

## **GOOD GOVERNANCE & ANTI-CORRUPTION SURVEYS**

The Tanzania Vision 2025 aims at achieving a high-quality livelihood for its citizens. In this perspective prevalence of poor governance (and corruption) becomes a stumbling block to the vision; poor governance distorts public expenditure and eventually affects the distribution of income as well as the standard of living of citizens. Thus, governance is a key intermediate input to social and economic development, as well as a welfare-enhancing developmental outcome itself.

In view of the above it is thus necessary to carry out governance and anti-corruption (GAC) diagnostic Surveys for developing a well-established empirical base that will, in turn, help the government to formulate appropriate interventions for curbing corruption in the country.

The Government of the United Republic of Tanzania has set aside funds for the operation of the Ministry of Home Affairs during the financial year 2021 - 2022. It is intended that part of the proceeds of the fund will be used to cover eligible payment under the contract for the Consulting Services for National Governance and Corruption Survey in Tanzania. The assignment was hosted and supervised by The Director of the Procurement Management Unit (DPMU) which will administer procurement proceedings in the hiring of the consultant. The Director of PMU initiates the proceedings of hiring a consulting firm that will be responsible for the provision of consulting assignments.

The Ministry of Home Affairs directs the Director of PMU to invite proposals (Technical and Financial) to provide the Consulting Services for National Governance and Corruption Survey in Tanzania and the selection procedure must base on the combination of both quality and cost. Terms of References were prepared by the Director of PMU and they were very clear on the expected outcomes and timing and approved by the respective Tender Board along with the Request For Proposal (RFP) and thereafter the potential consultants were invited to participate. The selection and employment of consultants were conducted as per the Public Procurement Regulations (PPR) of 2013. The short-listed Consultants were invited to submit a Technical Proposal and a Financial Proposal. The Proposal will be the basis for contract negotiations and ultimately for a signed contract with the selected Consultant.

Among the bidding firms was Mahangaiko & Sons Co. Ltd, Majuto Co. Ltd & Mpigaji Co. Ltd companies and all the bids were quoted high above the estimated budget so the Director of PMU decides to call the first, second and third-ranked firms for negotiation. The negotiation plan was prepared and then approved by the respective Tender Board prior to its implementation.

The Mahangaiko & Sons Co. Ltd was invited for negotiation but the negotiation process was not successful since the proposed price seems to be low compared to the scope of the assignment and the expected outcomes. The Director of PMU decides to resort to the second-ranked consultant (Majuto Co. Ltd) who also rejects the offer on the grounds that a slash of 20% of the contract price would ultimately affect his profit margin and which might affect the efficiency of the assignment. The only remaining option was the third firm (Mpigaji Co. Ltd) which accepted the offer of a slash of 20% of the contract price as proposed by the Director of PMU of the ministry of Home Affairs. The negotiation report was prepared and submitted to tender board for approval and the company was awarded the contract.

The Government requires that Procuring Entities, as well as Consultants, to observe the highest Standard of ethics during the implementation of the procurement proceedings and the execution of contracts under public funds.

The contract was executed by the consultant as planned and the Accounting Officer of the ministry appoints the contract management team to ensure effective management of the contract. In the course of the implementation of the consulting assignment, the consultant decides to change some of the Terms of References without any notification to the client which eventually affects the scope of the assignment. Later the consultant raises a claim for contract variations which eventually leads into disputes between the client and the consultant. The consultant on their defence claims that the contract price was not sufficient to facilitate the smooth execution of the consulting assignment. After thorough analysis, it was revealed that the consultant decided to agree on the contract price during negotiation so that they can be in a position to win the contract and gain some experience on consulting assignments. However, the Tender Board was not satisfied with the decisions of the consultant and directs the Accounting Officer (AO) to resolve the matter through court actions. Finally, the long legal proceedings created unnecessary delays and the implementation of consulting assignment was halted due to pending decisions from the courts.