

STRIVES TO IMPROVE INFRASTRUCTURES

Contractors Registration Board is a legal Institution of the Contractors in Tanzania. The Board works in collaboration with different institutions and procurement practitioners for the improvement of efficiency and effectiveness of the procurement contracts management in Tanzania.

Migomigo District Council is among the Local Governments collaborating with Contractors Registration Board in the implementations of construction projects

Migomigo District Council had put up a plan of constructing a 10 km tarmac road from Magugu Street to Nyakato Street in Nyamwezi Ward. The appointed contractor was expected to fully collaborate with the Local Government in ensuring value for money is achieved.

An open competitive tendering method was used in order to obtain competent contractor. Three construction companies were considered to be the top favorable bidders, as per evaluation exercise results shown below:

CONTRACTOR's NAME	EVALUATION RANKS
Vidato Construction Ltd company	The second lowest ranked evaluated bidder
Mafao Construction and Engineering Ltd	The highest ranked evaluated bidder
Ereto Construction Ltd Company	Lowest ranked evaluated bidder

The Procurement Management Unit (PMU) prepared a Contract and the following were the key issues included in the contract

- The order of performance and triggering of events
- The time of performance of each step in the contract
- Whether delay damages would be assessed for delayed completion and if they were to be assessed, would they be assessed as actual damage or liquidated damages
- The terms and conditions of any performance and payment bond
- Warrant obligations
- How liens on the projects would be handled or waived

- How the project would proceed in the event of serious disputes arising during the project implementation
- Whether certain items in the contract would be considered as allowance (item that the owner is allowed to select within a specified budget and allowance will be handled)

The successful bidder was called in for a negotiation on the contract. Unfortunately the negotiation couldn't take place because the awarded bidder claimed a number of amendments to be made on the contract. In that respect another bidder was considered to appear for a negotiation. Before the second bidder was called in, The Contractor's Registration Board used its consultant to review the contract. This time the negotiation with the first winner was successful hence the bidder signed the contract ready for implementation

The contractor started the construction on 1st January 2010 and completed the work on 30th September 2010 although the agreement was to complete the work within six (6) months a contract close out was issued/done with some complaints from the client. After the close out, the local government in collaboration with Public Procurement Regulatory Authority (PPRA) conducted performance audit of the project implementation and observed the following:

- Some major risks associated with contract especially quality risks were not well managed resulting into failure in attaining value for money
- There was no contract close out report and the contract close out was not handled professionally
- Extra Payment were made to the contractor before thorough analysis

After submission of the report to the accounting officer, the accounting officer reacted by convening a meeting with all members of the PMU, Tender Board and the evaluation committee to deliberate on the issues raised