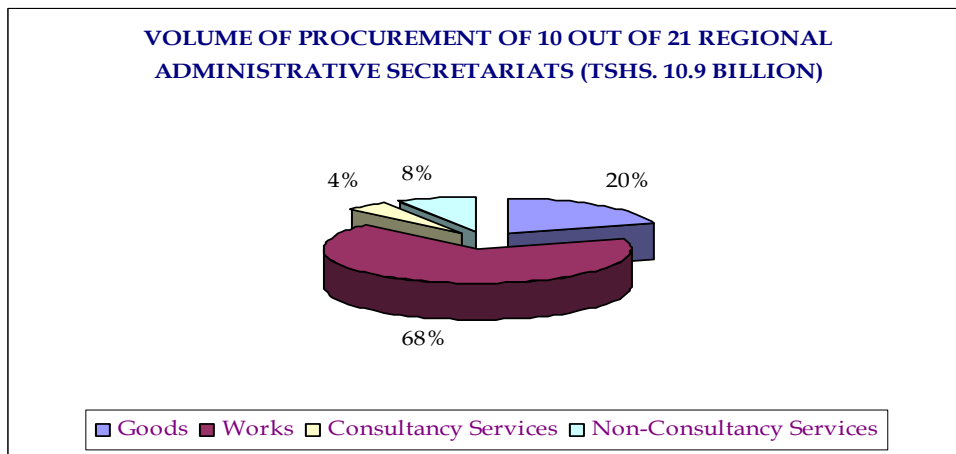


Figure 5.9: Percentage distribution of volume of tenders awarded by RAS

5.1.8 Contracts Awarded by Local Government Authorities

In terms of sheer number of PEs which responded to PPRA's request to submit tender award information, there was more response from Local Government Authorities. A total of 62 out of 132 Local Government Authorities submitted the requested information, the analysis of which is depicted on **Figure 5.10**. The results show that almost one third of the value of awarded tenders was for execution of works. Slightly less than a quarter of the value was for supply of goods. A small proportion of the value of awarded contracts was for provision of consultancy and non consultancy services.

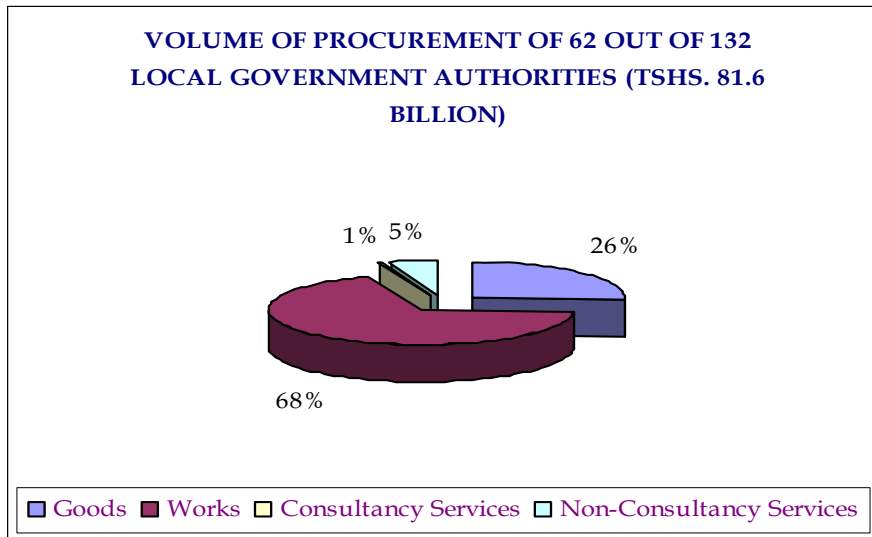


Figure 5.10: Percentage distribution of the values of tender awarded by LGAs

5.1.9 Conclusion

The results shown above could change if all PEs had submitted the requested data; however, a bigger picture could still be drawn from the analysis. From the point of view of capacity building, it appears quite clearly that for RAS and LGAs, priority should be put on procurement of works and goods, while for the rest of the PEs, the capacity building efforts should be directed to all types of procurement.

There is need for PEs to appreciate the importance of providing accurate data on awarded tenders, since such statistics may help the PEs as well as the Government to realize the trends and be able to plan or do estimating on the basis of historical data.

The Authority is still continuing to collect this important information from all PEs. It is expected that PEs will be more responsive to provide contract award information once they realize the usefulness of the data provided for public consumption and for planning purposes.

5.2 Compliance of PEs with the Public Procurement Act and its Regulations

In view of its mandate under Sub-section 7(1)(j) of the Public Procurement Act, 2004, (PPA CAP. 410), the Public procurement Regulatory Authority (PPRA) carried out procurement audits in seventy (70) procuring entities (PEs) during the reporting period. However, further 30 audits for the financial year were yet to be completed. Their results will be appended to this report, once they are completed. The total volume of procurement carried out by the audited PEs is approximately Tshs. 576,942,391,149.

The objective of the audits was to determine whether the procedures, processes and documentations for procurement, contracting and disposal of public assets by tender were in accordance with the provisions of the PPA CAP. 410, Regulations and the standard documents prepared by PPRA and that procurements carried out achieved the expected economy and efficiency, and the implementation of contracts conform to the terms there of. The aim was to identify weaknesses by PEs in complying with the PPA CAP. 410 and Regulations to enable appropriate measures including implementation of appropriate capacity building strategies, to be taken.

Generally, the outcome of the audits indicated an average level of compliance of forty three percent (43%) computed from the thirteen established compliance indicators. The average level of compliance for MDAs is forty five percent (45%) and for LGAs is forty one percent (41%). The audited PEs included thirty four (34) LGAs and thirty six (36) MDAs. The Tanzania Ports Authority attained a maximum average compliance of 73% while the Tanzania Library Services attained a minimum average compliance of 7%. The overall performance of the Audited PEs for all 13 CPIs is shown in **Figure 5.11**.

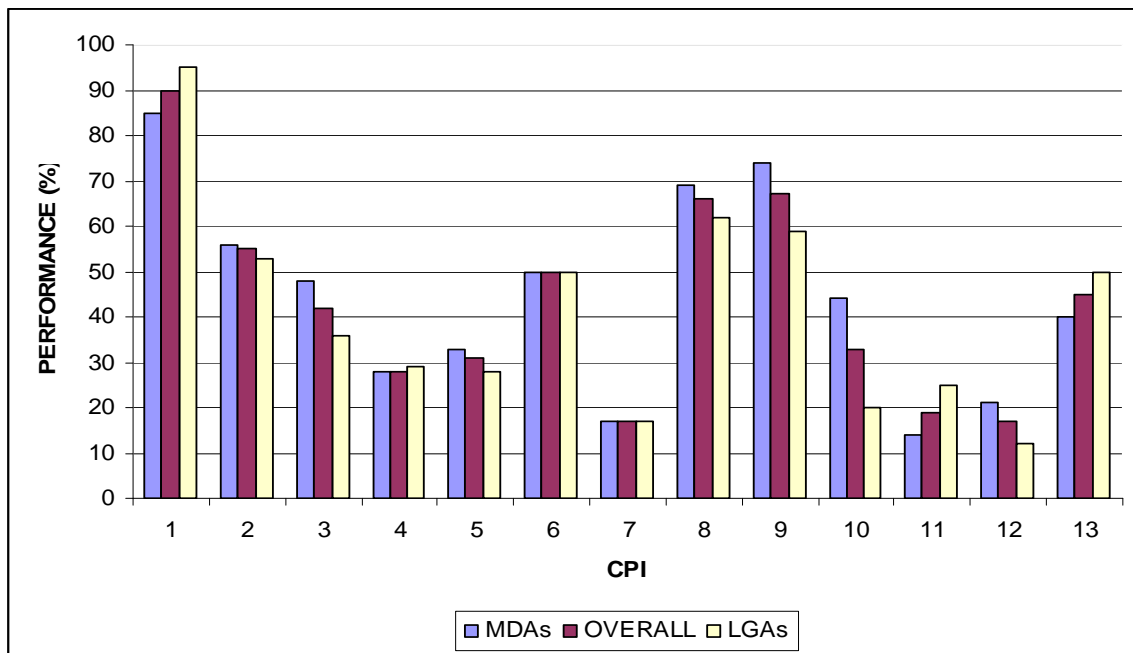
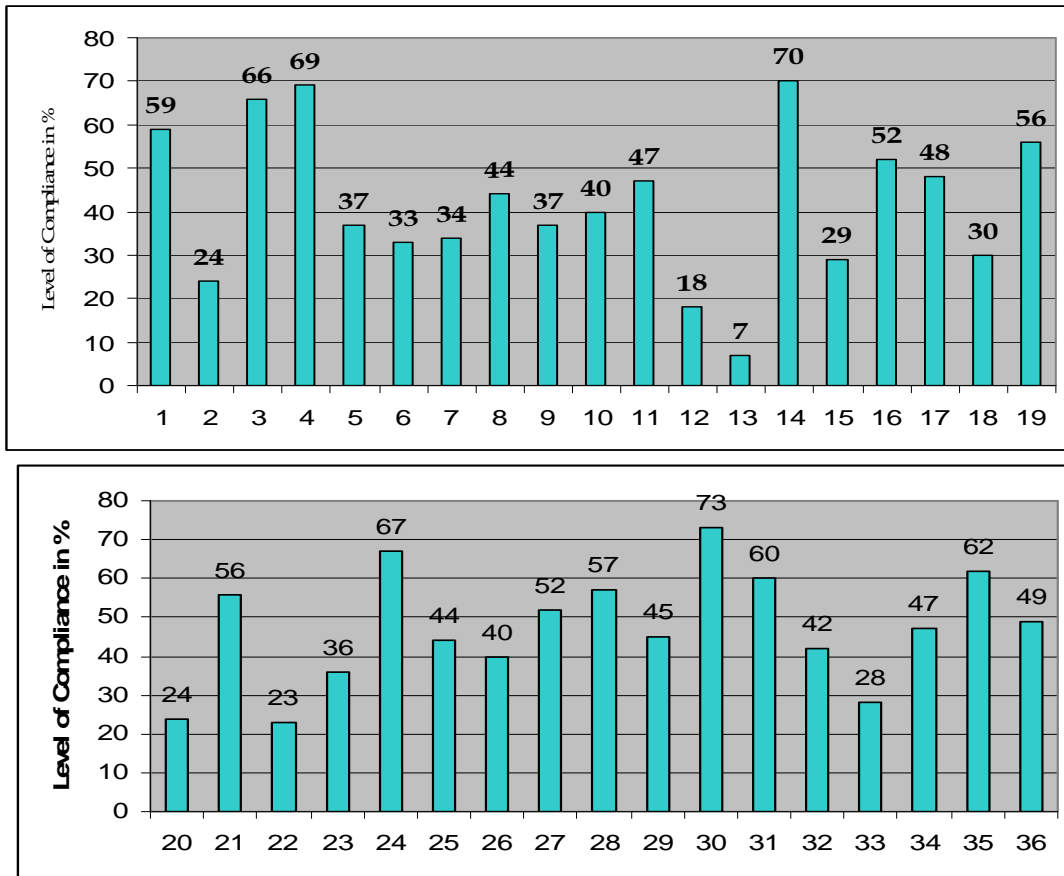


Figure 5.11: Overall Performance of the audited PEs for all CPIs.

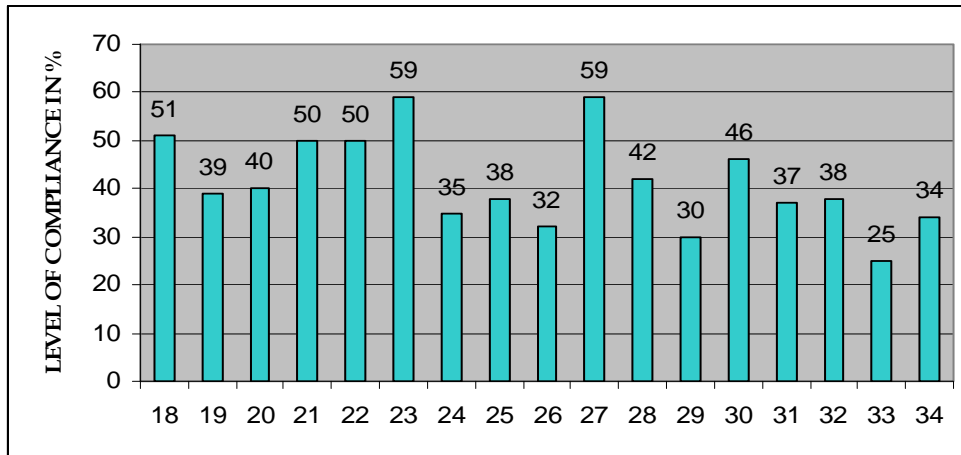
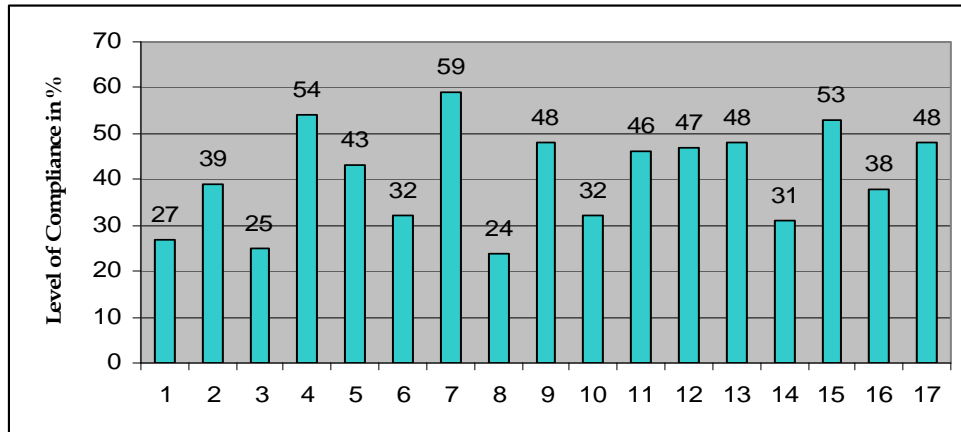
The level of compliance of MDAs is shown in **Figure 5.12** while that of LGAs is shown in **Figure 5.13**. The computation of compliance levels based on the CPIs for all PEs is shown in **Annex 5.2**.



KEY TO PEs

1	National Security Security Fund	19	Prime Minister's Office
2	National Health Insurance Fund	20	Tanzania Tourist Board
3	National Board of Accountants and Auditors (NBAA)	21	Minsitry of Infrastructure Development
4	Tanzania Civil Aviation Authority	22	Ministry of Information, Culture and Sports
5	Arusha Urban Water Supply and Sewerage Authority (AUWSA)	23	Minstry of Technology and Higher Education
6	Moshi Urban Water Supply and Sewerage Authority (MUWSA)	24	Tanzania Revenue Authority
7	Ministry of Community Development, Gender and Children	25	National Examination Council of Tanzania
8	Muhimbili University College of Health Science	26	Muhimbili National Hospital
9	TACAIDS	27	University of Dar-es-Salaam
10	Ministry of Justice and Constitutional Affairs	28	Ministry of Home Affairs
11	Open University of Tanzania	29	Ministry of Finance
12	Tanzania Broadcasting Corporation	30	Tanzania Ports Authority
13	Tanzania Library services	31	Ministry of Housing and Human Settlement Development
14	Medical Stores Department	32	Ministry of Foreign Affairs and International Cooperation
15	Prisons Department	33	Ministry of Industry, Trade and Marketting
16	Dar-es-Salaam Institute of Technology	34	Tanzania Communication and Regulatory Authority
17	Public Services Pensions Fund	35	Ministry of Natural Resources and Tourism
18	Mzumbe University	36	Sokoine University of Agriculture

Figure 5.12- Level of Compliance of MDAs



KEY TO PEs

1	Sumbawanga Municipal Council	18	Kongwa District Council
2	Tabora Municipal Council	19	Njombe District Council
3	Sumbawanga District Council	20	Ileje District Council
4	Bukoba District Council	21	Mbozi District Council
5	Kigoma-Ujiji Municipal Council	22	Rungwe District Council
6	Songea Municipal Council	23	Kyela District Council
7	Morogoro Municipal Council	24	Kiteto District Council
8	Songea District Council	25	Hanang District Council
9	Meru District Council	26	Mwanga District Council
10	Igunga District Council	27	Same District Council
11	Nzega District Council	28	Korogwe District Council
12	Ngara District Council	29	Lushoto District Council
13	Biharamulo District Council	30	Kindondoni District Council
14	Manyoni District Council	31	Mkuranga District Council
15	Chato District Council	32	Kibaha District Council
16	Geita District Council	33	Dar-es-Salaam City Council
17	Mpwapwa District Council	34	Bagamoyo District Council

Figure 5.13 Level of Compliance of LGAs

Areas where PEs performed above average (50%) include: Establishment and composition of Tender Boards; Establishment and composition of Procurement Management Units (PMUs); Advertisement of bid opportunities; Complying with tender preparation times as stipulated in the Regulations; and Complying with the methods of procurements as stipulated in the Regulations. This is summarized in **Figure 5.14**

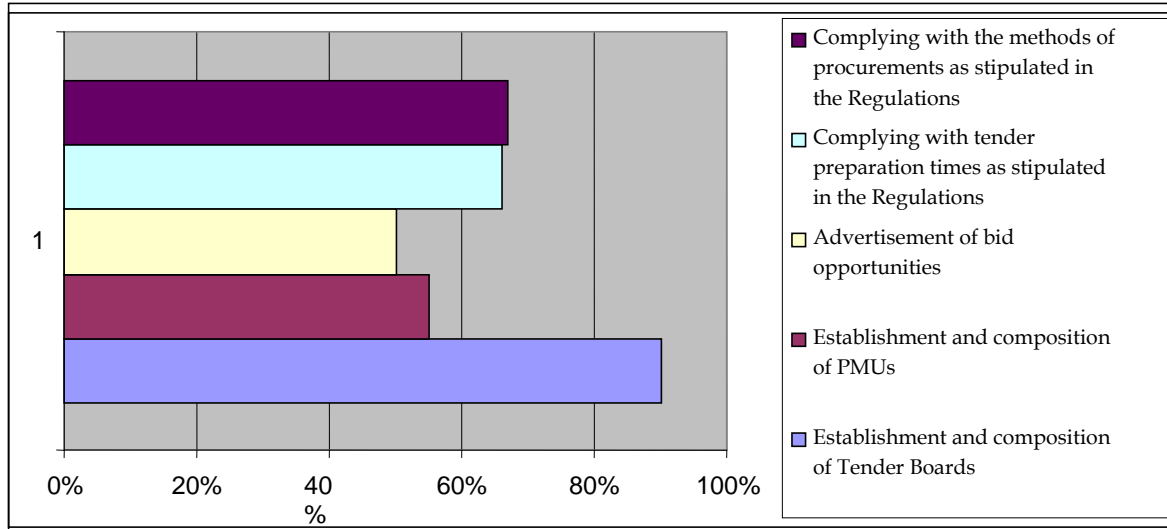


Figure 5.14. Observed areas of good performance as Revealed by Procurement Audits

Areas where PEs performed below average include: Functioning of AOs, TBs and PMUs; Preparation of Annual Procurement Plan; Complying to compulsory approvals; Publication of contract awards; Use of standard tender documents; Records keeping; Quality assurance and control; and Contract management.

The areas where PEs performed very poorly (below 30%) include; Preparation of Annual Procurement Plan; Publication of contract awards; Records keeping; and Quality assurance and control.

The areas where the PEs performed below average and very poorly are summarized in **Figure 5.15**.

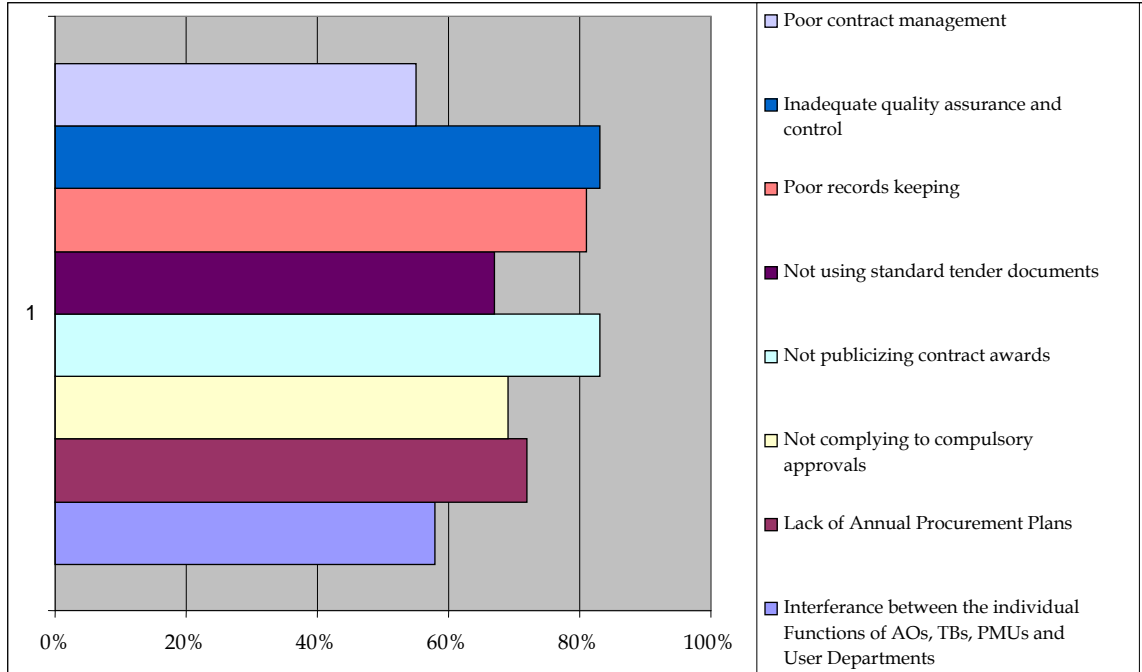


Figure 5.15 Observed areas of poor performance as revealed by Procurement Audits

The results of the audits based on the established CPIs are further explained in **Table 5.2**.

Table 5.2: Outcome of the Procurement Audits as per established Compliance and Performance Indicators

Indicator	Outcome from Audited PEs
Establishment and composition of tender boards	10% of the PEs have not established tender boards in accordance with the PPA and its Regulations.
Establishment and composition of PMUs	45% of the PEs have not established PMUs in accordance with the PPA and its Regulation.
Independence of functions	58% of the audited procurements had interference between the individual functions of the Accounting Officer, Tender Boards, PMU and user Departments.
Annual Procurement plan	72% of the PEs did not prepare annual procurement plans for the financial year 2007/08.
Compulsory Approvals	69% of the audited procurements did not receive all compulsory approvals in the procurement processes contrary to the requirements in the PPA and its Regulations.
Advertisement of bid opportunities	50% of the tenders under open bidding process were not advertised to the public contrary to the requirements of the PPA and its Regulations.

Indicator	Outcome from Audited PEs
Publication of awards	83% of the audited procurements indicated that contract awards were not communicated to the public contrary to the requirements of the PPA and its Regulations.
Time for preparation of bids	34% of the audited procurements indicated that the time provided for the preparation of bids did not comply with the minimum time provided in the PPA and its Regulations.
Methods of procurements	33% of the audited procurements did not use methods of procurement in accordance with their limits of application as provided in the PPA and its Regulations.
The use of standard tender documents	In the 67% of the audited procurements standard tender documents were not used contrary to the requirements of the PPA and its regulations.
Procurement records	81% of the audited procurements had either no procurement records or incomplete records.
Quality assurance	83% of the audited procurements had no adequate quality assurance mechanisms
Contract implementation	Contracts in 55% of the audited procurements were not implemented as per the terms of the contract.

Areas which need immediate interventions therefore include; Establishment of PMUs, preparations of APPs, use of STDs, record keeping, contracts management, independence of functions, compulsory approvals, and publication of contract awards. Assessment of major weaknesses and recommended interventions are shown in **Table 5.3**.

Table 5.3: Assessment of major weaknesses which were observed in the procurement audits

Major Weakness	Lack of properly established PMUs
Effect	<ul style="list-style-type: none"> ✓ Lack of procurement coordination resulting to inefficiency and non-compliance ✓ Mis-procurement
Possible Root Cause	<ul style="list-style-type: none"> ✓ Inadequate qualified procurement specialists in the market ✓ Lack of awareness ✓ Deliberate violation by AOs (Reluctance to change from the previous system)
Recommended Improvement Intervention	<ul style="list-style-type: none"> ✓ Coordination with training Institutions to review curricular in order to meet the current qualification requirements ✓ Enhance awareness campaign (training) ✓ Enhance compliance

Major Weakness	Not preparing APPs
Effect	<ul style="list-style-type: none"> ✓ Inefficiency ✓ Lack of control ✓ Increased procurement transaction costs ✓ Use of inappropriate procurement methods including excessive use of Minor Value Procurement method ✓ Emergency procurements ✓ Splitting of procurements
Possible Root Cause	<ul style="list-style-type: none"> ✓ Lack of qualified procurement specialists ✓ Lack of appropriate skills ✓ Preparations of procurement plans not integrated with budget preparation process ✓ Lack of procurement coordination between PMUs and User Departments ✓ Reluctance to change from the previous system
Recommended Improvement Intervention	<ul style="list-style-type: none"> ✓ Appropriate training (with practical exercises) ✓ Establishing PMUs with appropriate skilled staff ✓ Integrating preparations of procurement plans into budget preparation process ✓ Enhance compliance
Major Weakness	Not using STDs
Effect	<ul style="list-style-type: none"> ✓ Unfair contract awards resulting to complaints ✓ Inappropriate contract rights, obligations and risks allocations resulting to contract disputes, delayed completion, poor quality of works and services e.t.c
Possible Root Cause	<ul style="list-style-type: none"> ✓ Lack of qualified procurement specialists ✓ Lack of awareness on the available STDs ✓ Lack of skills on how to use the STDs ✓ Some of the STDs are complicated and voluminous compared to the type and value of procurements resulting to high costs of preparing tender documents
Recommended Improvement Intervention	<ul style="list-style-type: none"> ✓ Establish PMUs with appropriate skilled staff ✓ Disseminating STDs ✓ Simplifying the STDs to match with the nature of procurements
Major Weakness	Poor record keeping
Effect	<ul style="list-style-type: none"> ✓ Poor management of procurements ✓ Corruption, theft ✓ Loss of public properties
Possible Root Cause	<ul style="list-style-type: none"> ✓ Lack/inadequate record management skills. ✓ Inadequate facilities; ✓ Inadequate office space. ✓ Deliberate misplacement of documents.
Recommended Improvement Intervention	<ul style="list-style-type: none"> ✓ Training on record management ✓ Establishment of the procurement record management system ✓ Implementation of the PMIS ✓ Provision of adequate facilities and office space
Major Weakness	Poor contracts Management
Effect	<ul style="list-style-type: none"> ✓ Poor quality of works, goods and services ✓ Cost and time overruns ✓ Payments delays ✓ Payments for undelivered goods, works and services

	<ul style="list-style-type: none"> ✓ Not realizing value for money ✓ Contract disputes
Possible Root Cause	<ul style="list-style-type: none"> ✓ Inadequate resources (human, financial, vehicles, tools e.t.c) ✓ Lack of/ inadequate project supervision skills ✓ Lack of guidelines for community based projects ✓ Lack of/ inadequate contract management skills ✓ Lack of recognition on the importance of project supervision ✓ Corruption
Recommended Improvement Intervention	<ul style="list-style-type: none"> ✓ Increase resources ✓ Prepare guidelines for community based projects ✓ Training on project supervision and contract management ✓ Prepare project supervision manual in line with standard contract documents ✓ Implement the anti-corruption strategy ✓ Enhance awareness on the importance of projects supervision
Major Weakness	Interference of functions between AO, TBs, PMUs and User Departments
Effect	<ul style="list-style-type: none"> ✓ Lack of accountability ✓ Inefficiency ✓ Inappropriate procurement decisions ✓ Conflict of interest
Possible Root Cause	<ul style="list-style-type: none"> ✓ Lack of knowledge on the PPA provisions ✓ Deliberate violation of the provisions in the PPA
Recommended Improvement Intervention	<ul style="list-style-type: none"> ✓ Enhance training ✓ Enhance compliance
Major Weakness	Not seeking compulsory approvals
Effect	<ul style="list-style-type: none"> ✓ Lack of control ✓ Inefficiency ✓ Not realizing value for money
Possible Root Cause	<ul style="list-style-type: none"> ✓ Lack of knowledge on the PPA provisions ✓ Deliberate violation of the provisions in the PPA ✓
Recommended Improvement Intervention	<ul style="list-style-type: none"> ✓ Enhance training ✓ Enhance compliance
Major Weakness	Not publishing contract awards
Effect	<ul style="list-style-type: none"> ✓ Lack of transparency ✓ Unfair contract awards ✓ Complaints
Possible Root Cause	<ul style="list-style-type: none"> ✓ Lack of knowledge on the PPA provisions ✓ Deliberate violation of the provisions in the PPA
Recommended Improvement Intervention	<ul style="list-style-type: none"> ✓ Enhance training ✓ Enhance compliance

6.0 FINANCIAL PERFORMANCE FOR F/Y 2007/08

During the financial year 2007/08, the Authority received a total sum of Tshs. 3,450,000,000.00 from the Government for meeting recurrent expenditure, as compared to the budgeted amount of Tshs. 3,500,000,000.00. The Authority also received for the Development expenditure, a total sum of Tshs.1,747,842,449.00 from the Loan obtained by the Government from African Development Bank (ADB) under the project titled Institutional Support for Good Governance (Tanzania Mainland) and Tshs.695,791,302.00 from PFMRP basket funding. In addition to this the Authority also received income of Tshs. 106,679,341.92 from sale of documents and tailor made trainings. Total income increased by 71% as compared to total income in the financial year 2006/2007.

Expenditure during the year under review amounted to Tshs. 4,795,711,016 compared to Tshs. 3,112,565,407 in the year ended June,2007. The expenditure in financial year 2007/2008 increased by 52% as compared to the previous financial year.

The actual receipts and expenditure for the year under review is as shown in the **Table 6.1**

Table 6.1 : Budget performance financial year 2007/2008 (all figures in Tshs)

S/N	Source of Funds	Receipt in 2007/2008	Expenditure as at 30/06/2008	Balance from funds received as at 30/06/2008
1	Government Subvention	3,450,000,000.00	3,191,570,101.35	258,429,898.65
2	Own Sources	106,679,341.92	33,602,435.00	73,076,906.92
3	PFMRP-Basket funding	695,791,302.00	200,808,670.30	494,982,631.70
4	PFMRP-ADB	1,747,842,449.00	1,369,729,809.35	378,112,639.65
TOTAL		6,000,313,092.92	4,795,711,016.00	1,204,602,076.92

Generally, as shown in **Figure 6.1** the Government has been the major financier of PPRA, with a contribution of 57 percent of all funds received by the Authority. Own generation of funds is very low at 2 percent. The Authority need to look at how funds generation can be improved without jeopardizing its monitoring role.

The analysis of expenditure shown in **Table 6.2** and **Figure 6.2** shows that 27% of all expenditure is on personnel emoluments and 33% is spent on administrative services. In terms of value both personnel emoluments and administrative expenses consume Tshs. 2,833,535,631 which is about 82.1% of the Government subvention received for the year. The implication of this state of affairs is that in the absence of Development Partners financing PPRA would not have been able to carry out its capacity building and monitoring and compliance activities.

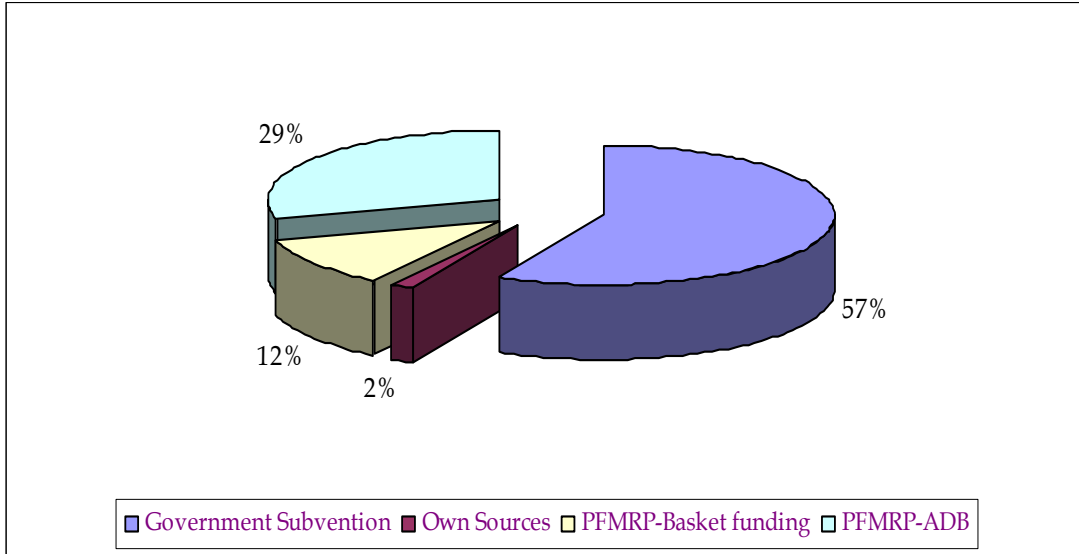


Figure 6.1 Percentage Distribution of Funds received by the Authority from Various Sources.

Table 6.2 Analysis Of Expenditure For The Financial Year 2007/2008

	OC	DEV-PFMRP	ADB	TOTAL
Administrative Services	1,311,782,716.21	-	212,613,874.62	1,524,396,590.83
Capacity Building	203,699,588.42	55,908,918.30	34,431,760.00	294,040,266.72
Monitoring & Compliance	54,877,892.00	122,609,904.00		177,487,796.00
Information Technology	68,882,376.70	22,289,848.00	13,591,380.00	104,763,604.70
Training	-		635,851,277.10	635,851,277.10
Office Set up	260,002,922.39		38,599,000.00	298,601,922.39
Personnel Emoluments	1,309,139,040.63	-	-	1,309,139,040.63
Capital expenditure	16,788,000.00		434,274,807.80	451,062,807.80
TOTAL	3,225,172,536.35	200,808,670.30	1,369,362,099.52	4,795,343,306.17

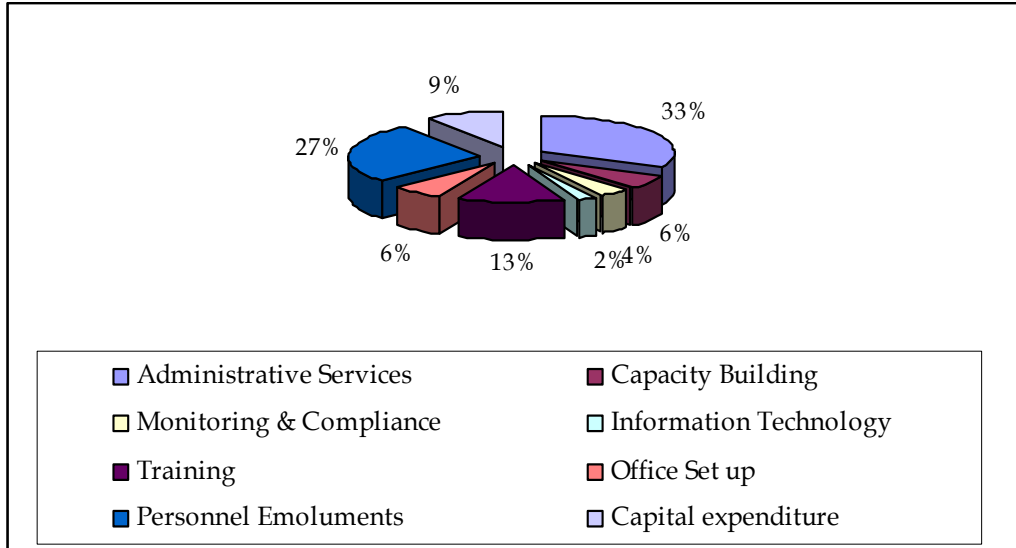


Figure 6.2: Expenditure analysis for the Financial Year 2007/08

In order to sustain procurement capacity building and monitoring interventions by the PPRA, there is a need by the Government to increase funding towards the implementation of PCBS, SCMP and PMIS. All these programmes which have been very positively received by PEs will collapse if donor funding is stopped.

7.0 CONSTRAINTS AND CHALLENGES

Despite of the recorded achievements, the Authority faced a number of challenges during this Financial Year. Notable ones include the following:-

- e) **Absence of a permanent office building:** The Authority's current offices are at the PPF Tower building which is very expensive and therefore not sustainable in the long run. A plot at Kurasini area has been provided to PPRA by the Ministry of Finance and Economic Affairs and efforts are underway to prepare proposals on how to develop the plot.
- f) **Financial Constraints:** Funding of Authorities operations still remains a challenge. Given the importance of achieving value for money in public procurement, there is a need, in the long run to find a funding mechanisms which will be fully dedicated to support procurement reforms, capacity building and monitoring.
- g) **Increased workload:** In response to procurement audits and investigations carried out by PPRA more PEs have become aware of the importance of carrying out procurement in accordance with the Law. This has increased the demand of PPRA services and this has put a lot of pressure to deliver given the current staff compliment of the Authority. The Board had approved the employment of 22 staff on temporary basis while awaiting the revision of the organization structure and manning levels. This has not been possible due to budgetary constraints.

- h) Low Compliance Level with the Act:** Although some PEs are putting a lot of effort to improve their procurement system, many are still performing below average. This could be attributed to lack of qualified procurement staff in the PMUs.

8.0 PROSPECTS AND WORK PLAN OUTLINE FOR YEAR 2008/09

In F/Y 2008/9 the Authority shall continue to consolidate all achievements that have been made so far and shall ensure that all programs and systems that have been developed are properly implemented and/or rolled out to the PEs.;

- (g) Implementing various strategies and tools that have been developed; and monitor their effectiveness in improving procurement practice in the country. This includes implementation of PCBS and SCMP, and rolling out of the PMIS. In this regard 1500 PE's staff shall be trained on various aspects of procurement, SCMP shall be rolled out to 100. PEs, procurement audit of 90 PEs and 150 PEs will be trained on the Use of PMIS.
- (h) Finalisation the preparation and start the implementation of various systems and strategies under preparation. These include the Medium Term Strategic Plan, System for Procurement of Common Use Items, and Public Procurement Anti-Corruption Strategy.
- (i) Computerisation of PPRA's systems including accounting, payroll and human resources systems.
- (j) Implement further reforms in the identified areas including amendment of the Act and the Regulations to ensure that procurement practice is free of inefficiency, abuse, corruption and offers value for money to the public.
- (k) Carrying out feasibility study on various legal, technical, economical and financial issues for the introduction of e-procurement in the country.
- (l) Marketing the various developed strategies to potential Development Partners with keen interest in procurement reforms for possible support and funding which is very much required if significant progress is to be made in strengthening the procurement system in the country.

Annex 4.1

A list of PPRA Staff and their Positions

S/No	Name	Title
1.	Dr. Ramadhani S. Mlinga	Chief Executive Officer
2.	Bertha Soka	Head of Legal Unit
3.	Hannah Mwakalinga	Director of Finance and Administration
4.	Dr. Laurent M. Shirima	Director of Capacity Building and Advisory Services
5.	Peter Shilla	Director of Information Technology
6.	Ayubu O. Kasuwi	Director of Monitoring and Compliance
7.	Ernest N. Lobulu	Manager of Contract and Performance Audit
8.	Bertha Lipindi	Manager of Investigation and Procurement Audit
9.	Bernard S. Ntelya	Manager of Network and Systems Administration
10.	Kenneth Sijaona	Manager of Database Administration
11.	Awadh J. S. Suluo	Manager of Capacity Building and Advisory Services
12.	Eva M. Lupembe	Manager of Guidelines Development and Dissemination
13.	Mary M. Swai	Manager of Research and Documentation
14.	Dorothy Mbenna	Manager of Administration and Human Resources
15.	Deusdelity Casmir	Chief Accountant
16.	Christopher Mwakibinga	Chief Internal Auditor
17.	Robert M. Kitalala	Head of Procurement Management Unit
18.	Abbas R. Kajwangya	Procurement Expert I
19.	Grentina B. Kidulile	Procurement Expert I
20.	Aloyce Manamba	Library & Documentation Officer II
21.	Monica P. Malikita	Procurement Expert I
22.	Winfrida A. Samba	State Attorney I
23.	Paul Mhakalira	Procurement Expert I
24.	Raymond Joseph	Procurement Expert I
25.	Lwitiko Mwandobo	Procurement Expert II
26.	Clement Kisinga	Procurement Expert II
27.	Hitrudice Jisenge	Procurement Expert II
28.	James Kitainda	Procurement Expert II
29.	Finneas Manasseh	Procurement Expert II
30.	Kamana Mlenda	Accountant I
31.	Ridhiki Yamwaka	Accountant II
32.	Agnes Msigwa	Human Resources Officer II

33.	Muhidin Muro	Administrative Officer II
34.	Fanuel Yengayenga	Systems Administrator I
35.	Giftness David	Systems Administrator II
36.	Francis Mushi	Systems Analyst I
37.	Siganike P. Baruti	Systems Analyst II
38.	Dickson F. Ngonde	Internal Auditor II
39.	Coleta D. Mnyamani	Public Relations Officer II
40.	Vacant	Executive Assistant Secretary
41.	James N. Ng'atigwa	Records Management Assistant
42.	Ambrocea Assey	Personal Secretary
43.	Shukuru Stanslaus	Personal Secretary
44.	Chrisensia Sangu	Personal Secretary
45.	Dotto Ally	Personal Secretary
46.	Osward Rangi	Receptionist/Telephone Operator
47.	Joel Mwanisongole	Driver
48.	Deogratius William	Driver
49.	Maulid B. Msalla	Driver
50.	Rogers Msokelo	Driver
51.	Salim Hatibu	Office Assistant

Annex 4.2 Reviewed Applications for Retrospective Approval

S/N	01
Applicant:	The then Ministry of Public Safety
Details:	Payments made in the financial year 2005/2006 to suppliers in 2000 and 2004/2005: Audit Query No. Pss 1 of 2005/06
Amount of retrospective approval	Tshs 59,381,314.80
Decision:	The Paymaster General has instructed the Accounting Officer to provide clarifications on the number of identified weaknesses in this procurement.
Responses from Applicants:	No clarifications have been provided by the end of year

S/N	02
Applicant:	Ministry of Home Affairs
Details:	Purchase of various items in 2005/2006
Amount of retrospective approval	Tshs 235,603,293.00
Decision:	The Paymaster General issued directives to the Accounting Officer to take disciplinary actions against the involved personnel and to ensure that such kinds of procurements are included in the Ministry Annual Procurement Plan.
Responses from Applicants:	The Accounting Officer had not yet acted or responded to the directives, by the end of the year.

S/N	03
Applicant:	The then Ministry of Public Safety
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
Decision:	Due to the magnitude amount of funds involved in this procurement and on the basis of the identified weaknesses, PPRA decided that investigation should be conducted in this procurement.
Responses from Applicants:	PMG informed the Accounting Officer of the Ministry of Home Affairs that the procurement was put under PPRA investigation.

S/N	04
Applicant:	RAS - Iringa
Details:	Emergency procurement for rehabilitation of State Lodge in Iringa for financial Year 2007/2008
Amount of retrospective approval	The 127,841,250
Decision:	The retrospective approval was granted because the application met the requirements of Regulation 42 of G.N. No. 97 of 2005 which provides for emergency procurement
Responses from Applicants:	RAS has been informed accordingly.

S/N	05
Applicant:	The then Ministry of Public Safety.
Details:	maintenance of Bell Helicopter No.5H-TPA
Amount of retrospective approval	Tshs 368,613,744.03
Decision:	The Paymaster General has been advised to grant retrospective approval following satisfactory explanations from the Accounting Officer, Ministry of Home Affairs.
Responses from Applicants:	The Authority letter to the Paymaster General was copied to the Applicant.

S/N	06
Applicant:	Ministry of Finance and Economic Affairs.
Details:	Procurement of various items
Amount of retrospective approval	Tshs 90,000,000
Decision:	Some weaknesses were identified in this procurement and the Ministry was required to provide clarification. The Ministry was also required to provide a breakdown of actual amount which the retrospective approval was being sought.
Responses from Applicants:	The Accounting Officer had not responded by the end of the year

S/N	07
Applicant:	Ministry of Finance and Economic Affairs.
Details:	Procurement of internet services for the year
Amount of retrospective approval	USD 24,360
Decision:	The retrospective approval was granted in accordance with Regulation 42(1) (c) subject to the Ministry to provide explanation on the identified weaknesses in this procurement and ensure compliance with PPA CAP. 410 and its Regulations.
Responses from Applicants:	Accounting Officer provided satisfactory explanations

S/N	08
Applicant:	Ministry of Defense - JWTZ
Details:	Procurement of spots uniform from the supplier Makson Sports.
Amount of retrospective approval	Tshs 13,128,500
Decision:	The Ministry of Defense was required to provide explanation about the contradictory statements on the reasons for emergency procurement between the Ministry and JWTZ
Responses from Applicants:	Explanation provided and retrospective approval granted.

S/N	09
Applicant:	Ministry of Defense
Details:	procurement of rechargeable batteries from High Tech (T) Ltd by JWTZ
Amount of retrospective approval	Tshs 20,736,000
Decision:	The retrospective approval was granted in accordance with Regulation 42(1) (c). However, the Ministry was directed to give explanation to PPRA on established violation of PPA, 2004
Responses from Applicants:	Satisfactory explanations were given.

S/N	10
Applicant:	Ministry of Defense - JWTZ
Details:	Procurement of the Manire farm in Tengeru Arusha from Flex Shipping Ltd by JWTZ.
Amount of retrospective approval	Tshs 497.250,000
Decision:	The retrospective approval was granted subject to the Ministry to provide explanations on the established breach of PPA, 2004 and its Regulations
Responses from Applicants:	Satisfactory explanations were given.

Annex 4.3

List of PEs that attended training on the System for Checking and Monitoring

<u>Mwanza Centre:</u>		<u>Morogoro Centre:</u>	
1.	Mwanza City Council	1.	Tanga Municipal Council
2.	Magu District Council	2.	Korogwe District Council
3.	Misungwi District Council	3.	Pangani District Council
4.	Tabora Municipal Council	4.	Morogoro Municipal Council
5.	Nzega District Council	5.	Morogoro District Council
6.	Bukoba District Council	6.	Mvomero District Council
7.	Biharamulo District Council	7.	Kibaha District Council
8.	Muleba District Council	8.	Bagamoyo District Council
9.	Kigoma Town Council	9.	Mtwara Municipal Council
10.	Kigoma District Council	10.	Mtwara District Council
11.	Kasulu District Council	11.	Masasi District Council
12.	Shinyanga Municipal Council	12.	Lindi Town Council
13.	Shinyanga District Council	13.	Lindi District Council
14.	Bariadi District Council	14.	Institute of Rural Development Planning
15.	Ministry of Home Affairs	15.	Vocational Education Training Authority
16.	RAS - Kagera	16.	Tanzania Revenue Authority
17.	Tanzania Public Service Collage	17.	Moshi University College of Cooperative and Business Studies (MUCCoBS)
18.	Government Chemist Laboratory	18.	Tropical Pesticides Research Institute (TPRI)

<u>Arusha Centre:</u>			<u>Mbeya Centre:</u>	
1.	Arusha Municipal Council	1.	Mbeya Municipal Council	
2.	Karatu District Council	2.	Mbeya District Council	
3.	Meru District Council	3.	Sumbawanga Town Council	
4.	Babati Town Council	4.	Sumbawanga District Council	
5.	Babati District Council	5.	Songea Town Council	
6.	Mbulu District Council	6.	Songea District Council	
7.	Singida Municipal Council	7.	Mbinga District Council	
8.	Singida District Council	8.	Dodoma Municipal Council	
9.	Moshi Municipal Council	9.	Chamwino District Council	
10.	Moshi District Council	10.	Kondoa District Council	
11.	Hai District Council	11.	Iringa Municipal Council	
12.	Musoma Town Council	12.	Iringa District Council	
13.	Musoma District Council	13.	Mufindi District Council	
14.	Bunda District Council	14.	RAS - Mbeya	
15.	RAS - Kilimanjaro	15.	RAS - Ruvuma	
16.	RAS - Manyara	16.	RAS - Iringa	
17.	National Examination Council	17.	Tanzania Revenue Authority	
18.	Monduli District Council	18.	Bahi District Council	
19.	Arusha District Council	19.	PPRA	
20.	RAS - Mara			
21.	Mzinga CRP			
22.	CAMARTEC			
23.	TEMDO			

Annex 4.4
List of PEs that were visited to monitor procurement processes

1	Ocean Road Cancer Institute	26	Vocational Education and Training Authority
2	National Institute for Medical Research	27	National Housing Corporation.
3	Tanzania Postal Bank	28	National Institute of Transport
4	DSM Maritime Institute	29	Tanzania Food and Drugs Authority (TFDA)
5	Tanzania Library Services	30	Tanzania Education Authority
6	Unit Trust of Tanzania	31	Tanzania Metrological Authority
7	Parastal Pension Fund	32	Drilling and Dam Construction Agency
8	Tanzania Investment Centre	33	University of Dar Es Salaam
9	Public Service Pension Fund	34	Ardhi Univeristy
10	Government Chemistry Laboratory Agency	35	Commission for Science and Technology
11	Ministry of Energy and Minerals	36	Institute of Social Works.
12	Ministry of Science, Technology and Higher Education	37	Tanzania Institute of Education
13	Ministry of Water	38	National Examination Council
14	Ministry of Natural Resources and Tourism	39	Rufiji Basin Development Authority
15	Ministry of Labour, Employment and Youth Development	40	Small Industries Development Organization
16	Ministry of Justice and Constitutional Affairs	41	Tanzania Institute of Accountancy
17	Ministry of Infrastructure Development	42	Medical Store Department
18	Ministry of Foreign Affairs and International Cooperation	43	Government Printer (PMO)
19	Ministry of Education and Vocational Training	44	Tanzania Airports Authority
20	Ministry of Community Development, Gender and Children	45	Tanzania Electrical and Mechanical Services Agency
21	Ministry of Agriculture, Food Security and Cooperatives	46	Institute of Journalism and Mass Communication
22	Ministry of Livestock Development	47	National Housing and Building Research Agency
23	Ministry of Infrastructure Development	48	Open University of Tanzania

24	Ministry of Public Safety and Security	49	Interministerial Anti-Drugs Commission
25	Tanzania Ports Authority	50	Occupational Safety and Healthy Authority

51	Occupational Safety and Healthy Authority	76	TANROADS Regional Office - Arusha
52	Muhimbili University of Health and allied Sciences (MUHAS)	77	Babati District Council
53	Muhimbili National Hospital	78	RAS - Singida
54	Muhimbili Orthopaedic Institute	79	Mwanza Urban Water Supply and Sewerage Authority
55	Registration, Insolvency Trusteeship Agency (RITA)	80	Moshi District Council
56	National Construction Council	81	Sengerema District Council
57	Parastatals Pension Fund	82	RAS - Mara
58	Energy and Water Utilities Regulatory Authority (EWURA)	83	Arusha International Conference Centre
59	Higher Education Students Loan Board	84	TANAPA
60	Tanzania Industrial Research and Development Organization .	85	Singida - UWASA
61	Ministry of east Africa Corporation .	86	Shinyanga - UWASA
62	National Social Security Fund.	87	RAS - Shinyanga
63	Dar Es Salaam Water and Sewerage Company (DAWASCO).	88	RAS - Singida
64	Tanzania Social Action Fund.	89	Babati Town Council
65	College of Business Education	90	Bunda District Council
66	Public Sector Reform Commission	91	Moshi Municipal Council
67	Tanzania Tourist Board	92	Musoma Municipal Council
68	National Environment Management Council	93	Musoma - MUWASA
69	TANROADS Headquater	94	Babati - BAWASA
70	TANROADS Regional Office - Singida	95	RAS - Manyara
71	TANROADS Regional Office - Shinyanga	96	RAS - Kilimanjaro
72	TANROADS Regional Office - Mwanza	97	Ngorongoro Conservation Area Authority (NCAA)

73	TANROADS Regional Office - Manyara	98	UWASA - Musoma
74	TANROADS Regional Office - Kilimanjaro	99	RAS - Mwanza
75	TANROADS Regional Office - Dodoma	100	Mtwara- Mikindani Municipal Council

101	Kibaha District Council	125	Iringa Municipal Council
102	Lindi Town Council	126	Mufindi District Council
103	Lindi District Council	127	RAS - Morogoro
104	Masasi District Council	128	Mvomero District Council
105	Rufiji District Council	129	Morogoro - MUWASA
106	RAS - Kibaha	130	Kilakala Secondary School
107	Ruangwa District Council	131	Mzumbe Secondary School
108	Mkuranga District Council	132	Morogoro Secondary School.
109	Mtwara District Council	133	Morogoro District Council
110	RAS - Lindi	134	Tanzania Engineering Manufacturing and Development Organization (TEMDO)
111	RAS - Mtwara	135	Moshi University College of Cooperatives and Business Studies (MUCCOBS)
112	Mtwara Municipal Council	136	Monduli District Council
113	RAS - Iringa	137	Meru District Council
114	Mkwawa University	138	Tropical Pesticides Research Institute
115	Kilosa District Council	139	Tanzania Atomic Energy Commission
116	Kilolo District Council	140	Patandi Teachers College
117	Institute of Accountancy Arusha	141	Community Development College, Tengeru
118	Hai District Council	142	Forestry Training College Arusha
119	Arusha Urban Water Supply and Sewerage Authority	143	TANROAD - Coast
120	Arusha District Council	144	TANROAD - Lindi
121	Tanzania Wildlife Research Institute (TAWIRI)	145	TANROADS - Mtwara
122	CARMATEC	146	SUMATRA
123	Livestock Training Institute (LITI)	147	NECTA
124	Eastern Africa Statistical Training Centre		

Annex 4.5
Summary of reviewed procurement complaints and investigations conducted with actions taken

**ADMINISTRATIVE REVIEW OF PROCUREMENT COMPLAINTS
BY PPRA AND DECISIONS IN FY 2007/2008**

Tender Details	Tender No. 03 of 2007/2008 for the supply of pesticides to the Ministry of Agriculture Food Security and Cooperatives.
Complainant	Bajuta International (T) Ltd.
Respondent	Ministry of Agriculture Food Security and Cooperatives.
Submission date	12.03.2008
Nature of Complaint	Dissatisfied with the decision of the Accounting Officer and the findings of the Review Team which led to the rejection of all tenders and nullification of the tender proceedings.
Decision by Complaints Review Committee	The Committee commended the Accounting Officer for conducting an independent review and established a number of procedural flaws. The Committee recommended disciplinary actions against the Tender Board, the Head of PMU and the Evaluation Committee.
Response by Accounting Officers	No response from the Accounting officer was received by the end of the financial year.
Tender Details	Tender no. AE/100/2007 – 08/MB/W/23 for periodic, routine and recurrent maintenance and bridge preventive maintenance works on Mbeya – Rungwa road km 211 + 100 to km 292 + 910.
Complainant	Mayuma Investments Co. Ltd.
Respondent	TANROADS
Submission date	13/12/2008
Nature of Complaint	The bidder dissatisfied with cancellation of all tenders.
Decision by Complaints Review Committee	The application for administrative review was found to have no merits. The Complainant was accordingly informed. The decision on the complaint was also copied to TANROADS. The decision enumerated other irregularities identified in this tender which were not related to the subject matter of complaint.

Tender Details	Tender No. AE/100/2007 – 08/MB/W/33 for periodic, spot, routine and recurrent maintenance and bridge preventive maintenance works on Galula – Namkukwe road 60.40km.
Complainant	Mayuma Investments Co. Ltd.
Respondent	TANROADS
Submission date	13/12/2008
Nature of Complaint	The bidder dissatisfied with cancellation of all tenders.
Decision by Complaints Review Committee	The application for administrative review was found to have no merits. The decision on the complaint was also copied to TANROADS The Complainant was accordingly informed. The decision also enumerated other irregularities identified in this tender which were not related to the subject matter of complaint.

INVESTIGATION ON ALLEGATIONS, COMPLAINTS AND REPORTED CASES OF MIS PROCUREMENT IN FY 2007/2008

Tender Details	Tender No. PC/PL/109B/2007 for the supply of 3 – 3.5 Ton Double Cabin Trucks (16 vehicles) to TANESCO
Complainant	Whistleblower
Respondent	TANESCO
Submission date	29/06/2007
Nature of Complaint	Irregularities in the procurement procedures.
Decision by Procurement Monitoring and Compliance Committee	A warning was issued to TANESCO for failure to abide with the provisions of the PPA, 2004 and its Regulations. TANESCO was directed to nullify the tender and comply with PPA, 2004 and its Regulations.
Response by Accounting Officers	The tender has not been awarded. The Accounting Officer promised to comply with PMCC directives.
Tender Details	Tender No. 2/2007/2008/1 for revenue collection of bus parking fees Lot. 1 (Mabasi Madogo)
Complainant	Arusha Building Component Co.
Respondent	Arusha Municipal Council
Submission date	02/07/2007
Nature of Complaint	Dissatisfied with bid disqualification decision.
Decision by Procurement Monitoring and Compliance Committee	The Complainant was advised to forward his complaint to PPAA as the procurement contract was already in force. Through the conducted investigation, it was revealed that the violation of PPA, Regulations and procurement procedures have made the Government to incur losses, hence the Accounting Officer was required to recover the incurred loss from the salaries of the staff involved in the procurement.

Response by Accounting Officers	The Accounting Officer implemented the PPAA decision in appeal case No. 17 of 2007 which awarded compensation to the complainant. The committee directives will be implemented after determination of an application for judicial review filed in the High Court by the complainant through Misc. Civil Cause No. 108 of 2007.
Tender Details	Tender for consultancy services for feasibility study, detailed engineering design and preparation of tender documents for upgrading of Bagamoyo- Makurunge – Saadani- Pangani – Tanga road to bitumen standard
Complainant	NorConsult AS
Respondent	TANROADS
Submission date	18/01/2008
Nature of Complaint	Dissatisfaction with the decision to terminate negotiation process.
Decision by Procurement Monitoring and Compliance Committee	A number of procedural irregularities and violation of PPA and its Regulations were established, hence disciplinary measures against the CEO TANROADS were recommended to the Appointing Authority
Response by Accounting Officers/ Appointing Authority	The Appointing Authority, summoned the Accounting Officer to appear before the Ministerial Advisory Board (MAB) to provide written defence why disciplinary action should not be taken against him.
Tender Details	Tender No.5 of 2007/2008 for the supply of smart cards
Complainant	M/s AUA Industrial (T) Limited
Respondent	PSPF
Submission date	15/10/2007
Nature of Complaint	Delay in the announcement of tender results and damaging the reputation of the Complainant.
Decision by Procurement Monitoring and Compliance Committee	Some procedural irregularities in relation to tender document, specifications and evaluation were identified. Disciplinary measures against the concerned officials of PSPF have been recommended to PMCC for its decision.
Tender Details	Tender No.1 of 2007/2008 for the supply of domestic and cleaning items.
Complainant	M/s HOSCO Limited
Respondent	Prime Minister's Office
Submission date	Process of investigation initiated in January, 2008
Nature of Complaint	Investigation established that appropriate standard tender document with evaluation criteria were not used and the tender by M/s HOSCO was unfairly evaluated as non responsive
Decision by Procurement Monitoring and Compliance Committee	Warnings to the Head of PMU, members of the Evaluation team and to the Tender Board have been recommended to PMCC.

	Recommendations will be submitted to the Committee for consideration.
Tender Details	Tender No.2 of 2006/2007 for the construction, supply and installation of meteorological weather radar.
Complainant	Aggrieved workers
Respondent	Tanzania Meteorological Agency
Submission date	4/02/2008
Nature of Complaint	Use of improper procurement procedures
Decision by Procurement Monitoring and Compliance Committee	Investigation revealed that certain provisions of the Procurement Regulations related to tender advertisement and evaluation were violated. Issuance of warnings and involvement of TMA staff in PPRA trainings would be submitted as recommendations to PMCC for decision.
Tender Details	Quotations for the construction of 100 car parking at Julius Nyerere International Airport.
Complainant	Aggrieved workers
Respondent	Tanzania Airport Authority
Submission date	05/11/2007
Nature of Complaint	Failure to comply with the provisions of PPA, 2004
Decision by Procurement Monitoring and Compliance Committee	Investigation revealed that TAA violated certain provisions of the Procurement Regulations. Recommendations to PMCC to comprehend measures taken by TAA Accounting Officer and involvement of TAA staff in procurement courses conducted by PPRA would be put forward to for PMCC consideration.
Response by Accounting Officer	Disciplinary actions were taken against the Chairman of the Tender Board and the Head of PMU.
Tender Details	Rehabilitation, Extension and Remodeling of offices and Archives for NHIF at Kurasini Bendera tatu.
Complainant	No complainant. Investigation initiated by PPRA
Respondent	NHIF
Submission date	No submission date.
Nature of Complaint	Investigation on proposed rehabilitation, extension and remodeling of offices and archives for NHIF at Kurasini Bendera tatu.
Tender Details	Tender for Disposal of vehicles by EDF-PSU
Complainant	Whistleblower
Respondent	Ministry of Finance and Economic Affairs
Submission date	March, 2008
Nature of Complaint	Allegations of mis- procurement and corruption
Decision by Procurement	The investigation revealed a number of procurement

Monitoring and Compliance Committee	irregularities, hence violation of PPA 2004 and its Regulations. Disciplinary measures have been recommended against the concerned officials of EDF-PSU, cancellation of the tender and re-tendering of the same.
Tender Details	Procurement of fire fighting vehicles in 12 Local Government Authorities
Complainant	Ministry of Infrastructure Development
Respondent	PMO-RALG
Submission date	26/11/2007
Nature of Complaint	MoID claimed that the vehicles were not new and therefore could not be registered
Decision by Procurement Monitoring and Compliance Committee	The investigation revealed that the vehicles were new and a number of recommendations were made to the relevant authorities with a view to improve procurement of fire extinguishing vehicles
Tender Details	Tender No. 8 of 2007/2008 for the provision of consultancy services for design and supervision of the proposed college of education for the University of Dodoma.
Complainant	Concerned Citizen
Respondent	PSPF
Submission date	28/02/2008
Nature of Complaint	Allegation of biasness and corruption in this tender.
Decision by Procurement Monitoring and Compliance Committee	The investigation revealed that PSPF violated the provisions of PPA 2004 and its Regulations. Issuance of written warnings to the involved officials of PSPF and the requirement to involve members of Tender Board in procurement courses conducted by PPRA are recommendations to the PMCC for decision.
Tender Details	Procurement of furniture, television, grilling works and three used vehicles.
Complainant	Whistleblower
Respondent	Tanzania Library Services Board
Submission date	25/02/2008
Nature of Complaint	Mis-procurement of goods and works
Decision by Procurement Monitoring and Compliance Committee	The investigation revealed that the Tanzania Library Services Board violated PPA 2004 and its Regulations. Some elements of fraudulent practices were also revealed, hence referred the matter to PCCB for further investigation.
Response by PCCB	This procurement is still under investigation by PCCB.

**DECISIONS ON REVIEWED PROCUREMENT COMPLAINTS BY
ACCOUNTING OFFICERS OF PEs AND PPAA DECISIONS
ON APPEALS AND COMPLAINTS IN FY 2007/2008**

Tender Details	Tender No. 3 of 2007/2008 for provision of traveling services.
Complainant	M/S Interline Travel and Tours
Respondent	Ministry of Natural resources and Tourism.
Submission date	10/09/2007
Nature of Complaint	Procedural irregularities in the procurement proceedings.
Decision by Accounting Officer	The Authority upheld the decision of the Accounting Officer that the complainant's bid was non responsive during the preliminary evaluation.
Tender Details	Tender No. 03 - TFDA of 2006/2007 for Development of Human Resource plan.
Complainant	M/S Intermaecos Limited.
Respondent	Tanzania Food and Drugs Authority (TFDA)
Submission date	17/10/2007
Nature of Complaint	Procedural irregularities in the procurement proceedings.
Decision by PPAA	The PPAA upheld the appeal and the complainant was awarded compensation to the tune of Ts. 2,120,000/=
Tender Details	Tender No. AE/004/2007 -08 for furnishing of TFDA Offices
Complainant	M/S Quality furniture and General Appliances
Respondent	Tanzania Food and Drugs Authority (TFDA)
Submission date	13/06/2008
Nature of Complaint	Dissatisfied with the decision of the Accounting Officer to disqualify his bid
Decision by PPAA	The PPAA found the appeal to have no merits and accordingly dismissed it.
Tender Details	Tender No. 6 Lot No. 12 of 2007/2008
Complainant	T. Sanga, P.O.Box 57, Iringa
Respondent	Mkwawa University College of education
Submission date	25/11/2007
Nature of Complaint	Procedural irregularities in the procurement proceedings.
Decision by Accounting Officer.	The bidder was advised to submit his complaint to the Accounting Officer for his determination.
Tender Details	Tender No.MOID/ 12/2006/2007 for prequalification of private garages for maintenance of Government vehicles
Complainant	KSK Auto Garage and General Supplies Ltd.
Respondent	Ministry of Infrastructure Development
Submission date	08/10/2007

Nature of Complaint	Bidder dissatisfied with cancellation of the tender
Decision by Accounting Officer.	The Authority upheld the decision of the Accounting Officer for cancellation of the tender
Tender Details	Tender No. 2/2007/2008/1 for revenue collection of bus parking fees Lot. 1 (Mabasi Madogo)
Complainant	Arusha Building Component Co.
Respondent	Arusha Municipal Council
Submission date	02/07/2007
Nature of Complaint	Dissatisfied with bid disqualification decision.
Decision by PPAA	PPAA upheld the appeal and granted compensation to the appellant to the tune of Tsh. 1,056,600.
Tender Details	Tender No. IE/009/2007 -08/HQ/G/20 for supply of ARVs
Complainant	M/S Arubindo Pharma Limited of India.
Respondent	Medical Stores Department (MSD)
Submission date	25/05/2008
Nature of Complaint	Dissatisfied with the tender process..
Decision by PPAA	PPAA upheld the appeal and MSD was ordered to compensate the complainant to the tune of Tsh. 7,630,000/=
Tender Details	Tender for consultancy services for feasibility study, detailed engineering design and preparation of tender documents for upgrading of Bagamoyo- Makurunge - Saadani- Pangani -Tanga road to bitumen standard.
Complainant	NorConsult AS
Respondent	TANROADS
Submission date	18/01/2008
Nature of Complaint	Dissatisfaction with the decision to terminate negotiation process.
Decision by PPAA	The PPAA upheld the appeal and the complainant was awarded compensation to the tune of Tsh. 15,955,844.90/=

Annex 4.6:
List of PEs that submitted APPs

1.	Tanzania National Roads Agency(TANROADS)-Arusha
2.	Surface and Marine Transport Regulatory Authority
3.	Small Industries Development Organisation
4.	Public Service Management
5.	National Economic Empowerment Council (NEEC)
6.	Medical Stores Department
7.	Ministry of Planning, Economy and Empowerment
8.	Morogoro Urban Water Supply and Sewerage Authority(MORUWASA)
9.	Ministry of Infrastructure Development
10.	Ministry of Health and Social Welfare
11.	Ministry of Finance
12.	Ministry of Justice and Constitutional Affairs
13.	Ministry of Infrastructure Development
14.	Ministry of Education and Vocational Training
15.	Ministry of Lands, Housing and Human Settlements Development
16.	Kibaha Education Centre
17.	Institute of Finance Management
18.	Tanzania National Roads Agency(TANROADS)-Mbeya
19.	Public Procurement Regulatory Authority (PPRA)
20.	Tanzania Communications Regulatory Authority (TCRA)
21.	Tanzania Revenue Authority
22.	Tanzania National Roads Agency(TANROADS)-Singida
23.	Tanzania National Roads Agency(TANROADS)-Iringa
24.	Tanzania National Roads Agency(TANROADS)-Kigoma
25.	Tanzania National Roads Agency(TANROADS)-Kilimanjaro
26.	Tanzania National Roads Agency(TANROADS)-Mara
27.	Tanzania National Roads Agency(TANROADS)-Pwani
28.	Tanzania National Roads Agency(TANROADS)-Rukwa
29.	Tanzania National Roads Agency(TANROADS)-Shinyanga
30.	Tanzania National Roads Agency(TANROADS)-Tabora
31.	Tanzania National Roads Agency(TANROADS)-Manyara
32.	Tanzania National Roads Agency(TANROADS)-Dodoma

Annex 4.7 List of Participants in the PMIS Training

S/N	Name	Institution
1	Owden Mhabuka	Medical Stores Department
2	Mary Ringo	Medical Stores Department
3	Deo Kumalija	Surface and Marine Transport Regulatory Authority
4	Mateo Shija	Energy and Water Utility Regulatory Authority
5	David Rubya	Energy and Water Utility Regulatory Authority
6	Godson Isaack	Tanzania Ports Authority
7	V.O. Isheke	Tanzania Ports Authority
8	Fenias Manasseh	Public Procurement Regulatory Authority
15	Dickson F. Ngonde	Public Procurement Regulatory Authority
9	Joash Kunaga	Tanzania Civil Aviation Authority
10	Hamis Mussa	Tanzania Civil Aviation Authority
11	Tumaini Hiluka	Tanzania Meteorological Agency
12	Lucy Njeama	Nationa Social Security Fund
13	Damas Wambura	National Housing Corperation
14	Emmanuel Kasanga	National Housing Corperation
16	David Giliad	Tanzania Commision for AIDS
17	Freddy Mbeyella	Tanzania Education Authority
18	Hamis Mpinda	Dar es salaam Water and Sewerage Corporation
19	Deborah Jocktan	Dar es salaam Water and Sewerage Corporation
20	Angelica Alfred	Drug Control Commission
21	Myuki Method	Government Procurement Services Agency
22	Davies Mazulu	Government Procurement Services Agency
23	Antonio Manyanda	Higher Education Students Loan Board
24	Ignas Njau	Insurance Supervisory Department
25	Aron Mlaki	Insurance Supervisory Department
26	Ezra Matoke	Law Reform Commission of Tanzania
27	Rachel Mwenda	Law Reform Commission of Tanzania
28	Jonathan K Nicolao	Ministry of Communication Science and Technology
29	Nikusubila Maiko	Ministry of Communication Science and Technology
30	Boaz Ibrahim	Ministry of Natural Resources and Tourism

S/N	Name	Institution
31	Mangire Kibanda	Ministrt of Natural Resources and Tourism
32	Sixbert H. Qamdiye	Ministry of Finance and Economic Affairs
33	Emmanuel Urembo	Ministry of Finance and Economic Affairs
34	Omari Mohamed	Ministry of Infrastructure Development
35	Johnfred Mwangalamu	Ministry of Infrastructure Development
36	Jacob Mukasa	National Construction Council
37	Kapilima Andrew	National Economic Empowerment Council
38	George Mokaka	National Health Insurance Fund
39	Jackson Kunambi	National Health Insurance Fund
40	Samson Akyoo	President's Office-Public Service Management
41	Stanley Madinda	President's Office-Public Service Management
42	Gloria Nguve	Public Services Pension Fund
43	Jalia Mayanja	Public Services Pension Fund
44	Mtengela Hanga	Tanzania Airports Authority
45	Vicent Felex	Tanzania Airports Authority
46	Cecilia Mpamila	TANESCO-MOROGORO
47	Bayona Theodora	TANESCO-MOROGORO
48	Z.R Ng'Umbi	TANESCO-PWANI
49	Sheikh Mohamed	TANESCO-PWANI
50	Rehema Makwetta	TANESCO-HQ
51	Ambokile Swilla	TANESCO-HQ
52	Zena Said	TANROADS -HQ
53	Benito Kalinga	Tanzania Communication Regulatory Authority
54	Imani Losindilo	Tanzania Communication Regulatory Authority
55	Ismael A Mwita	Tanzania Investment Centre
56	Said Kaswella	Tanzania Posts Corporation
57	Rochus Assenga	Tanzania Posts Corporation
58	Mwinuka G	Tanzania Revenue Authority
59	Englibert Haule	Tanzania Revenue Authority
60	Emanuel Mangeleka	KIBAHA Eduaction Centre
61	Ruth E. Mswia	KIBAHA Eduaction Centre
62	Pindani Nyalile	Muhimbili National Hospital
63	Frank Mwalongo	Muhimbili National Hospital
64	Daniel Makondo	Ministry of Health and Social Welfare

S/N	Name	Institution
65	Theresia Ndunguru	Ministry of Health and Social Welfare
66	Ole-Mbille Kissioki	National Electoral Commission
67	Geofrey Magembe	National Electoral Commission
68	Catherine Massaga	National Institute of Medical Research
69	A.Gama	Tanzania Institute of Education
70	R.Mpindi	Tanzania Institute of Education
71	C.A. Mgalla	Tanzania Petroleum Development Corporation
72	E. Gilbert	Tanzania Petroleum Development Corporation
73	Abdul Kombo	Tanzania Food and Drugs Authority
74	Salum Mapalala	Muhimbili Orthopaedic Institute
75	Daimon Kalekwa	Tanzania Building Agency
76	Winstone Kapina	Tanzania Food and Nutrition Centre
77	Abdulrahman Millas	National Bureau of Statistics
78	Israel .K. Jairo	Ministry of Lands
79	Yudas Msangi	TANROADS-Coast
80	Sufian H. Tutu	Bank of Tanzania
81	Daudi S. Mtoi	Institute of Finance Management
82	Ramadhan Shaban	Drilling and Dam Construction Agency
83	Mary Bundala	National Board for Material Management
84	Elly Kombe	Tanzania Public Service College
85	Justin S. Kavishe	Occupational Safety and Health Authority
86	Christian Kayombo	Ministry of Foreign Affairs and International Cooperation
87	Robert P. Makenge	National Audit Office
88	Adeline Ndunguru	Weights and Measures Agency
89	N. Ndunguru	Open University of Tanzania
90	S.M. Makomba	Dar es Salaam Institute of Technology
91	Mgalula Rama	President's Office
92	Vicky Mollel	National Examination Council of Tanzania
93	Gastory A. Lugali	Commission for Human Rights and Good Governance
94	Nuru Mkali	Muhimbili University of Health and Allied Sciences
95	Isaya J. Kisiri	Vice President's Office

ANNEX 5.1
Volume of Tenders Awarded by PEs in F/y 2007/08
in million tshs.

Code No.	NAME OF THE ENTITY	GOODS	WORKS	CONSULTANCY SERVICES	NON-CONSULTANCY SERVICES	GRAND TOTAL
MINISTRIES						
ME/003	Prime Minister's Office Policy and Coordination	2,779	2,434	375	107	5,695
ME/004	Ministry of Finance and Economic Affairs	3,028	303	428	295	4,053
ME/006	Ministry of Communication ,Science & Technology	409	-	-	33	441
ME/009	Ministry of Industries, Trade & Marketing	436	15	60	108	618
ME/011	Ministry of Water and Irrigation	1,543	3,875	155	415	5,988
ME/013	Ministry of Foreign Affairs and international Co-operation	320	226	-	80	626
ME/014	Ministry of Home Affairs	2,245	780	254	20	3,299
ME/015	Ministry of Infrastructure Development	56,083	89,169	363	18	145,634
ME/016	Ministry of Community Development, Gender and Children	177	1,905	-	100	2,182
ME/017	Ministry of Lands, Housing & Human Settlement Development	1,350	3,812	670	266	6,098
ME/018	Ministry of Natural Resources & Tourism	44,970	6,783	2,846	122	54,721
ME/019	Ministry of Justice & Constitutional Affairs	326	56	-	22	404
ME/024	Ministry of Education & Vocational Training	1,658	866	137	947	3,607
ME/025	Ministry of Information, Culture and Sports	160	69,603	3,252	65	73,080
ME/026	Ministry of Labour Employment and Youth Development	720	1,131	44	52	1,946
ME/027	Ministry of East African Cooperation	28	86	112	-	225
SUB TOTAL		116,230	181,042	8,696	2,650	308,618

Code No.	NAME OF THE ENTITY	GOODS	WORKS	CONSULTANCY SERVICES	NON-CONSULTANCY SERVICES	GRAND TOTAL
PARASTATAL ORGANIZATIONS						
PA/OO1	Tanzania Electric Supply Co Limited (TANESCO)	286,206	377	265	450	287,297
PA/OO4	National Social Security Fund(NSSF)	3,416	32,199	-	-	35,616
PA/OO5	Public Service Pension Fund (PSPF)	393	151,481	5,493	119	157,486
PA/OO6	National Construction Council (NCC)	15	6	13	13	47
PA/OO7	Muhimbili University College of Health Sciences (MUCHS)	1,204	-	-	37	1,241
PA/OO8	Muhimbili Orthopaedic Institute (MOI)	626	-	-	306	933
PA/OO9	Muhimbili National Hospital	3,499	44	-	-	3,543
PA/O10	Ocean Road Cancer Institute	218	228	4	210	660
PA/O11	University of Dar Es Salaam	2,347	1,320	-	1,247	4,914
PA/O12	Sokoine University of Agriculture	704	6,077	114	164	7,059
PA/O13	Mzumbe University	566	2,500	149	4,448	7,664
PA/O14	Ardhi University	475	608	7	375	1,466
PA/O15	Dar Es Salaam Institute of Technology (DIT)	138	-	-	149	286
PA/O17	Institute of Accountancy Arusha (IAA)	228	-	-	28	257
PA/O18	Open University of Tanzania (OUT)	1,239	-	84	340	1,663
PA/O19	National Institute for Medical Research(NIMR)	-	-	-	28	28
PA/O21	College of Business Education(CBE)	190	-	-	18	208
PA/O22	The Mwl. Nyerere Memorial Academy (Kivukoni)	153	921	25	-	1,099
PA/O23	Moshi University College of Cooperative and Business Studies	448	246	-	13	708
PA/O25	Kibaha Education Centre	514	93	-	135	742
PA/O31	Tanzania Petroleum Development Corporation (TPDC)	302	-	36	-	339
PA/O32	Tanzania Telecommunication Co Limited (TTCL)	154	708	477	1,668	3,007
PA/O36	Tanzania Tourist Board	268	2	-	19	289

Code No.	NAME OF THE ENTITY	GOODS	WORKS	CONSULTANCY SERVICES	NON-CONSULTANCY SERVICES	GRAND TOTAL
PA/O37	Tanzania National Parks (TANAPA)	1,667	-	-	4,463	6,129
PA/O45	National Examination Council of Tanzania (NECTA)	1,089	-	-	363	1,451
PA/O46	Tanzania Library Services	209	-	-	-	209
PA/O52	National Board of Accountants and Auditors (NBAA)	355	-	-	30	385
PA/O53	Tanzania Automotive Technology Centre-Nyumbu	187	-	-	117	304
PA/O62	National Museum Tanzania(NMT)	-	5,582	-	77	5,659
PA/O71	National Health Insurance Fund(NHIF)	985	2,435	124	-	3,544
PA/O74	Tanzania Investment Bank	106	91	-	139	335
PA/O79	National College of Tourism	-	228	19	36	284
PA/O84	Tanzania Broadcasting Cooperation	3,563	176	-	98	3,837
PA/O88	Gaming Board of Tanzania	89	-	3	4	96
PA/O91	Tanzania Posts Corporation (TPC)	1,554	181	-	108	1,842
PA/O92	Tanzania Postal Bank(TPB)	418	-	86	443	947
PA/102	Forest Training Institute Olmotonyi Arusha	253	90	8	-	352
SUBTOTAL		313,779	205,594	6,909	15,645	541,926
AGENCIES						
AE/001	Tanzania National Roads Agency(TANROADS)	2,013	625,223	21,965	38	649,240
AE/004	Tanzania Food & Drug Agency	1,041	-	227	104	1,372
AE/006	Tanzania Electrical, Mechanical & Electronics Services Agency (TEMESA)	1,246	157	95	353	1,851
AE/009	Drilling and Dam Construction Agency(DDCA)	3	1	0	0	4
AE/012	Tanzania Building Agency(TBA)	84	5,755	-	-	5,839
AE/016	Tanzania Ports Authority(TPA)	9,047	4,423	4,378	3,769	21,616
AE/018	Public Procurement Regulatory Authority(PPRA)	782	-	1,096	15	1,894
AE/020	Tanzania Communication Regulatory Authority(TCRA)	340	19	212	734	1,305

Code No.	NAME OF THE ENTITY	GOODS	WORKS	CONSULTANCY SERVICES	NON-CONSULTANCY SERVICES	GRAND TOTAL
AE/021	Capital Development Authority (CDA)	158	608	746	-	1,512
AE/023	Tanzania Revenue Authority (TRA)	6,570	6,721	421	622	14,334
AE/025	Surface Marine Transport Regulatory Authority (SUMATRA)	198	-	15	122	334
AE/028	Tanzania Civil Aviation Authority(TCAA)	2,320	8,564	70	-	10,954
SUB TOTAL		23,802	651,472	29,225	5,756	710,254
URBAN WATER AND SEWERAGE AUTHORITIES						
AE/029	UWASA - Arusha	3,112	103	16	-	3,230
AE/031	UWASA - Bukoba	101	39	-	-	140
AE/034	UWASA - Dodoma	1,066	299	50	69	1,483
AE/035	UWASA - Iringa	269	27	-	-	296
AE/039	UWASA - Moshi	741	-	-	77	818
AE/040	UWASA - Musoma	228	-	-	-	228
AE/043	UWASA - Singida	147	-	-	-	147
AE/052	National Bureau of Statistics	209	636	79	235	1,159
SUB TOTAL		5,873	1,103	144	381	7,500
INDEPENDENT DEPARTMENTS						
IE/004	Tanzania Law Reform Commission	12	-	93	50	155
IE/005	Prevention and Combating of Corruption Bureau (PCCB)	488	-	131	-	619
IE/006	National Assembly	398	-	-	2,006	2,405
IE/009	Medical Stores Department	126,299	493	131	1,077	127,999
IE/011	Tanzania Social Action Fund (TASAF)	48	14	321	-	383
IE/016	Court of Appeal	3,799	-	-	2,978	6,777
IE/017	Commission for Human Rights and Good Governance(CHRAGG)	139	-	68	27	235
IE/018	National Electoral Commission (NEC)	336	555	-	705	1,596
SUB TOTAL		131,520	1,062	744	6,843	140,169
REGIONAL ADMINISTRATIVE SECRETARIAT						

Code No.	NAME OF THE ENTITY	GOODS	WORKS	CONSULTANCY SERVICES	NON-CONSULTANCY SERVICES	GRAND TOTAL
RAS/001	ARUSHA	1,388	588	81	577	2,634
RAS/004	KIGOMA	44	897	89	-	1,030
RAS/008	MOROGORO	63	701	-	156	920
RAS/010	MARA	-	587	-	-	587
RAS/013	PWANI	-	440	-	38	478
RAS/015	TANGA	-	1,642	-	-	1,642
RAS/016	TABORA	-	854	-	-	854
RAS/019	KAGERA	-	428	355	-	783
RAS/020	DAR ES SALAAM	319	337	2	57	715
RAS/021	MANYARA	181	1,116	-	-	1,297
SUB TOTAL		1,996	7,589	527	828	10,940
LOCAL GOVERNMENT AUTHORITIES						
LGA/001	Meru District Council	280	766	-	-	1,046
LGA/007	Arusha District Council	511	356	-	74	942
LGA/010	Kibaha District Council	-	314	-	-	314
LGA/012	Mkuranga District Council	27	1,065	158	12	1,262
LGA/013	Rufiji District Council	68	832	-	15	914
LGA/014	Bagamoyo District Council	122	1,729	42	117	2,010
LGA/017	Kinondoni Municipal Council	129	754	-	16	899
LGA/020	Dodoma Municipal Council	593	1,435	-	195	2,223
LGA/022	Kongwa District Council	537	777	-	59	1,373
LGA/023	Mpwapwa District Council	138	981	-	2	1,121
LGA/024	Bahi District Council	618	922	-	-	1,540
LGA/025	Iringa Municipal Council	284	379	-	72	735
LGA/030	Ludewa District council	283	758	22	-	1,064
LGA/031	Njombe District Council;	927	2,157	-	75	3,159
LGA/032	Biharamulo District Council	617	172	-	11	801
LGA/035	Bukoba District Council	546	340	27	-	913

Code No.	NAME OF THE ENTITY	GOODS	WORKS	CONSULTANCY SERVICES	NON-CONSULTANCY SERVICES	GRAND TOTAL
LGA/036	Ngara District Council	27	781	-	31	840
LGA/037	Muleba District Council	638	766	-	9	1,413
LGA/039	Chato District Council	488	372	-	139	999
LGA/042	Kigoma Town Council	358	532	-	-	891
LGA/043	Kigoma District Council	1,243	891	15	1	2,150
LGA/047	Hai District Council	0	457	-	90	548
LGA/048	Mwanga District Council	667	1,503	-	-	2,170
LGA/049	Same District Council	104	631	-	8	743
LGA/051	Nachingwea District Council	156	275	20	-	451
LGA/052	Lindi District Council	22	1,272	-	-	1,294
LGA/053	Lindi Town Council	90	213	-	65	367
LGA/054	Liwale District Council	32	396	-	-	428
LGA/059	Hanang District Council	791	779	-	25	1,594
LGA/060		-	446	-	-	446
LGA/062	Simanjiro District Council	503	2,075	-	44	2,621
LGA/065	Bunda District	254	1,659	-	21	1,934
LGA/067	Tarime District	839	-	-	-	839
LGA/071	Rungwe District Council	-	1,514	-	-	1,514
LGA/072	Ileje District Council	328	1,115	-	19	1,462
LGA/073	Mbozi District Council	643	1,283	-	190	2,116
LGA/074	Kyela District Council	171	1,741	11	22	1,945
LGA/076	Mbarali District Council	67	1,014	-	-	1,081
LGA/079	Morogoro Municipal Council	386	759	21	294	1,460
LGA/089	Mwanza City Council	22	2,056	22	304	2,403
LGA/090	Magu District Council	235	1,265	-	193	1,693
LGA/091	Geita District Council	693	863	-	108	1,665
LGA/092	Ukerewe District Council	26	1,316	-	510	1,852
LGA/093	Misungwi District Council	293	871	-	52	1,216

Code No.	NAME OF THE ENTITY	GOODS	WORKS	CONSULTANCY SERVICES	NON-CONSULTANCY SERVICES	GRAND TOTAL
LGA/096	Kwimba District Council	136	931	4	19	1,090
LGA/097	Sumbawanga District Council	700	703	9	-	1,413
LGA/098	Sumbawanga Municipal Council	496	241	38	-	775
LGA/100	Nkasi District Council	642	382	6	-	1,030
LGA/102	Songea District Council	426	243	-	31	700
LGA/103	Songea Municipal Council	174	167	-	1	342
LGA/110	Meatu District Council	254	421	-	-	675
LGA/111	Bariadi District Council	902	3,401	-	42	4,345
LGA/112	Shinyanga Municipal Council	667	1,503	-	-	2,170
LGA/117	Manyoni District Council	163	395	33	61	652
LGA/120	Nzega District Council	173	654	2	184	1,013
LGA/121	Sikonge District Council	171	1,430	-	-	1,600
LGA/123	Igunga District Council	569	956	-	9	1,535
LGA/124	Tabora Municipal Council	222	389	3	852	1,467
LGA/125	Korogwe District Council	399	1,190	-	25	1,615
LGA/126	Korogwe Town Council	131	1,851	-	-	1,982
LGA/129	Pangani District Council	151	175	-	-	326
LGA/130	Lushoto District Council	104	232	-	46	383
SUB TOTAL		21,238	55,850	435	4,042	81,565
TOTAL		614,438	1,103,711	46,681	36,144	1,800,974

Annex 5.2

Computation of Level of Compliance by PEs based on Procurement Audits carried out in the F/y 2007/08

INTRODUCTION

This Annex contains a summary of procurements audits which were carried out by PPRA to 70 PEs in the F/Y 2007/08. The target was to carry out audits to 105 PEs, however because of the delay in the procurement process, it has not been possible to have audited results for all the targeted 105 PEs. At the time of preparing this report a Consultant had been obtained for carrying audit to 15 PEs and arrangements were underway for the PPRA staff to carry audits to other 15 PEs so as to attain the target of 105 PEs.

OUTCOME OF THE CARRIED OUT AUDITS.

The audits were used to establish the level of compliance of PEs using the 13 compliance indicators shown in Table 1 below

Table.1: Compliance and Performance Indicators used to Assess PEs.

S/N	INDICATOR	PERFORMANCE DATA
1.	Establishment and composition of Tender Board	Existence of a tender board in accordance with the requirements of the Act and Regulations
2.	Establishment and composition of PMU	Existence of a PMU in accordance with the requirements of the Act and Regulations
3.	Functioning of AO, TB and PMU	Percentage of tenders in which there was no interference between individual functions
4.	Preparation of Annual Procurement Plan	Prepared annual procurement plan
5.	Approvals	Percentage of tenders/contracts which received compulsory approvals in various processes
6.	Advertisement of bid opportunities	Percentage of open bidding procedures publicly advertised
7.	Publication of awards	Percentage of contract awards disclosed to the public
8.	Time for preparation of bids	Percentage of tenders complying with the stipulated time in the Act and regulations
9.	Method of Procurement	Percentage of tenders using authorized methods of procurement in accordance with their limits of application
10.	Use of standard tender documents	Percentage of tenders using standard/ approved tender documents

S/N	INDICATOR	PERFORMANCE DATA
11.	Records keeping	Percentage of tenders with complete records
12.	Quality Assurance	Formation and functioning of inspection committees (goods) and project managers
13	Contract implementation	Percentage of contracts which have been implemented as per the terms of contract

The extent of compliance of each of the audited MDA is shown in **Table.2** while the average scoring for each CPI is shown in **Figure 1**. From the Figure it is seen that MDAs attained a compliance level of above 50% for CPIs No. 1, 2, 8 and 9.

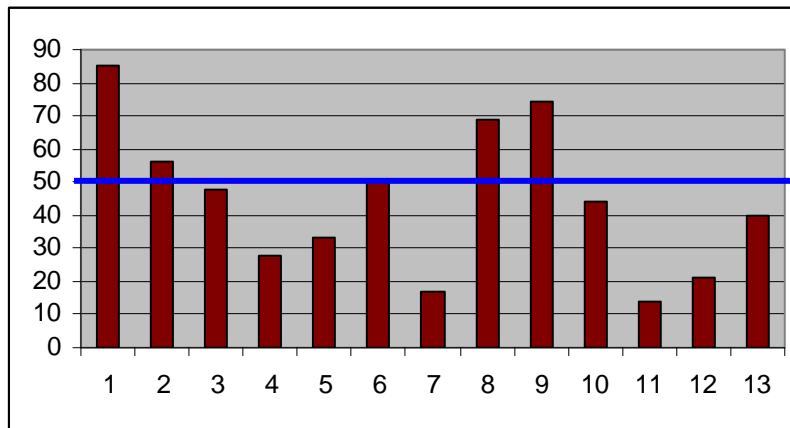


Figure 1: Average Scoring of MDAs for each CPI

The extent of compliance of each of the audited LGA is shown in **Table 3** while the average scoring for each CPI is shown in **Figure.2**. From the Figure it is seen that LGAs attained a compliance level of above 50% for CPIs No. 1, 2, 8 and 9.

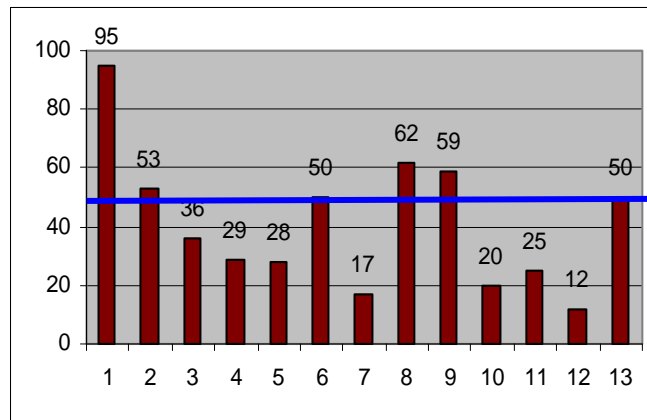


Figure.2: Average Scoring of LGAs for each CPI

In overall there is a very low level of compliance in most of the CPIs.

Table.2: Assessment of the Performance of the Audited MDAs in Complying with PPA 2004 and its Regulations.

Ser No.	Name of PE	PERFORMANCE SCORE FOR EACH INDICATOR OUT OF 100													OP
		1	2	3	4	5	6	7	8	9	10	11	12	13	
1	National Security Security Fund	80	40	50	0	85	90	0	92	100	90	50	40	50	59
2	National Health Insurance Fund	80	40	30	0	30	30	0	0	20	30	20	0	20	23
3	National Board of Accountants and Auditors (NBAA)	80	0	88	0	100	100	0	100	100	100	84	25	76	66
4	Tanzania Civil Aviation Authority	80	80	95	50	90	94	0	90	80	90	70	20	50	68
5	Arusha Urban Water Supply and Sewerage Authority (AUWSA)	80	0	40	0	10	100	0	50	100	0	50	0	40	36
6	Moshi Urban Water Supply and Sewerage Authority (MUWSA)	100	0	50	0	0	100	0	0	100	0	20	0	50	32
7	Ministry of Community Development, Gender and Children	80	0	30	20	30	47	0	50	100	30	0	0	50	34
8	Muhimbili University College of Health Science	80	50	59	0	50	64	0	64	64	55	31	25	27	44
9	TACAIDS	100	0	0	0	20	100	0	100	60	100	0	0	0	38
10	Ministry of Justice and Constitutional Affairs	80	0	50	10	20	50	0	40	50	100	20	50	40	39
11	Open University of Tanzania	100	0	68	0	73	41	0	63	63	63	45	50	35	46
12	Tanzania Broadcasting Corporation	100	0	0	60	10	1	0	25	21	6	0	0	0	18
13	Tanzania Library services	30	30	0	10	0	0	0	0	10	0	0	0	0	7
14	Medical Stores Department	90	80	52	75	50	28	100	93	93	52	0	100	95	70
15	Prisons Department	0	0	28	30	25	0	50	99	11	74	0	0	50	29
16	Dar-es-Salaam Institute of Technology	100	60	90	75	50	100	0	100	100	0	0	0	0	52
17	Public Services Pensions Fund	90	100	59	50	12	44	62	94	47	18	0	0	38	48
18	Mzumbe University	0	75	11	0	12	11	0	98	97	0	0	0	78	30

Ser No.	Name of PE	PERFORMANCE SCORE FOR EACH INDICATOR OUT OF 100													OP
		1	2	3	4	5	6	7	8	9	10	11	12	13	
19	Prime Minister's Office	90	100	54	45	25	100	30	100	85	40	0	0	51	56
20	Tanzania Tourist Board	100	100	68	20	2	2	0	2	2	2	0	2	2	24
21	Minsitry of Infrastructure Development	80	90	100	15	15	77	0	75	96	58	0	50	67	56
22	Ministry of Information, Culture and Sports	70	0	33	0	1	2	0	100	20	1	0	0	70	23
23	Ministry of Technology and Higher Education	100	100	8	10	37	2	0	37	100	37	0	0	35	36
24	Tanzania Revenue Authority	100	100	100	70	32	32	0	100	70	100	32	100	32	67
25	National Examination Council of Tanzania	80	80	67	0	0	58	0	50	96	100	0	0	29	44
26	Muhimbili National Hospital	100	100	30	15	30	7	0	93	38	7	0	50	50	40
27	University of Dar-es-Salaam	100	100	72	10	72	72	0	30	100	72	0	0	38	52
28	Ministry of Home Affairs	100	100	60	40	60	54	54	84	96	50	0	0	40	57
29	Ministry of Finance	88	85	21	20	4	16	0	99	44	85	0	50	66	45
30	Tanzania Ports Authority	100	100	86	65	87	80	100	96	99	42	18	18	52	73
31	Ministry of Housing and Human Settlement Development	80	100	60	60	3	56	84	77	98	82	0	50	24	60
32	Ministry of Foreign Affairs and International Cooperation	100	100	23	60	5	20	0	66	100	23	0	0	39	42
33	Ministry of Industry, Trade and Marketting	100	0	0	40	0	35	0	29	100	0	0	50	0	28
34	Tanzania Communication and Regulatory Authority	100	0	71	50	64	33	0	96	100	33	30	0	23	47
35	Ministry of Natural Resources and Tourism	100	100	55	80	50	55	100	100	90	37	0	0	32	62
36	Sokoine University of Agriculature	100	100	0	0	25	92	0	88	99	0	0	50	81	49
AVERAGES		85	56	48	28	33	50	17	69	74	44	14	21	40	45

Table 3: Assessment of the Performance of the Audited LGAs in Complying with PPA 2004 and its Regulations.

Ser No.	Name of PE	PERFORMANCE SCORE FOR EACH INDICATOR OUT OF 100													OP
		1	2	3	4	5	6	7	8	9	10	11	12	13	
1	Sumbawanga Municipal Council	80	0	20	0	0	30	0	30	100	0	10	30	50	26
2	Tabora Municipal Council	80	0	50	0	50	50	50	50	50	50	20	0	50	39
3	Sumbawanga District Council	80	0	0	30	0	9	0	40	83	0	60	0	20	25
4	Bukoba District Council	80	0	40	100	60	0	0	80	40	80	80	50	80	53
5	Kigoma-Ujiji Municipal Council	100	25	50	30	40	60	20	60	80	50	0	0	40	43
6	Songea Municipal Council	100	80	0	50	0	36	0	36	36	0	14	43	21	32
7	Morogoro Municipal Council	100	50	66	50	75	80	0	50	100	50	60	0	80	59
8	Songea District Council	100	0	0	70	0	7	0	73	14	0	13	0	33	25
9	Meru District Council	100	0	60	60	70	20	50	50	20	50	60	0	80	48
10	Igunga District Council	57	33	0	0	20	60	12	0	60	53	60	20	40	32
11	Nzegha District Council	95	62	0	0	0	90	50	100	65	18	60	10	40	46
12	Ngara District Council	95	50	0	20	0	100	0	60	60	4	80	50	80	47
13	Biharamulo District Council	100	67	0	0	0	80	75	100	60	0	90	20	30	50
14	Manyoni District Council	90	33	0	0	0	92	0	100	12	4	0	33	27	31
15	Chato District Council	100	100	0	0	0	90	0	100	90	0	95	20	90	53
16	Geita District Council	67	67	0	0	0	67	10	100	67	0	0	20	89	38
17	Mpwapwa District Council	100	80	80	30	50	40	30	100	50	0	0	0	60	48
18	Kongwa District Council	100	80	80	30	80	70	30	30	80	0	0	0	80	51
19	Njombe District Council	100	45	25	30	50	30	30	100	50	0	0	0	40	39
20	Ileje District Council	100	80	80	30	50	40	0	30	35	0	0	0	65	40
21	Mbozi District Council	100	75	80	30	50	35	30	100	70	0	0	0	80	50
22	Rungwe District Council	80	70	50	30	50	45	30	100	80	35	0	0	80	50

Ser No.	Name of PE	PERFORMANCE SCORE FOR EACH INDICATOR OUT OF 100													OP
		1	2	3	4	5	6	7	8	9	10	11	12	13	
23	Kyela District Council	100	80	80	30	50	45	10	100	90	0	0	100	75	59
24	Kiteto District Council	100	50	20	0	30	80	20	50	20	20	20	0	40	35
25	Hanang District Council	100	50	20	50	30	80	20	50	20	20	20	0	30	38
26	Mwanga District Council	100	50	20	50	30	20	20	20	20	20	20	0	40	32
27	Same District Council	100	0	50	100	20	100	70	100	80	100	20	0	20	59
28	Korogwe District Council	100	50	50	40	50	70	0	50	20	20	20	0	70	42
29	Lushoto District Council	100	50	20	0	20	50	20	20	50	20	20	0	20	30
30	Kindondoni District Council	100	100	45	30	45	22	0	73	92	52	0	0	27	46
31	Mkuranga District Council	100	100	60	0	0	13	0	100	91	6	0	0	3	37
32	Kibaha District Council	100	90	70	50	15	15	0	15	78	0	0	0	55	38
33	Dar-es-Salaam City Council	100	80	13	0	13	13	0	13	24	13	13	0	40	25
34	Bagamoyo District Council	100	100	73	20	0	28	0	28	89	0	0	0	0	34
	AVERAGES	95	53	36	29	28	50	17	62	59	20	25	12	50	42