

THE UNITED REPUBLIC OF
TANZANIA

NATIONAL AUDIT OFFICE



**PERFORMANCE AUDIT REPORT ON THE MONITORING AND
ENFORCEMENT OF PUBLIC PROCUREMENT ACTIVITIES**

**AS PERFORMED BY
MINISTRY OF FINANCE & PLANNING
AND
PUBLIC PROCUREMENT REGULATORY AUTHORITY**

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL
March, 2020**

THE UNITED REPUBLIC OF TANZANIA



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PREFACE

Section 28 of the Public Audit Act No. 11 of 2008 authorizes the Controller and Auditor General to carry out Performance Audit (Value for-Money Audit) for the purposes of establishing the economy, efficiency and effectiveness of any expenditure or use of resources in Ministries, Departments and Agencies (MDAs), Local Government Authorities (LGAs), Public Authorities and other Bodies.

I have the honour to submit to His Excellency the President of the United Republic of Tanzania, Dr. John Pombe Joseph Magufuli and through him to Parliament of the United Republic of Tanzania the Performance Audit Report on the Monitoring and Enforcement of Public Procurement Activities. The main audited entity was Ministry of Finance and Planning (MoFP); and the Public Procurement Regulatory Authority (PPRA).

The report contains findings of the audit, conclusions and recommendations that focused mainly on monitoring and enforcement of procurement activities

MoFP and PPRA have been given the opportunity to scrutinize the factual contents and comment on the draft report. I wish to acknowledge that the discussions were very useful and constructive.

My Office intends to carry out a follow-up audit at the appropriate time regarding the actions taken by MoFP and PPRA in relation to the recommendations given in this report.

In completion of the assignment, the Office subjected the report to the critical reviews of Dr. Noel Mrope (from

Mzumbe University) and Mr. Christopher Mageka (an independent Procurement Consultant) who came up with useful inputs on improving this report.

This Report has been prepared by Mr. January K. Kinunda -Team Leader and Mr. Emmanuel Kisweka - Team Member under the supervision and guidance of Mr. Michael Malabeja- Ag. Chief External Auditor, Eng. James G. Pilly - Assistant Auditor General and Mr. Benjamin Mashauri - Deputy Auditor General.

I would like to acknowledge the commitment of my staff and cooperation accorded to my audit team by all the respective Accounting Officers and their staff which has facilitated timely completion of this audit report.



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LIST OF ABBREVIATION

AG	- Attorney General
AfDB	- African Development Bank
APA	- Annual Procurement Awards
APP	- Annual Procurement Plan
AO	- Accounting Officer
APER	- Annual Performance Evaluation Report
BPS	- Bulk Procurement System
CAG	- Controller and Auditor General
CTB	- Central Tender Board
CUIS	- Common Use Items & Services
DES	- Director Engineering Services
GAMD	- Government Asset Management Department
GN	- Government Notice
GPN	- General Procurement Notice
GPSA	- Government Procurement Services Agency
ILO	- International Labor Organization
M&E	- Monitoring & Evaluation
MoFP	- Ministry of Finance & Planning
MTEF	- Medium Term Expenditure Framework
NFYDP	- National Five-Year Development Plan
NIMR	- National Institute of Medical Research
PBPA	- Petroleum Bulk Procurement Agency
PBPS	- Petroleum Bulk Procurement System
PEs	- Procuring Entities
PMG	- Paymaster General
PMIS	- Procurement Management Information System
PMU	- Procurement Management Unit
PO	- Purchase Order
PPA	- Public Procurement Act
PPPD	- Public Procurement Policy Division
PPR	- Public Procurement Regulation
PPRA	- Public Procurement Regulatory Authority
PSPTB	- Procurement and Supplies Professionals and

		Technicians Board
TANePS	-	Tanzania electronic Procurement System
TANROADS	-	Tanzania Road Agency
TARURA	-	Tanzania Rural Road Agency
TAS	-	Technical Audit Section
TB	-	Tender Board
TOR	-	Terms of Reference
TPA	-	Tanzania Ports Authority
TRA	-	Tanzania Revenue Authority
VETA	-	Vocational Education and Training Authority
VFM	-	Value for Money

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EXECUTIVE SUMMARY

Background to the audit

The Government efforts to undertake Public Procurement reforms in Tanzania mainland started in 1992. During this time, the Government embarked on various studies to assess the state of Public Procurement and Supply management in the country. The result of these studies led to the enactment of the public procurement Act of 2001 followed by that of 2004, 2011 and 2016. Despite frequent reforms made, public procurement has still been dominated with inefficient procurement.

Ministry of Finance and Planning (MoFP)¹ and Public Procurement Regulatory Authority (PPRA)² are required to monitor and evaluate performance of public procurement in Tanzania.

Specifically, the audit focused on assessing whether Public Procurement Oversight Institutions³ and Procuring Entities (PEs) are adequately monitored and evaluated; retrospective approval is properly handled; and Procuring Entities comply with Public Procurement Act (PPA) to achieve value for money in their procurement functions.

Apart from MoFP and PPRA, data were also collected from four PEs⁴. This audit covers the three financial years 2016/17-2018/19. In some circumstance, it covered up to five financial years 2014/15- to December 2019.

¹ Public Procurement Act No. 7 of 2011 Section 6(2)(i)

² Public Procurement Act No. 7 of 2011 Section 9(1)(b)(h)(i)

³ Public Procurement Regulatory Authority (PPRA), Procurement and Supplies Professional and Technician Board (PSPTB), Government Procurement Services Agency (GPSA), Public Procurement Appeal Authority (PPAA).

⁴ Tanzania Ports Authority (TPA), National Institute of Medical Research (NIMR), Vocational Training Authority (VETA) and Petroleum Bulk Procurement Agency (PBPA).

Main findings

a) 100 % of Public Procurement Institutions were neither monitored nor evaluated by MoFP under PPPD

Audit noted that, 100% of Public Procurement Institutions were neither monitored nor evaluated by PPPD⁵. As a result, PPPD lacked key information regarding public procurement. This led to lack of harmony in public procurement system. The lack of harmony was demonstrated in the following scenarios: petroleum bulk procurement system is not harmonized with the public procurement system as required by PPA. It also had uncoordinated training and seminar in area of procurement. Lack of monitoring was caused by failure to implement framework for monitoring and evaluation of public procurement oversight organs⁶; and low prioritization of monitoring and evaluation of public procurement institutions.

b) PPRA did not conduct audits for 234 entities within a period of five (5) years

PPRA used the risk-based approach to identify the PEs to be audited. Based on PPRA established sampling criteria, it is mandatory for all PEs with procurement volume above TZS 20 billion and new PEs to be subjected for audit. However, we noted that, new PEs and about 6 to 12 PEs with the said procurement volume were not audited each year. In addition, we noted that, selection of PEs to be audited was biased as most of the LGAs audited by PPRA were located in urban areas. LGAs that were in remote areas were rarely sampled for audit. This posed risk of not detecting wrongdoing for a long time in the PEs that were not sampled.

⁵ Public Procurement Policy Division

⁶ PPRA, PSPTB, GPSA and PPAA.

As a result, the audit noted that, 234 PEs, which represent 41% of the total PEs in the country, were not audited by PPRA for the period of five years. Out of those PEs which were audited within the stated period, 12% were audited twice and 39% were audited once. According to PPRA management, PPRA had limited resources (financial, equipment and human) was the major cause for low coverage of PEs. However, review of expenditure indicated that PPRA allocated only 11 of its financial resources to audits.

c) TANEPS⁷ was not adequately used by PEs

It was expected that, introduction of TANEPS which provide for online submission information to solve the problems related to failure of PEs to submit contracts awards information to PPRA. We noted that, majority of PEs did not use TANEPS. We further noted that, two features in TANEPS, named e-catalogue and e-contract management were not used at all. This was because these features were not compatible with GPSA inventory system and the Ministry of Finance system of payment. We noted that, only 54% of PEs used TANEPS during the procurement planning phase, while only 11% PEs awarded through TANEPS.

d) PPRA outsourced 92% of the audits conducted from 2016/17 to 2018/19

PPRA conducted only 27 out of 330 Compliance and VFM audits, which is equivalent to 8 percent, using its own staff and outsourced the rest. This was mainly because of insufficient human resource base.

⁷ Tanzania electronic Procurement System

e) 100% of sampled retrospective approvals were not processed on time

Our audit noted delays in processing of retrospective approvals for more than two years. The earliest retrospective approval given was 98 days and the longest was 1146 days from the date the Paymaster sought an advice from PPRA. The team noted inconsistent decisions for the same scenario regarding the application for retrospective approval process.

f) Unjustifiable use of single source and restricted procurement methods at TPA for procurement transactions worth TZS 22,692,778,695/-

Our audit noted that TPA, without justifiable reasons, opted to use single source method for procurement of ICT equipment, *Construction of Jetty, Ramp and heavy duty paving at Ndumbi along lake Nyasa, Construction of Partitions at TPA one stop Centre Building and Construction of Rigid Pavement at Check Point No.3 at Dar es Salaam Port.*

g) Possible Financial loss of TZS 6,953,328,896 due to improper handling of procurement at TPA and VETA

We noted that TPA and VETA incurred an estimated losses of about TZS **6,953,328,896** due to improper tender evaluation and awarding decisions. Specifically, TPA may suffer a loss of TZS 5,345,900,475 whereas TZS 4,441,212,543 was due to delay in communicating awards and TZS 904,687.932 because of improper disapproval of awards. On the other hand, VETA may incur a loss of TZS 1,607,428,421 because of improper evaluation and award of contract.

h) PBPA executed procurement functions in the absence of a Tender Board and Procurement Management Unit

We noted that, PBPA delayed composing a Tender Board and Procurement Management Unit. However, the entity conducted the procurement of about TZS 3,281,584,401 contrary to requirement of the PPA. We also noted that, the entity operated without an approved organization structure since January 2016.

Conclusion

Overall conclusion of this audit is that, there was no assurance that, both Public Procurement Policy Division (PPPD) under the Ministry of Finance and Planning (MoFP) and Public Procurement Regulatory Authority (PPRA) have adequately enforced the monitoring of public procurement activities. The Division was unable to monitor the performance of public procurement institutions including the Public Procurement Regulatory Authority and Procuring Entities. In addition, the handling of the requested retrospective approvals by the Ministry was not effective as, there has been a substantial and unnecessary delay in the process, which makes the objective for requesting retrospective approval to lose its intended purpose.

Recommendations issued to MoFP and PPRA

Ministry of Finance and Planning should:

1. Ensure monitoring and evaluation of performance of Public Procurement Institutions is regularly conducted;
2. Review and update the process for advice on retrospective approval to ensure the approval process time is shortened;
3. Review public procurement laws and regulations in order to harmonize public procurement systems such as bulk procurement systems (Petroleum Bulk Procurement System) and electronic procurement system;

4. Develop a coordination mechanism to minimize overlapping functions of public procurement institutions;
5. Develop and implement a capacity building program for PPPD to facilitate monitoring and evaluation of procurement institutions and;
6. Ensure Public Procurement Oversight Organs Submit performance reports to PPPD for monitoring and evaluation purpose.

Recommendations to PPRA

Public Procurement Regulatory Authority should:

1. Ensure all public procuring entities are audited and a continuous follow up is conducted on all the issued recommendations;
2. Increase enforcement measures to all PEs to submit the required procurement information by using TANePS to PPRA for monitoring purposes;
3. Ensure market prices of commonly used items and services are available for benchmarking purposes as required by the law⁸;
4. Ensure that recommendations for PEs with poor performance are directed to respective competent authorities for them to take corrective action against those PEs;
5. Develop strategies to improve its human resource base in order to minimize the risk of excessive outsourcing of the Authority's core functions; and
6. Develop mechanism for implementation and monitoring bulk procurement systems.

⁸ Section 5A (0) of Public Procurement (Amendment) Act No.5 of 2016.

CHAPTER ONE

INTRODUCTION

1.1 Background

The government efforts to undertake Public Procurement reforms in Tanzania mainland started in 1992. During this time, the government embarked on various studies to assess the state of public procurement and supply management in the country. The result of these studies led to the enactment of the Public Procurement Act of 2001 followed by that of 2004.

Since the year 2001, there have been several legal reforms on the procurement system. Despite frequent reforms made, public procurement is still dominated by inefficient procurement processes as frequently reported by the Controller and Auditor General (CAG) and the Public Procurement Regulatory Authority (PPRA).

Despite the notable challenges, there is a huge volume of spending in public procurement. For example, the volume of total procurement for development projects in the financial year 2017/18 and 2018/19 was estimated to reach TZS 17.7 Trillion out of TZS 23 trillion of government budget planned to be expended for development projects⁹. With this huge budget for development projects, the existing risk of mismanagement of procurement activities will result in slowing down the government efforts to reach the intended development goals.

1.2 Motivation of the audit

Implementation of all government budgeting commitment goes through public procurement. Therefore, public procurement

⁹ Citizens budget by MoFP for 2017-18 and 2018-19

serves as an important instrument for implementation of national budget to achieve social, economic and political goals. To ensure government attains its mission of delivering services to its citizens, the Ministry of Finance and Planning is empowered to oversee public procurement system and institutions¹⁰.

This audit was motivated by the following issues:

- a) Cost increase and prolonged procurement, as a result of poor planning and implementation of public procurement¹¹;
- b) Ineffective implementation of Tanzania National Five Year Development Plan (NFYDP) because of lack of budget credibility (unrealistic resource commitment and expenditure plans); and weak enforcement of the public procurement practices¹².
- c) Reported malpractice of TZS 47 billion in public procurement¹³.

1.3 Design of the Audit

This part presents the main and specific audit objectives, scope, method for data collection and analysis and assessment criteria.

1.3.1 Audit Objective

The audit objective is to determine whether the Ministry of Finance and Planning (MoFP) and Public Procurement Regulatory Authority (PPRA) adequately Monitor and Enforce Public Procurement activities to ensure value for money. Specifically, the audit focused on assessing whether:

1. Ministry of Finance and Planning (MoFP) through PPPD¹⁴ adequately Monitors Public Procurement Institutions¹⁵;

¹⁰ Section 6 of PPA No.7 of 2011 and PPR GN 446 of 2013 and its amendment.

¹¹ Ngahemera, (2017), Mtanzania newspaper of 17 Oct 2017.

¹² National Five Year Development Plan 2016-2021

¹³ Public Procurement Regulatory Authority (PPRA) report for financial year 2016/17-2017/18).

2. Public Procurement Regulatory Authority (PPRA) has an effective mechanism of Monitoring and Evaluating Procuring Entities (PEs) operations;
3. Processing advice on retrospective approval by MoFP and PPRA is properly done;
4. Procuring Entities comply with PPA to achieve value for money in their procurement functions.

Audit and sub audit questions for addressing audit objectives see *Appendix 2*

1.3.2 Scope of the Audit

MOFP and PPRA were the main audited entities. The audit focused on monitoring and evaluation functions of MOFP and PPRA to ensure enforcement of public procurement laws. The coverage was limited to tendering and awarding phase only.

The audit team collected information relating to monitoring and evaluation at MoFP and PPRA; and from sampled Procuring Entities to assess the procuring activities undertaken. The selected PEs were: Vocational Education and Training Authority (VETA), Petroleum Bulk Procurement Agency (PBPA), Tanzania Ports Authority (TPA), National Institute of Medical Research (NIMR).

The Audit team used non-probability sampling to select procuring entities where data was collected. Purposive sampling was used to select procuring entities audited. The selection of aforementioned was attributed to what PPRA had reported about the PE's performance such as satisfactory performance, poor

¹⁴ Public Procurement Policy Division

¹⁵ Public Procurement Regulatory Authority (PPRA), Procurement and Supplies Professional and Technician Board (PSPTB), Government Procurement Services Agency (GPSA), Public Procurement Appeal Authority (PPAA) and Procuring Entities (PEs).

performance for two years consecutively, inconsistency performance, procurement above TZS 20 billion or have not been audited during the period of our scope of audit, as shown in *Table 1.1*.

Table 1.1: Reason for Selection of Procuring Entities

Selected PEs	Reason(s) for Selection PEs
VETA	<ul style="list-style-type: none"> • Inconsistent performance for two years consecutively; and • Has procurement volume above TZS 20 billion.
TPA	<ul style="list-style-type: none"> • Has satisfactory performance during the period of audit (used as best practice); and • Has procurement volume above TZS 20 billion.
NIMR	<ul style="list-style-type: none"> • Has unsatisfactory performance for two years consecutively
PBPA	<ul style="list-style-type: none"> • Newly established entity and has not been audited during the period of audit

The audit covered three financial years 2016/17 to 2018/19. In some circumstance, it covered up to five financial years 2014/15- to December 2020. The selected period enabled the auditors to get overall performance and be able to assess trends in performance over time.

1.3.3 Data collection

Both qualitative and quantitative data were collected to provide evidence on the procurement operations in the selected entities. Two different methods were used to collect required qualitative and quantitative data which are interviews, and review of documents.

i. Documents Review

The audit team reviewed documents from Ministry of Finance and Planning (MoFP), Public Procurement Regulatory Authority

(PPRA), Vocational Education and Training Authority (VETA), Petroleum Bulk Procurement Agency (PBPA), Tanzania Ports Authority (TPA), National Institute of Medical Research (NIMR). The list of documents reviewed is summarized in **Appendix 3**.

ii. Interviews

The team conducted interviews with officials who are both at managerial and operational levels to acquire relevant information on enforcement of M&E by MoFP and PPRA and on execution of procurement functions by selected Procuring Entities. A summarized list of officials interviewed is as presented in **Appendix 4**.

1.3.4 Data Analysis

In this audit various methods were employed in analysing data depending on the nature of data and available evidence. Quantitative data was organised, summarized and compiled using software for data analysis such as excel spreadsheets. The analysed data were presented by different ways such as tables, graphs, charts and percentage distributions.

Qualitative data was described, compared and related so that it can be extracted and explained for the data to be contended, defended and correlated to findings that are aligned to the audit objectives. The analysis looked for categories such as events, descriptions, consistencies or differences to develop theory from the gathered data.

1.4 Assessment Criteria

The criteria for the main audit question and sub questions were based on the roles played by the MoFP and PPRA. These roles are as per approved functions and organization structure of MoFP; Public Procurement Act No. 7 of 2011, Public Procurement

(Amendment) Act No.5 of 2016; Public Procurement Regulation GN 446 of 2013 and Public Procurement (Amendment) Regulation GN 333 of 2016 as amended from time to time; various procurement guidelines issued by PPRA as shown below:

Monitoring and evaluating the performance of Public Procurement Institutions by MOFP

- (i) According to Section 6(2) (a-c) of PPA No.7 of 2011, Public Procurement Policy Division (PPPD) under MoFP is required to develop, review and monitor the implementation of policies;
- (ii) Also, Section 6(2)(b) of PPA No.7 of 2011, Public Procurement Policy Division (PPPD) under MoFP is required to monitor, evaluate and review public procurement Systems;
- (iii) Likewise, Part 3.12.1(iii) of the Organization structure for MoFP,2018 require Policy Development and Monitoring Section under Public Procurement Policy Division to develop mechanism for monitoring and evaluation of procurement system; and
- (iv) Furthermore, Public Procurement Policy Division is required to monitor and evaluate performance of public procurement institutions (PPA No.7 of 2011, Section 6(2) (i)).
- (v) According to Section 6(2)(g) of PPA No.7 of 2011, Public Procurement Policy Division (PPPD) under MoFP is obliged to harmonize public procurement systems in the country and monitor their implementation.

Monitor and evaluating the performance of Procuring Entities by PPRA

- (i) According to Section 9(1)(b) of PPA No.7 of 2011, PPRA is obliged to monitor and report on the performance of the

- public procurement systems in the United Republic of Tanzania and advise on desirable changes;
- (ii) According to Section 9(1)(h)(i) of PPA No.7 of 2011, PPRA is required to monitor the award and implementation of public contracts in order to ensure such contracts are awarded fairly and on merit. Likewise, Section 9(1)(g) of PPA No.7 of 2011, PPRA is required to conduct periodic inspections of the records and proceedings of the procuring entities to ensure full and correct application of PPA;
 - (iii) According to Section 9(1)(i)) of PPA No.7 of 2011, PPRA is mandated to institute procurement, contract and performance audit to ensure value for money for each procurement transaction;
 - (iv) According to Regulation 87 of Public Procurement Regulations, GN 446 of 2013, PPRA is mandated to continuously monitor procurement activities and contract implementation. In addition, procuring entities shall submit to the PPRA annual procurement plans, information on tender notices, invitations for quotations, request for proposals, contract award, contract termination and prepare monthly, quarterly and annual procurement implementation reports; and
 - (v) Section 5A (0) of Public Procurement (Amendment) Act No.5 of 2016, , mandates PPRA to obtain market price information of commonly used items and services.

Processing advice for retrospective approval by MoFP and PPRA

- (i) Section 6(2) (h) of PPA No.7 of 2011 requires to advice on application for retrospective approval.
- (ii) Section 65 (6) of PPA No.7 of 2011 as amended in 2016, requires Paymaster General to seek advice from PPRA in respect for retrospective approval.

- (iii) PPRA guideline for retrospective approval requires process for retrospective approval to complete within 90 days.

Performance of Procuring Entities in ensuring value for money

- (i) According to Section 4A (3) of Public Procurement (Amendment) Act No.5 of 2016, procuring entities are required to achieve the highest standard of equity during execution of procurement by taking into account quality, fairness and need to obtain value for money for each procurement undertaken;
- (ii) Section 35(1) of Public Procurement Act No. 7 of 2011, states that no public body is obliged to advertise, invite, solicit or call for tenders or proposals in respect of a contract and award any contract unless the necessary approvals have been granted;
- (iii) Likewise, *Section 35(1) of Public Procurement Act No. 7 of 2011*, empowers budget approving authority to review and approve Annual procurement plan, review quarterly procurement report, ensure compliance of PPA and make implementation of PPRA recommendation; *and*
- (iv) *According to Section 48(2) of PPA, 2011 and Regulation 86(1) of GN. 446 of 2013*, the head of internal audit of each public body shall in his quarterly audit report include a report on whether this Act and Regulations made under it has been complied with and the accounting officer upon receiving such report shall submit a copy thereof to the Authority (PPRA).

1.5 Data Validation Process

The Ministry of Finance and Planning (MoFP) and Public Procurement Regulatory Authority (PPRA) were given the opportunity to go through the draft report and comment on the

figures and information being presented. All confirmed on the accuracy of the figures used and information being presented in the report.

The information was also cross-checked and discussed with experts in area of public procurement to ensure validity.

1.6 Standards Used for the Audit

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) issued by the International Organization of Supreme Audit Institutions (INTOSAI). Those standards require that the audit is planned and performed in order to obtain sufficient and appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objective.

1.7 Structure of the Audit Report

The remaining part of the report covers the following:

- Chapter two presents the systems, processes and relationships among key stakeholders who have a duty to enforce public procurement activities in Tanzania;
- Chapter three presents the audit findings noted by audit in regards to the enforcement of public procurement by Ministry Finance (MoFP) under Public Procurement Policy Division (PPPD) and Public Procurement Regulatory Authority (PPRA)
- Chapter four presents audit findings relating to performance of selected procuring entities; and
- Chapter five presents audit conclusions; and Chapter six outlines recommendations which can be implemented to improve performance of public procurement in Tanzania.

CHAPTER TWO

SYSTEM DESCRIPTION FOR ENFORCEMENT OF PUBLIC PROCUREMENT ACTIVITIES

2.1 Introduction

This chapter provides information regarding legal framework, key actors and existing system for planning and implementation of procurement activities in Tanzania.

2.2 Policies and Legal Framework

Currently, there is no public procurement policy to govern public procurement in Tanzania. Procurement is governed by Public Procurement Act No.12 of 2011, Public Procurement (Amendment) Act No.5 of 2016, Public Procurement Regulations GN. 446 of 2013 and Public Procurement (Amendment) Regulations GN.333 of 2016 as amended from time to time. Also, there are various guidelines issued by Public Procurement Regulatory Authority (PPRA) which guide public procurement as indicated in *Appendix 5*.

2.3 Roles and responsibilities of key stakeholders

2.3.1 Internal Actors

These are actors within the procuring entities that are directly involved in planning and implementation of procurement activities as described below:

Budget Approving Authority

According to Section 33 (2) of the Public Procurement Act No. 7 of 2011, Budget Approving Authority is supposed to review and approve Annual Procurement Plans (APP) based on its budget and action

plan; and review the Quarterly Procurement Report submitted by the Accounting Officer.

Accounting Officer (AO)

According to Section 36 (1) of Public Procurement Act No. 7 of 2011 the Accounting Officer is supposed to have the overall responsibility for the execution of the procurement process in the Procuring Entity (PE) such as establishing a PMU completely staffed to an appropriate level; establishing a TB; approving all procurement opportunities; and signing contracts for the procurement activities on behalf of the PE.

Tender Board (TB)

In line with public procurement requirement, TB is empowered to deliberate on the recommendations from PMU and approve award of contracts, tendering and contract documents, procurement and disposal by tender procedures; and ensure that best practices in relation to procurement and disposal by tender are strictly adhered by procuring entities. It emphasizes that, any contract signed without tender approval shall be null and void.

Procurement Management Unit (PMU)

Section 37 of Public Procurement Act (PPA) No. 7 of 2011 requires each PE to establish PMU staffed to an appropriate level and the Head of the PMU is supposed to report directly to the Accounting Officer of the PE. PMU is empowered to manage all procurement and disposal by tender activities within PE except adjudication and the award of contract.

User Department

Section 37 of PPA No. 7 of 2011 requires user Department to initiate procurement and disposal by tender requirements and forward them

to the PMU; prepare technical inputs to statements of requirements and or terms of reference (TOR) for procurement requirements to the PMU; and participate in tender evaluation.

Ad hoc Committees

These are temporary committees established for certain tasks as explained below;

Evaluation Committee

This is an independent committee established by the AO to evaluate and recommend award of tender to the lowest evaluated bidder.

Negotiation Committee

This is a committee established to negotiate with bidder to enable procuring entity to have value for money in procurement undertaking.

Contract Management Committee/Inspection Committee

This is a committee tasked to ensure the contractual terms and conditions are adhered during contract implementation.

2.3.2 External Actors

These are actors outside the PE, who are involved in ensuring implementation of public procurement is guided and conducted as per requirements of the procurement laws and its regulations. Such actors are as follows:

Public Procurement Policy Division (PPPD) under Ministry of Finance and Planning

Section 37 of PPA No. 7 of 2011 requires PPPD under MoFP to develop, review, evaluate and oversee the implementation of public Procurement Policies, Acts, Regulations, Circulars and other

directives relating to public procurement. Also, PPPD is obliged to monitor, evaluate and review public procurement system as well as public procurement institutions. In addition, PPPD is empowered to advice on retrospective approvals.

Public Procurement Regulatory Authority (PPRA)

This Authority is established under Section 7 of PPA No. 7 of 2011 and is required to monitor and report on the performance of the public procurement systems in the country as well as monitoring the award and implementation of public contracts. Also, it is empowered to institute procurement, contract and performance audit to ensure there is application of fair, competitive, transparent, non-discriminatory and value for money standards and practices for each procurement undertaken.

Attorney General (AG)

Regulation 60 of Public Procurement (Amendment) Regulation (PPR) GN 121 of 2016 requires AG to undertake vetting of contracts with value of at least TZS one (1) billion. This will provide assurance that, contractual terms and conditions protects interest of the PE.

Government Procurement Services Agency (GPSA)

Regulation 131 of PPR GN 446 of 2013 requires GPSA to arrange for procurement of Common Use Items and Services by procuring entities through framework agreements.

Public Procurement Appeal Authority (PPAA)

Section 96(1) of PPA No.7 of 2011 requires that, any complaints or disputes between PEs and tenderers on procurement or disposal should be reviewed and appropriate decisions made.

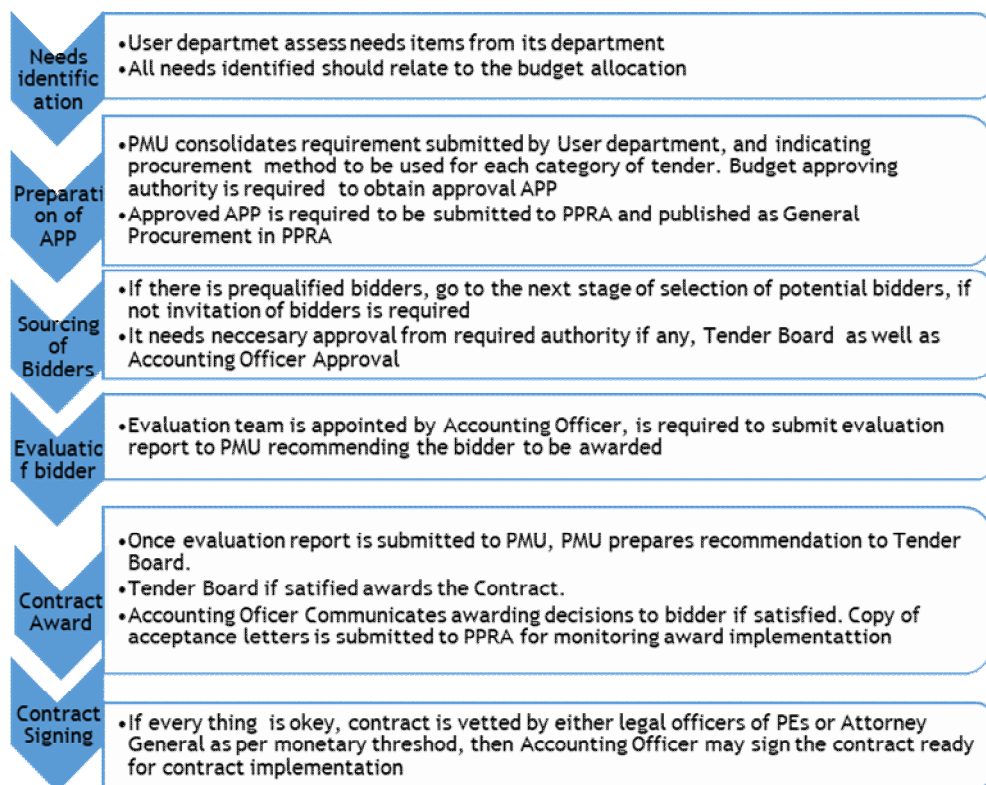
Procurement and Supplies Professionals and Technicians Board (PSPTB)

Section 7 of PSPTB Act No.23 of 2007 empowered PSPTB for accreditation and registration of procurement professionals/cadres.

2.4 Monitoring and evaluation of procurement process in Procuring Entities (PEs)

Public procurement process is monitored and evaluated in each stage from need identification to contract closure by PPRA. The stages (except contract implementation and payment) of procurement are summarized in *Figure 2.1*

Figure 2.1: Monitoring and evaluating Procurement Process and Actors involved



2.5 Retrospective approval process

Regulation 63 of Public Procurement (Amendment) Regulation requires the Accounting Officer (AO) to seek approval of Paymaster General where procurement is implemented under emergency situation, within seven (7) days after contract signing. The Paymaster General is required to seek advice from PPRA on the said procurement. Section 6(2)(h) of PPA No.7 of 2011 also empowers PPPD to advice on retrospective approval as shown in ***appendix 6***.

CHAPTER THREE

ENFORCEMENT OF PUBLIC PROCUREMENT ACTIVITIES

3.1 Introduction

This chapter presents key findings noted regarding the enforcement of public procurement activities by the Ministry Finance (MoFP) through Public Procurement Policy Division (PPPD) and Public Procurement Regulatory Authority (PPRA).

3.2 Monitoring and Evaluating Performance of Public Procurement Institutions¹⁶

The audit examined the practice of Monitoring and Evaluation (M&E) as conducted by PPPD to five procurement institutions. These procurement Institutions are mainly categorized into two groups, the first category is Public Procurement Oversight Organs which are PPRA, PPAA, GPSA, PSPTB; and the second category is Procuring Entities.

Public Procurement Act¹⁷ requires the Public Procurement Policy Division (PPPD) to monitor and evaluate the performance of public procurement institutions and monitor the implementation of procurement policies. Performing Monitoring and evaluation is expected to help PPPD to develop and review national procurement policies, circular and regulations. The subsequent subsections present the audit observations on performance in M&E.

3.2.1 100 % of Public Procurement Oversight Organs¹⁸ and Procuring Entities (PEs) were not monitored and evaluated

Review of correspondence file between PPPD and Public Procurement Oversight Organs showed that, there were no

¹⁶ Public Procurement Regulatory Authority (PPRA), Procurement and Supplies Professional and Technician Board (PSPTB), Government Procurement Service Agency (GPSA), Public Procurement Appeal Authority (PPAA) and Procuring Entities (PEs).

¹⁷ Public Procurement Act No. 7 of 2011 Section 6(2)(i).

¹⁸ PPRA, PPAA, GPSA and PSPTB

documented records to confirm that PPPD conducted M&E of the performance of PPRA, PPAA, GPSA and PSPTB. The audit noted that PPPD developed a framework for monitoring and evaluating performance of Public Procurement Oversight Organs. However, the developed tool had never been used.

In addition, review of various documents¹⁹ showed that, PPPD only conducted a follow-up of findings raised in the PPRA Annual Performance reports. In, such cases PPPD enquires about actions taken by PEs in improving the reported weaknesses. Based on the interview with PPPD staff and review of progress reports, the audit observed that, PPPD occasionally conducted meetings with stakeholders to obtain information about challenges of implementing PPA and its Regulations. Under the period of audit, PPPD visited 12 regions through conferences held at regional level and collected information from 242 out 543 PEs (Table 3.1)

Table 3.1: PEs visited by PPPD

S/N	Regions	No. of PEs visited
1.	Rukwa	7
2.	Mbeya	7
3.	Tanga	8
4.	Katavi	9
5.	Ruvuma	9
6.	Mtwara	9
7.	Lindi	10
8.	Kigoma	10
9.	Mwanza	11
10.	Arusha	15
11.	Dodoma	46
12.	Dar Es salaam	101
	Total	242

Source: Auditor analysis of visited PEs, 2019

Table 3.1 shows that PPPD managed to visit 12 out of 28 regions covering 242 out of 543 PEs. This implies that, more than 55 % of PEs were not monitored through conferences held at regional level.

¹⁹ Letter with Ref. No.FB.41/457/01/22 dated on 7th of February 2019

In addition, PPPD collected various information on matters relating to PEs staffing of procurement and supplies professionals to establish a database of procurement professionals in the country. Generally, inadequate monitoring and evaluation of performance of public procurement institutions was caused by the following factors:

i. Inadequate implementation of framework for Monitoring and Evaluating performance of Public Procurement Institutions

In 2016 PPPD under MoFP developed a framework for monitoring and evaluating performance of public procurement institutions in order to increase efficiency of public procurement undertakings in the country. This tool is important to ensure systematic collection and analysis of collected information. Review of files, noted that, no reports were prepared monitoring and evaluating performance of public procurement institutions.

Further review of progress report noted that, there was no training and other capacity building programs conducted to staff to equip them with knowledge and skills to conduct M&E. This is because, this activity was not given much priority in terms of budget allocation as indicated in the proceeding section. Also, interviews with PPPD officials revealed that Public Procurement Institutions were not obliged to submit any information to PPPD.

ii. Low priority given to Monitoring and Evaluation

Review of Medium-Term Expenditure Framework (MTEF) and progress reports noted that, key activities planned, budgeted and executed were associated with:

- Development and implementation of National Public Procurement Policy;
- Conducting stakeholders meeting on implementation of PPA and regulations; and
- Developing procurement and supplies cadre.

M&E was not reflected in the plans. According to interviewed Ministry officials, resource constraint limited M&E (Table 3.2).

Table 3. 2: Budget allocation to PPPD vs Disbursement

Financial Year	Budget Allocated	Budget Disbursed	Percent (%) of disbursed Fund
2018-19	1,260,096,221	1,011,519,043	80%
2017-18	29,323,898	22,119,892	87%
2016-17	499,400,000	278,910,069	56%
Total	2,588,820,119	2,012,549,004	78%

Source: Auditor analysis of Progress Report, 2019

Table 3.3 indicates that, on average 78% of funds allocated for division of public procurement policy was disbursed. It indicates that, the trend of budget allocation and disbursement varied. For all the three years and the disbursed fund was above 50%. However, there was no specific budget provision for M&E activities regarding functions of Public Procurement Institutions (PPIs).

In addition, review of PPPD organization structure indicates that, PPPD among other functions, is supposed to oversee the

implementation of public procurement policies, Acts, regulations and instructions. Yet, this activity was not clearly listed among the activities to any section that is under the jurisdiction of PPPD. Inadequate M&E of Public Procurement Institutions has denied PPPD critically required information that could have been used to improve the procurement practices in the country as explained in the following sections:

3.2.2 Delays in developing National Public Procurement Policy for a period of ten (10) years

The audit examined the processes involved in development of the National Procurement Policy in order to determine its status. Section 6(a-c) of Public Procurement Act No. 7 of 2011 requires PPPD to develop and monitor implementation of the national procurement policy. The National Procurement Policy is important as it is expected to provide a road map of public procurement in the country.

The review of the national procurement policy file revealed that, Ministry of Finance and Planning through Public Procurement Policy Division (PPPD) had not developed and monitored implementation of the national procurement policy for the last ten (10) years.

Interview with PPPD officials and review of the national procurement policy file indicated that, efforts to develop Public Procurement Policy started way back in the financial year 2009/2010, when the Ministry invited a consultant to develop the policy. However, the first submission of the draft produced was not approved by the Cabinet Secretariat due to various reasons, among others being that, the developed draft did not follow the guidelines for development of policies fully. It was noted also that, the draft was not based on detailed research, therefore it had no compelling reasons for the cabinet to approve it.

The audit reviewed the Cabinet Secretariat minutes of three different meetings conducted on 24th of January 2017, 27th of April 2018 and 31st of May 2019. The result indicated that, MoFP presented to the Cabinet the motive and procurement challenges in the country that required a new procurement policy.

Based, on the reviewed cabinet minutes, the third submission of draft policy was also not successful. Based on the reviewed minutes, the draft did not sufficiently indicate detailed situation analysis of public procurement by showing the current situation, achievements, failure and challenges in the public procurement arena.

The audit, noted that, the weakness of the draft procurement policy was raised because MoFP did not properly follow the guideline for preparation of Cabinet Secretariat's documents of 2010 version 2014 ("Mwongozo wa nyaraka za Baraza la Mawaziri wa mwaka 2010 toleo la 2014") from the initial stages of developing National Procurement Policy.

Therefore, the prepared draft was rejected when submitted to the Cabinet for the third time. The submitted draft once again needed to be improved hence it was delayed. Its unavailability has caused several economic and social consequences as presented here under.

i. Expenditure of TZS 543,982,764 for developing draft of the National Procurement Policy

Payment vouchers were reviewed to identify costs related to development of public procurement policy. It was noted that, up to the time of audit, MoFP had already spent about **TZS 543,982,764** in the process of developing the draft National Procurement Policy. The audit, estimated the amount of money which was directly involved in the process of national procurement policy development as presented in **Table 3.3**.

Table 3.3: Expenditure for developing Draft of National Procurement Policy

S/N	Type of Expenditure	Amount in TZS
1	Formation and operationalization of committee for developing National Procurement Policy	447,907,764
2	Contract for consultancy service for developing National Procurement Policy	96,075,000
	Total	543,982,764

Source: Auditors analysis, 2019

Despite spending TZS 543,982,764 as indicated in Table 3.3. MoFP has failed to achieve the objective for about 10 years. Review of National Procurement Policy file noted that, the Ministry through support of ILO conducted a detailed study to carry out a situational analysis on public procurement by showing the current situation, detailing achievements, failures and challenges in the public procurement field.

However, according to MoFP interviewed staff, currently the revised draft has been presented to MoFP management for scrutiny. Arrangements for submitting the draft to Cabinet Secretariat for approval is on progress.

ii. Failure to acquire loan of \$35 million (equivalent²⁰ to TZS 77 billion) from African Development Bank

Another noted impact due to lack of a national procurement policy was that, the government was unable to get a loan from African Development Bank (AfDB) for Power Sector Reform and Governance Support Programme. The loan amount was \$35 million (equivalent to TZS 77 billion). One of the conditions of AfDB, was the government should have a National Procurement Policy. Therefore, lack of National Policy motivated AfDB to reconsider their plan to offer this

²⁰ Exchange rate as of July 2016 (1USD=1920 TZS)

loan; and this affected the intended loan objective which was to improve the power sector in the country.

3.2.3 Petroleum Bulk Procurement System (PBPS) not fully integrated into Public Procurement System

Section 6(2)(g) of Public Procurement Act No.7 of 2011 of public procurement requires Public Procurement Policy Division (PPPD) under MoFP to harmonize public procurement systems in the country and monitor their implementation.

The audit noted that the Petroleum Bulk Procurement System (PBPS) was not implemented according to the Public Procurement Act and its Regulations. PBPS was governed by the Petroleum Bulk Procurement Regulations and Petroleum Bulk Procurement Implementation Manual. This manual is supposed to be prepared by the Petroleum Bulk Procurement Agency (PBPA), vetted by Energy, Water and Utility Regulatory Authority (EWURA) and approved by Minister responsible for Energy as per regulation 24 of the Petroleum (Bulk Procurement) Regulation GN 198 of 2017.

The audit, noted that, the procurement procedures of the Petroleum Bulk Procurement System (PBPS) are contrary to the principal Act of Public Procurement. Section 2(1)(a) of Public Procurement Act No.7 of 2011 and its amendment requires any public body to comply with the Public Procurement Act unless stated otherwise in the Act.

Since the Petroleum Bulk Procurement System (PBPS) is not implemented according to Public Procurement Act and Regulations, the Ministry of Finance and Planning was not able to monitor performance of petroleum bulk public procurement system.

3.2.4 Overlapping of seminar, workshops and annual conference

The audit examined requirements of laws and regulations in relation to capacity building conducted by public procurement oversight organs to procurement stakeholders to determine if they are overlapping or not.

It was noted that, Section 6(2) (l) of Public Procurement Act No.7 of 2011 mandated PPPD to provide capacity building to procurement and supplies staff. While, Section 5A (n) of Public Procurement (amendment) Act No.5 of 2016 mandated PPRA to carry out capacity building to stakeholders involved in Public procurement. Also, Section 7(e) of PSPTB Act No. 23 of 2007 mandated PSPTB to train or provide opportunities for the training of persons in matters relating to principles, procedures and techniques, procurement and supplies management.

Given the fact that, all these entities are given a legal mandate to offer training and capacity building to procurement cadre; the audit assessed the extent to which these events are coordinated to avoid overlap, and duplication, and identify options to reduce or better manage associated negative effects. The audit noted a duplication and overlapping of training and conferences on the procurement matters from PPPD, PPRA and PSPTB. These entities offer training targeting the same people. Because of this, PEs are prone to face unnecessary duplication of same training and such duplication do cause confusion and waste financial resources.

3.2.5 Contradictions on Implementation of Tanzania electronic Procurement System (TANePS) with some Sections of Public Procurement Act

Section 9(1)(j) requires PPRA to determine, develop, introduce, maintain and update system to support public electronic procurement. The audit reviewed the report of state attorneys from PPRA, PSPTB, PPAA and GPSA and found that, the introduction

of Tanzania electronic Procurement System (TANePS) contradicts with some of the Sections of Public Procurement Act and Regulations as presented in **Table 3.4.**

Table 3. 4 : TANePS contradiction with PPA & PPR

S/N	Public procurement requirements	TANePS requirement
1	Section 68(2) of PPA requires the approved tender notice to be advertised in tender portal, journal and newspapers of wide circulations by PEs	TANePS requires advertisement to be made online
2	Section 69(5) requires fees payable for purchase of tender document to be set by PEs	Under TANePS, PPRA sets and charges fees not PEs
3	Section 73 requires the secretary of the tender board to receive tender using procedure set out in PPA	This requirement is not applicable
4	Regulation 166 requires micro procurement to be conducted by PE that purchase direct from established supermarket or shops or drug stores if the value of that procurement does not exceed the limit set up	Under TANePS, PEs are required to choose from the list of registered suppliers.

Source: Analysis comments on the reports of state attorneys from PPAA, PSPTB, PPRA and GPSA, 2019

From Table 3.4 introduction TANePS was not thoroughly done with due to consideration of other legal arrangements. As a result, many PEs did not comply with the new system as detailed in Section 3.3.1.

3.3 Monitoring and Evaluating of Procuring Entities by PPRA

This part presents findings for PPRA in regard to monitoring and evaluating performance of PEs as explained hereunder:

3.3.1 63% of PEs did not Submit Contract Awards information to PPRA

Section 36(1)(l) of PPA No. 7 of 2011 requires PEs to submit records relating to procurement awards. Further regulation 70 of PPR, 2013 and Section 48(2) of PPA, 2011 requires PEs to submit information relating to procurement plan, monthly and quarterly progress report, publication of general and specific procurement, Contract awards and quarterly internal audit reports. Review of PPRA's Annual Performance Evaluation Report showed that, 63% of PEs did not submit information relating to procurement awards.

Further, review of Annual Performance Evaluation report issued by PPRA revealed that, PEs did not adequately submit the required information to PPRA as indicated in (Table 3.5).

Table 3.5: Procuring Entities that submitted Procurement Information to PPRA

Financial Year	Number of PEs	Percentage of PEs Submitted the required information			
		Annual Procurement Plan (APP)	Publication of GPNs	Monthly report	Contract Awards
2014-15	470	62	52	14	48
2015-16	493	84	48	27	40
2016-17	533	79	44	25	37
2017-18	540	78	51	59	26
2018-19	543	84	84	66	35
Average percentage		78	56	39	37

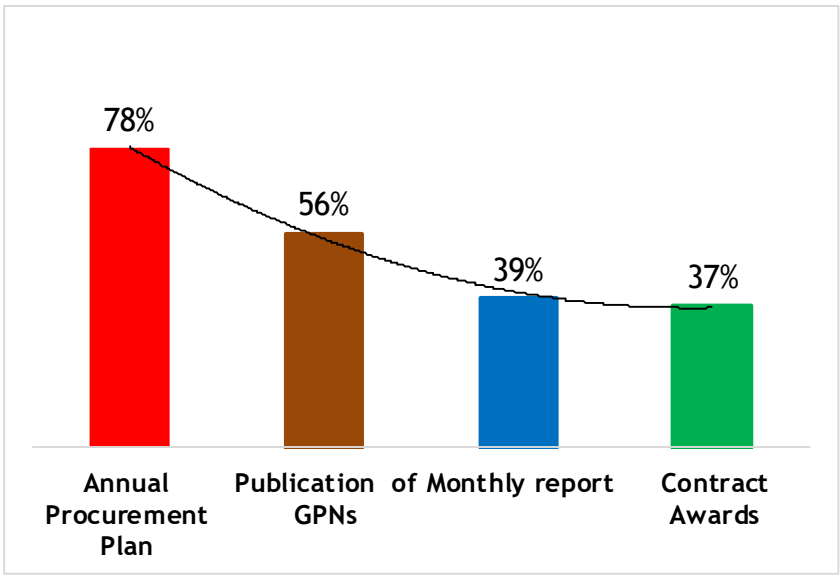
Source: Auditors analysis of Annual Performance Evaluation report for 2016/17-2018/19

Based on Table 3.5, PEs did not submit information to PPRA as expected with varying levels of compliance ranging from 14 to 84 %. The compliance levels were lower in submission of contract awards in which the trend of compliance declined over the years and about two thirds of the PEs did not submit in 2018/19. Likewise, in

submission of monthly reports, compliance levels improved to 66 % in 2018/19.

Further analysis revealed a notable improvement in submitting information relating to procurement planning phase and publication of GNP. However, during implementation phase the trend of submitting information declined. For example, information about amount awarded, duration and to whom the contract was awarded (Figure 3.1).

Figure 3.1: Trend of submission of information from planning to implementation



The audit noted that, PPRA did not effectively take enforcement measures to the PEs which did not comply with the requirement. As a result, there was a continued trend of non-compliance as indicated in **Table 3.5**.

Non-compliance problem has existed for a long period. As an alternative in 2008 PPRA introduce Procurement Management Information System (PMIS) to address the challenge of non-

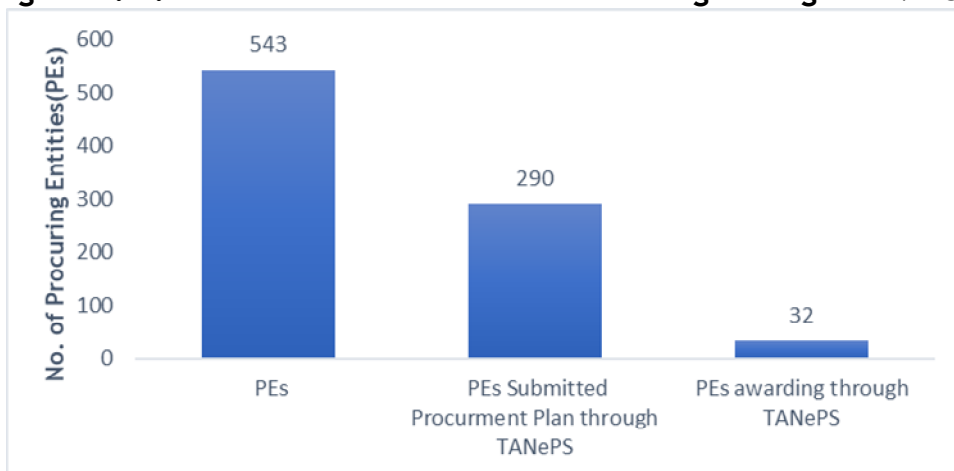
submission of procurement information. However, the problem persisted because the root cause, which was inadequate enforcement for non-complying PEs by PPRA, was not addressed. As a result, PPRA has been facing limitations in monitoring and enforcing compliance of PPA and to date PPRA still did not receive the national information from PEs, information that allows them to develop a big picture at national level of their performance, especially for awarded contracts.

As an alternative of solving the non-compliance problem, the audit noted that, recently PPRA adopted and is now using the Tanzania National e-Procurement System (TANePS) effective from financial year 2019/20 as per PPRA Public Notice.. This system has to be used by all PEs. However, it was observed that, this system was not effectively used. There were two features in TANePS which are not used at all.

These features include the e-catalogue and e-contract management. Based on the PPRA staff, the two features are incompatible with the GPSA inventory system for Common Use Item and Services (CUIS) and MoFP system of payment. This limit PEs to access information of CUIS online and contract management information such as payment to be made through TANePS.

Further review noted that, many (54%) PEs did not responds to usage of TANEPs through TANEPs as indicated (**Figure 3.2**). These records are from the time TANEPS was officially launched on 1st July 2019.

Figure 3. 2: Trend of PEs enrolled and awarding through TANEPS



Source: Analysis of TANEPS data at 15th December 2019

Figure 3.2 implies that, only 54% (290 out 543) of PEs use TANEPS during the procurement planning phase. However, when it comes to procurement awards, only 11% (32 out of 290) of PEs who submitted procurement plans to TANEPS used it. More analysis revealed that, only 0.8% equivalent to (130 out 16,037) contracts were awarded through TANEPS. This implies that, even those 11% of PEs that use TANEPS still awarded some contracts offline.

3.3.2 234 Procurement Entities Not Audited by PPRA for a period of Five (5) years

According to Section 9(1)(i) of PPA No.9 of 2011, PPRA is required to institute procurement, contract and performance audit in order to ensure Value for Money for each completed procurement transaction. The result of the reviewed reports²¹ showed that, PPRA did not execute procurement, contract and performance audits to 234 procuring entities for a period of five (5) years ranging from 2014/15-2018/19. Table 3.6 provides the details.

²¹ Annual Performance Reports issued by PPRA

Table 3.6: Unaudited Procuring Entities from 2014/15-2018/19

S/N	Frequency of PEs audited in five years	Number of PEs	Percent (%)
1	Not audited at all	234	41
2	Audited once	221	39
3	Audited twice	70	12
4	Audited thrice	14	2
5	Audited four times	8	1
6	Audited five times	19	3
Total		567	100

Source: Auditors analysis of PPRA data base of audited entities for a period of five year

Based on **Table 3.6**, during the period under review, for about 41% of the PEs were not audited at all. Furthermore, about 20% of the PEs were audited at least twice whereas 39% were audited just once in a period of five years. The number of PEs that were audited more than three times was 6%.

Interviews with PPRA official indicated that, PEs with annual procurement volume above TZS 20 billion is mandatory to be selected for auditing. However, audit noted that, not all entity with more than 20 billion were sampled for audit each year as presented in **Table 3.7**.

Table 3.7: Auditing Status for PEs with procurement volume more than TZS 20 billion

Financial Year	No. of PEs with procurement volume more than TZS 20 Billion	Number of PEs audited with procurement volume more than 20 Billion	Percentage (%) of deficiency
2015-16	25	17	8
2016-17	22	10	12
2017-18	15	9	6
2018-19	25	17	8

Source: Analysis of audited entities with procurement volume more than 20 billion from 2015/16-2018/19

Table 3.7 indicates that in each financial year, 6 to 12 PEs with annual expenditure of more than TZS 20 billion were not sampled for auditing.

Further analysis noted that, no LGA was audited five times except those located in Towns and Municipalities. This pose risk of not detecting wrongdoing for a long time in the PEs whose PEs not sampled. This loophole might jeopardize the overall national development due to delays in taking corrective actions.

According to PPRA the key challenge was resource constraints. For example, it has only 13 out 44 technical staffs for monitoring and compliance proposed during establishment. In addressing this, PPRA opted to outsource some tasks to individual consultants and samples of PEs. The proceeding section provides details on arrangement of outsourcing.

a) PPRA outsourced Compliance and VFM audits by 92% from 2016/17 -2018/19

According to PPRA procurement audit manual, when carrying out audit, PPRA may use its staff, its Staff could team up with Individual Consultants, or Consulting audit firms.

Review of audit reports showed that, PPRA outsourced 92% of compliance and VFM audits conducted (i.e. 27 out 330 compliances and VFM audits). Further analysis noted that PPRA staff were fully involved in only 9 out of the 27 audits conducted. Interview with PPRA officials indicated that the most preferred option of PPRA was its staff teaming up with individual consultants except for special circumstances where the assignment cannot be outsourced and therefore it can only be done by internal staff.

For the current outsourced venture, PPRA staff participate for the entry and exit meetings only. However, review of sample of audit reports revealed that PPRA staff did not always take part in the

entry and exit meetings. Table 3.8 gives details on the extent of engagement of PPRA staff in audits in the entry and exit meetings.

Table 3.8: Attendance of PPRA Staff in Entry and Exit Meetings

Financial Year	No. of Sampled PEs Audited	PPRA Staff attendance in entry and exit meeting	Percentage of variation
2016-17	9	5	44
2017-18	10	10	0
2018-19	10	5	50
Total	29	20	33

Source: Auditor analysis of sampled audit reports, 2019

Based on **Table 3.8** for financial year 2016-17 to 2018-19, PPRA staff did not attend for Entry and Exit Meeting in over one third of the audit assignments (44%). The audit noted that, absence of the PPRA staff during the entry and exit, may compromise compliance of the PPRA standard procedures for auditing. Although PPRA confer the authority to the outsourced consultant, delegating such important meetings to the representative reduce the confidence of the audited entity of the authenticity of the finding and opinions of the report.

The audit interviewed four PEs, to find out the extent of their satisfaction when PPRA staff were not involved from the entry and exit meetings. The result showed that 3 out of 4 were not happy with such an arrangement especially when these PEs wanted to express or clarify critical issues which featured in the audit reports. On the other hand, PPRA showed that, there is a special form which PEs are required to fill to provide feedback as a way of carrying evaluation of the performance of the consultant. However, PPRA had never received any feedback showing dissatisfaction.

Further, the audit, noted that, PPRA had only 13 out of 44 technical staff required by the establishment. According to PPRA, this contributed to low coverage of audits.

In addition, the audit noted that, PPRA poorly managed the contracts of the procured consultants. This is detailed in the proceeding subsections.

b) PPRA did not adequately manage their contracts with individual consultants

Regulation 110(4) of Public Procurement (Amendment) Regulations of 2016 states that contract amendment shall not increase the total contract price by more than 15% of the original contract price without the approval of the budget approving authority. This is important to protect unnecessary contract amendments.

However, review of contracts between PPRA and Individual consultants from the year 2016/2017 to 2018/2019 showed that, PPRA increased contracts for individual consultants from 29 to 74%, without having approval from the budget approving authority (See Table 3.9).

Table 3.9: Authorized Addendum for Individual Consultants in TZS Million

S/N	Contract number	Original Contract amount (TZS Million)	Addendum Amount (TZS Million)	Price Variation (TZS Million)	Percentage of price Variation (%)
1	Contract No. 52:AE/018/201617/HQ/C/38/89/89	28.68	41.63	12.95	45
2	Contract No. 82:AE/018/2016-2017/HQ/C/38/"A"/88	10.2	17.7	7.5	74
3	Contract No. 34:AE/018/2016-17/38/"B"/69	16.3	20.9	4.7	29

Source: Contracts between PPRA and Individual consultants, 2019

Based on **Table 3.9**, the presented contract variations were not approved by Board of Directors contrary to the Public Procurement Acts of 2011 and its Regulations of 2013 as amended in 2016. The audit noted that, the variation is due to weak internal control within the PPRA approving organs. Because the observed variations did not pass all the required approvals and checking the compliance with the regulation.

3.3.3 Low priority is given to monitoring and compliance of procurement activities

Review of reports²² highlighted that, budgetary constraints limited audits to few entities. Further review of the PPRA Financial Report indicated that only 10% of expenses were committed to monitoring and compliance which is the core function of the PPRA, see (**Table 3.10**).

²² Annual Performance Evaluation Reports of PPRA from 2014/15 to 2018/19

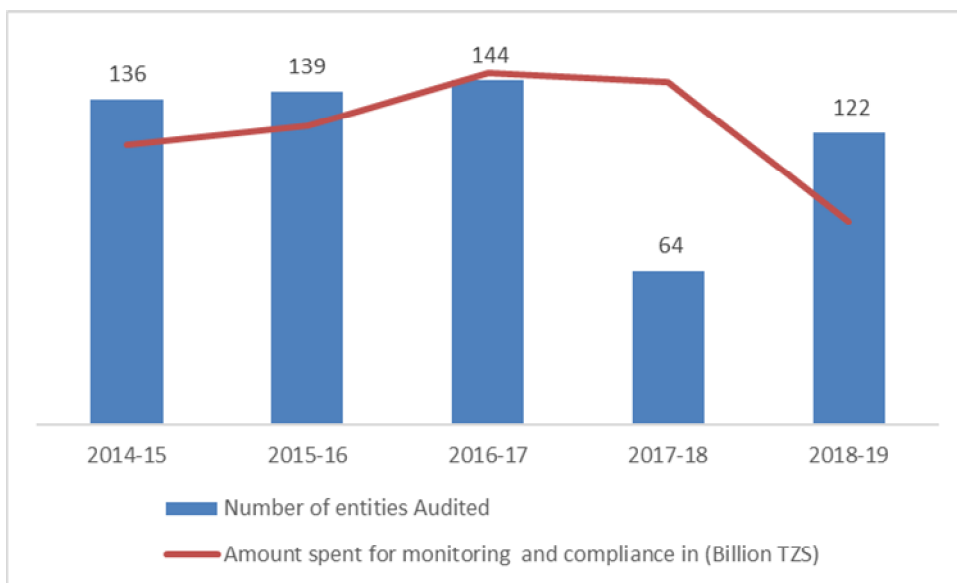
Table 3.10: Expenditure analysis for PPRA during the period of audit (billions TZS)

Expenditure Items	2015-16	2016-17	2017-18	2018-19	Total	Perc ent	Ran k
Administrative	2.71	3.3	3.6	2.7	12	26%	1
Staff	2.86	2.7	2.8	2.7	11	24%	2
Capacity Building to PEs	2.91	4.0	0.5	0.2	8	16%	3
Monitoring and Compliance	1.25	1.5	1.4	0.9	5	11%	4
Information Systems	0.42	0.5	1.1	0.7	3	6%	7
Training	0.20	0.3	1.7	1.4	4	8%	6
Office Set Up	0.57	2.7	0.6	0.6	5	10%	5
Total	10.91	15.1	11.8	9.2	47	100%	

Source: Analysis of PPRA audited financial information from 2014/15-2018/19

Based on **Table 3.10**, monitoring and compliance is ranked fourth in PPRA's commitment. Further analysis noted that, trend of number of PEs audited vary in relation to fluctuations of committed funds (**Figure 3.3**).

Figure 3.3: Relationship between expenditure on monitoring and compliance in relation to PEs Audited



Source: Auditor analysis on Expenditure, 2019

From **figure 3.3** it shows that funds availability fluctuated with number of audited PEs. For year 2017-2018; although there was a significant spending, fewer numbers of PEs were audited while when the funds were significantly reduced in year 2018-2019, many PEs were audited. This period reflects efficiency compared to previous financial years.

There could be many reasons for the variations. However, the audit noted that PPRA has not established the standardized cost per audit, which could be the basis for establishing estimate budgets for conducting monitoring and compliance audits.

3.3.4 Contradicting PPRA Guidelines

The Audit team examined PPRA's guidelines for preparation of APP, to assess whether they conform with the guidelines for procurement of capital equipment. Conformity of these guidelines will enable to avoid confusion to PEs. According to guidelines for preparation of APP, there are two types of APP. One type is the APP for Goods, Works and Non-Consultancy Services and other type of APP, is the APP for Consultancy Services.

The audit found out that, the two PPRA guidelines that contradicts to each other are the guidelines for preparation of APP and the guidelines for Procurement of Capital Equipment, Material, Products and related Services for Development of Industries. This is because part 7.4 of the guideline for Procurement of Capital Equipment permits PEs to prepare separate APP for Capital Equipment/-Goods, contrary to guideline for preparation of APP which do not offer such option. It only requires two types of APP to be prepared.

This contradiction could lead PPRA to declare incorrect opinion while auditing compliance to TPA. The opinion required TPA to prepare an APP for capital goods separately. This opinion did not consider the requirement of the other guideline, a guideline for Procurement of Capital Equipment, Material, Products and related services for Development of Industries that permit PE to prepare separate APP for capital equipment/goods.

3.3.5 PPRA have not set standards for Petroleum Bulk Procurement System (PBPS)

Section 8(b) of PPA no.7 of 2011 and its amendment, highlighted that one of the objectives of establishment of PPRA is to set standards of public procurement system in Tanzania. We noted that, PPRA did not set any standards to govern Petroleum Bulk Procurement System (PBPS) in the country. This was due to non-harmonisation of PBPS into Public Procurement System.

The audit noted that, the disparities are due to the requirement of Regulation 18 and 24 of the Petroleum (Bulk Procurement) Regulation GN 198 of 2017, which require all matters relating to petroleum bulk procurement system to be prescribed within the Bulk Procurement System Implementation Manual. This arrangement limits PPRA ability to monitor and report on the performance of PBPS and advice on desirable changes.

3.3.6 PPRA has not developed and issued guidelines on the application of Force Account as a procurement method

The audit examined as to whether the PPRA has developed and issued guidelines on the application of Force Account method as a basis for monitoring and evaluating its effectiveness. This is important for guiding, monitoring and evaluating force account. Section 9(1)(e) and section 106 of PPA No. 7 of 2011 and its amendment has empowered PPRA to issue guideline for better carrying out of public procurement.

The audit noted that, currently government directive prefers the use of force account approach. According to interview with PPRA, guideline for force account is still in the draft phase. The fact, that the document is not approved for use by the PEs could limit the effective implementation of the force account and monitoring by oversight guideline.

3.3.7 PPRA conducted periodic review of internal audit reports to for about 4% of the PEs

Section 9(1)(g) of PPA,2011 requires PPRA to conduct periodic inspections of records and proceeding of the PEs in order to ensure compliance. According to interviews, PPRA had special monitoring tools for checking compliance with PPA. Internal audit report if prepared as per PPRA checklist could enable PPRA to ascertain whether there is compliance of Public Procurement Act and Regulation or not.

Reviewed PPRA reports indicated that, not all PEs submitted quarterly internal audit reports to PPRA. Table 3.11 indicates that, only about 4 % of PEs complied with this requirement. Audit noted that, 3 out of the 4 PEs tested were not aware of the aforesaid requirement.

Table 3.11: No. of PEs submitted Quarterly Reports for monitoring

Financial Year	Number of PE	No. of PEs submitted at least one quarterly internal audit report	In percentage (%)
2014-15	470	3	1%
2015-16	493	18	4%
2016-17	533	25	5%
2017-18	540	32	6%
2018-19	543	33	6%
Average	516	22	4%

Source: auditor analysis of PPRA reports, 2014/15-2018/19

Based on Table 3.11, the presented figures show a slightly linear improvement on the number of PEs that their internal audit report over years. This trend, suggest more effort is needed to enforce the compliance. This limits PPRA from knowing the compliance levels of PEs and enable PPRA to identify areas that required more attention during monitoring.

3.3.8 Inadequate follow up on Implementation of Previous Audit Recommendations

Regulation 87(7) of the PPR 2013 requires, after approval of the respective PE's procurement audit report by the appropriate committee of the Board of PPRA, the Authority shall submit the audit report to the procuring entity together with recommendations²³. According to interview with PPRA Officials, follow up on issued recommendations is undertaken at the time an audit is conducted. Follow up of previous recommendation is one of the terms of reference with individual consultants.

²³ Public Procurement Act defined "Competent authority" means a person, body of person, organs or an agency competent to take actions as may be referred to or directed to it by PPRA

Our review of PPRA²⁴ reports revealed that, for the period of five years, issues relating to previous recommendations were reported only in two years. Further review showed that, 8 out of 28 randomly sampled PPRA reports were not adequately assessed by PPRA as indicated in Table 3.12.

Table 3.12: Assessing Implementation Status of Previous Audit Recommendation

PEs	Reported status on the implementation of Previous Recommendations	Financial Year
Masasi TC	Information about previous recommendations were not availed to the audit team.	2016/17
Kilwa DC	The auditor did not manage to access the previous audit recommendations of Kilwa.	2016/17
Kilolo DC	No information about Previous Recommendations	2016/17
Msalala DC	Not Assessed	2016/17
Kibaha TC	Information about previous recommendations were not availed to the audit team.	2017/18
Tanzania Investment Bank (TIB)	The Audit team did not manage to get the previous report of Procurement Audit conducted by the Authority.	2017/18
Bunda DC	Has not been audited in recent years so there are no previous audit findings/ recommendations.	2018/19
Babati TC	The auditor was not availed with previous audit reports for assessment.	2018/19
Simanjiro DC	Audit team could not be assessed as previous audit recommendations were not availed to the audit team.	2018/19

Source: PPRA reports for Individual PEs 2016/ 17-2018/ 19

Based on PPRA annual performance evaluation reports for financial year 2017-18, PPRA reported implementation status for procurement investigation undertaken only, whereby 45 directives issued from 2014/15 to 2018/19 were found not to have been implemented. In financial year 2018/19 PPRA reports covered the implementation status of issued recommendations in the compliance and VFM audit reports where it was revealed that 26% of all issued recommendations to 40 PEs were not implemented at all.

²⁴ Annual Evaluation Performance

Further review noted that, regulation 16 of PPR of 2013 requires Competent Authority²⁵ to respond in writing to the recommendations of PPRA indicating actions to be taken and prepare and submit implementation status. We noted that 22 PEs with poor performance in financial 2016/17 were summoned to appear before PPRA Board of Directors. However, this was not done in 2017/18 and 2018/19. It was further noted that, the Minister of Finance and Planning intervened and instructed actions to be taken. The intervention caused HPMU at NIMR and VETA to be suspended.

3.3.9 Only 8% market price for standardized Common Use Items and services (CUIS) were obtained by PPRA

Section 5A (0) of Public Procurement (Amendment) Act No.5 of 2016, requires PPRA to obtain market price information of commonly used items and services.

PPRA is obliged to find market prices for standardized CUIS in order to regulate pricing in public procurement. Document reviews noted that during year 2016 PPRA obtained market price for only one category of CUIS for building materials and hardware (**Table 3.13**). Interviews revealed that, PPRA managed to obtain price information from the National Construction Council (NCC) for works related procurement only. However, this information was not availed to PEs and be used for intended purposes.

According to PPRA officials, it was not practical to obtain price information for other common use items and services. This is because there was not a specific government authority that conducts market research for such items like NCC did in works. Also, according to PPRA, the essence of obtaining price information was no longer valid as the market prices are obtained through mini competition.

²⁵ Public Procurement Act defined "Competent authority" means a person, body of person, organs or an agency competent to take actions as may be referred to or directed to it by PPRA

Table 3.13: Status of obtaining market prices for CUIS

S/ N	Category of CUIS	Obtained Price information
1	Building materials and hardware	v
2	Office Equipment and consumables	x
3	Furniture and fitting	x
4	Provision of services	x
5	Cleaning materials and Supplies	x
6	Motor vehicles accessories	x
7	Food and beverages	x
8	Uniforms, beddings, sports gears and textiles	x
9	Laboratory equipment	x
10	Kitchen appliances	x
11	Stationery and office Supplies	X
12	Firewood and Charcoal	x
13	Fuel and Lubricants	x

X-No and V-Yes

Source: Auditor analysis from GPSA CUIS list²⁶, December 2019

Further scrutiny revealed that, the indicative prices for building materials and hardware covered only the Southern and Southern Highlands Regions leaving other parts of the country unattended. More price analysis obtained for building materials and hardware is only for Southern and Southern Highland Regions. Also, information in place was from August, 2019 meaning that for rest of financial year there were no benchmark prices.

Failure to obtain market prices information may cause PEs to procure CUIS at higher prices than the prevailing market prices, because of lack of benchmarking price.

²⁶Accessed from GPSA Official website
https://www.gpsa.go.tz/index.php?option=com_jdownloads&Itemid=566&view=viewcategory&catid=3589

3.4 Handling of retrospective approval process

Section 22 of the Public Procurement (Amendment) Act of 2016 requires Paymaster General to seek advice from PPRA when receiving request for retrospective approval for emergency procurement. Likewise, Section 6(2)(h) of Public Procurement Act 2011 empowered Commissioner of Public Procurement Policy Division (PPPD) to advice on retrospective approval.

Timely and fair retrospective approval is important for decision making and effective implementation of procurement. Audit reviewed retrospective approval files and information; the following were noted.

3.4.1 Retrospective Approvals were not process on time

Retrospective approval guideline of 2016 requires approvals to be completed for 90 days, from date of incidence. Due to delays by PEs to apply a retrospective approval on time, our audit evaluated requests for retrospective approvals starting from the time when the Paymaster requested to the day an advice was received from PPRA. Review of PPRA annual performance evaluation reports, indicated that in each financial year some of the applications for retrospective approval remained unprocessed as reflected in (Table 3.14).

Table 3.14: status of Retrospective approval

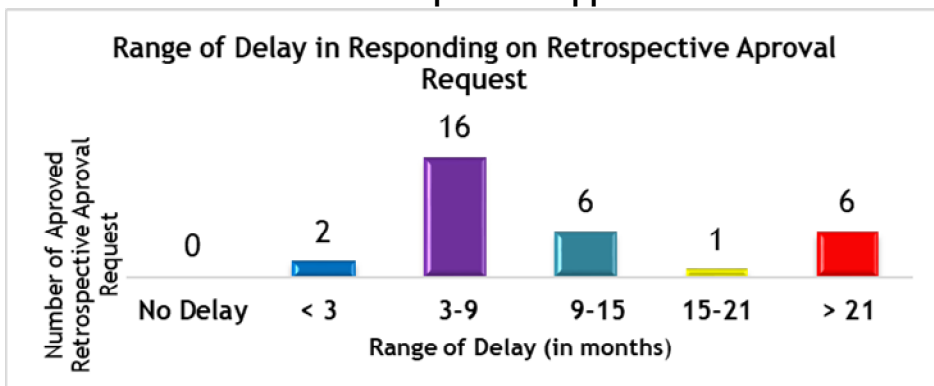
Financial Year	Application in Review in (No.)	Application advised in (No.)	Application at review stage in (%)
2014-15	12	7	42
2015-16	25	7	72
2016-17	37	35	5
2017-18	62	12	81
2018-19	61	21	66

Source: Auditor analysis of PPRA report 2014/14-2018/19

Based on reviewed 31 sampled applications, it was realized that, starting from the day paymaster general sought advice from PPRA, on average it took 435 days to receive feedback, and in some cases even up to more than 1000 days (**Appendix 7**).

Further analysis noted that there is high fluctuation in number of days used by PPRA in reviewing application as compared to set performance. **Figure 3.4**, present range of delay (in Months) of the review application of retrospective approval.

Figure 3.4: Range of delay (in Months) of the review application of retrospective approvals



From the figure 3.4, not a single application was completed within the stipulated time of 3 months or 90 days. Only two requests were completed in less than three months after the deadline. These included an application for retrospective approval for emergency repair works at Nangurukuru-Liwale Regional road at Mikuyumbu-Mlowoka section by TANROADS. This application was done in 98 days.

On other hand, the longest delayed application was an application for retrospective approval of Tshs 1,427,549,543 by Tanzania Railways Limited for emergency procurement of works to rehabilitate the flood prone areas of Kilosa to Kikombo Section (km 305/0-km 426/0). This requested approval was delayed for about three years or (1146 days).

From the figure 3.4, most of the applications delayed between 3-9 months. Based on the interview with PPRA official the delay in submitting information requested from PEs and involvement of other department like Technical Audit Section (TAS) and Government Asset Management Department (GAMD) to verify some of the queries in the submitted request are some of causes of delay.

In addition, the audit noted that, the delay is also a result of delayed decision by the PPRA management and Board of Directors' approval. There were about thirteen (13) applications that stayed longer at the stage of PPRA management and Board of Directors approval.

3.4.2 Inappropriate advices to Paymaster General

Regulation per 63(8&9 of Public Procurement Regulation GN 446 of 2013 and its amendments require Paymaster General to seek advices from PPRA for him/her to make appropriate action. Review of correspondences

between Commissioner of PPPD, PPRA and Paymaster General noted that, in two applications with the same scenario Commissioner and PPRA inappropriately advised Paymaster General on application of retrospective approval. Table 3.15 presents the two scenarios for which, inconsistent decisions were made.

Table 3.15: Same Scenario Different Advices and Decisions

Scenario	PEs	Nature of emergency	PPRA Advice	Commissioner Advice	Paymaster General Decision
1. Reason for emergence is genuine 2. Procedure for applying retrospective approval not adhered	TANRO ADS	Emergency procurement for rehabilitation of works for Mogitu- Haydom regional road.	Grant	Grant	Granted
	TARURA	Emergency procurement of works Kibaha	Not granted	Granted	Not granted

Source: Auditor analysis on sampled retrospective approval, 2016/17-2018/19

Based on the results of 3.15 the audit enquired to find the reason for the differences in decisions made. It was noted that, the source of inconsistency in making decisions was the PPRA advice to Paymaster General to grant approval which was contrary to stipulated Public Procurement Regulations. As a result, Commissioner of PPPD decided to use same advice in other applications by referring to the previous advice offered by PPRA in the same scenario.

3.4.3 Pending Retrospective Approval to Paymaster General

Audit examined retrospective approval advices to Paymaster General. Regulation 63 (3, 4) of Public Procurement (Amendment) Regulation 2016 require PEs to apply for retrospective approval to Paymaster General and upon receiving the Paymaster General shall seek advice to PPRA. we noted

that, there were two retrospective applications from TANROAD where PPRA and Commissioner of Public Procurement Policy Division advised the Paymaster General not to grant a retrospective approval and to instruct Accounting Officer to:

- Explain why legal action should not be taken against him; and
- Take legal actions for officials involved in the entire procurement process.

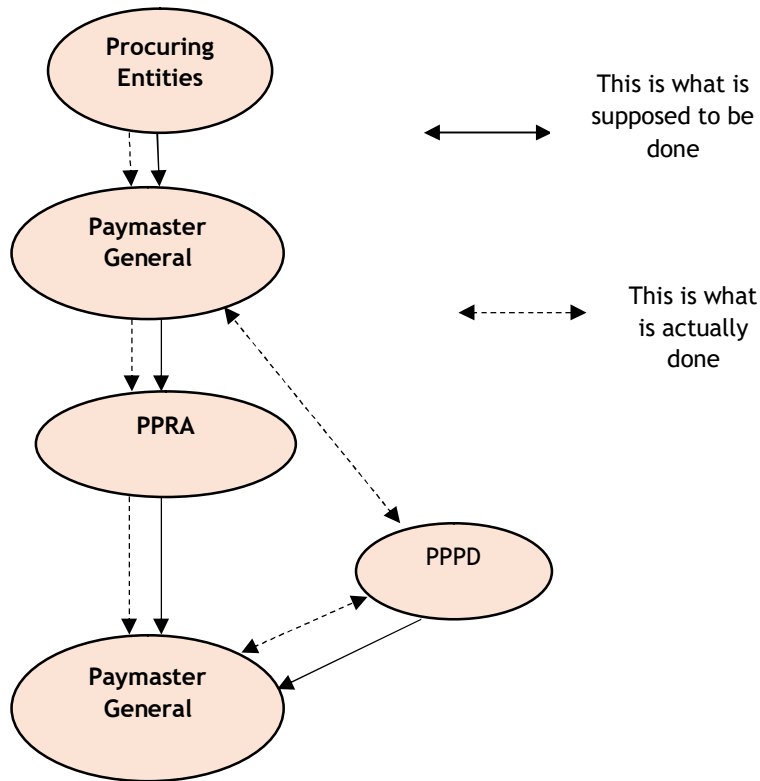
However, at the time of audit, the Paymaster General had not made any decisions on whether or not to grant approval since February, 2017.

3.4.4 There is duplication of efforts in handling of retrospective approval

Public Procurement Act No. 7 of 2011 and its amendment have empowered PPRA and PPPD to advice on retrospective approval. Section 22 of Public Procurement (Amendment) Act of 2016 requires Paymaster General to seek advice from PPRA when receiving request for approval of emergency procurement.

In the same act, section 6(2)(h) of Public Procurement Act 2011 empowered Commissioner of Public Procurement Policy Division (PPPD) to advice on retrospective approval. There is no clear distinction on who should do what between PPRA and PPPD (**Figure 3.5**).

Figure 3.5: Duplication of efforts in retrospective approval process



Source: Auditors analysis of retrospective approval process, 2020

CHAPTER FOUR

REVIEW OF PROCUREMENT ACTIVITIES BY PROCURING ENTITIES

4.1 Introduction

This chapter presents present findings related to four Procuring Entities, which were sampled in this audit. The PEs are procuring entities which are Tanzania Ports Authority (TPA), Vocational Education and Training Authority (VETA), Petroleum Bulk Procurement Agency (PBPA), and National Institute of Medical Research (NIMR). The findings constitute anomalies in the Tendering process, establishing needs, Preparation of APP, Sourcing of bidders, Evaluation of bids, Contract awards and Contract signings.

According to Section 36(1)(l), 48(2) of PPA 2011 and Regulation 70 of PPR 2013, PEs are required to submit information such as APPs, information on tender advert, contract awards, contract termination, and periodic procurement implementation reports to PPRA. According to Section 9(1)(g) of PPA 2011 PPRA is expected to use such information to conduct an assessment and use the results on where to focus its attention during monitoring. This includes sampling of PE or contracts that are included in monitoring and evaluation activities.

Based on periodic inspection of records and proceedings and audits conducted PPRA is also expected to use the results of monitoring to take deterrent actions against irregularities in the actions of the PEs.

The weaknesses presented in this chapter are related to the actions of the PEs in the procurement processes that could be uncovered and deterred by monitoring and enforcement actions undertaken by PPRA and MOFP.

4.2 Tanzania Ports Authority (TPA)

Based on the PPRA's Annual Performance Evaluation Reports of 2017/18 and 2018/19, TPA was ranked as one of the satisfactory performers by PPRA. The audit reviewed randomly sampled procurement files at TPA, covering procurement of goods, capital goods and works. Based on the selected random sample, procurement at TPA was characterised by improper selection and use of restricted tendering, improper approval and award of tenders, interference of procurement functions and inefficient review and approvals.

These irregularities led to a loss to the government amounting to TZS 5.3796 Billion as detailed hereunder:

4.2.1 Improper selection and use of restricted tendering and single source methods

Regulation 149(1)(3) of 2013 requires competitive tendering to be considered before other methods. When other methods are used there should be clear justification for the use of such method. The review of sampled procurement files from financial year 2016/2017 to 2018/2019 revealed that, TPA used restricted tendering and single source methods of procurement in procurement undertaking amounting to TZS 22,467,754,802. However, such methods were used contrary to Regulation 152 and 159 of Public Procurement Regulation GN 446 respectively, as follows:

4.2.1.1 Unjustifiable Use of Single Source Method for Tender No.AE/016/2016-17/CTB/W/50 for Construction of Jetty, Ramp and Heavy-Duty Paving at Ndumbi along lake Nyasa amounting to TZS 12,281,184,022.60

On 17th April 2019, PMU requested approval of Tender Board for single source method of procurement for Construction of Jetty,

Ramp and Heavy Duty Paving at Ndumbi along lake Nyasa. Reasons for single source were firstly urgency need for the project and secondly the recommended bidder was at the time of request undertaking a similar project involving constructing Mbinga-Mbambabay road which contained bridges and culverts. According to the request this was expected to minimize cost of mobilization. Because of the proximity of the two projects, the request was approved by the TB.

The audit noted that, the stated reason was unjustifiable because factors that led to urgency were attributed to a delay by the PE in awarding the contract to the lowest evaluated bidder leading to rejection of all tenders. This was Contrary to Regulation 161(1)(a) of PPR GN No. 446 of 2013 and its amendment which requires single source to be used, only if there is an urgent need for the works and the urgency has not been caused by dilatory conduct.

Further, the audit noted that, the proposed contractor was dealing with construction of roads including culverts and bridges not port infrastructures as highlighted by evaluation team.

In addition, audit noted that despite of using single source and negotiation conducted it ended up with no reduction of price. Similar work was awarded to M/s Sumry Enterprises for Designing and Construction of Kabwe Jetty on Lake Tanganyika (Tender No. AE/016/CTB/2016-17/W/42) for TZS 6,354,442,076 VAT exclusive. Possible loss associated with this unjustifiable single source are explained in Section 4.2.5.

4.2.1.2 Unjustifiable use of Single Source Method for Tender No.AE/016/2016-17/CTB/W/46 for Construction of Partitions at TPA One Stop Centre Building amounting to TZS 9,653,893,746

On 17th February 2018, Estim Construction Co. Ltd was invited to bid for Construction of Partition and other works for HQ TPA One Stop Centre (Tender No.AE/016/2017-18/CTB/W/36). According to tender board minutes dated 15th February 2018, reasons for using single source method was that, the contractor was undertaking similar works and had already mobilized plants, equipment and staff. Hence the bidder was awarded the contract at a price of TZS 8,068,194,041. Review of BOQ showed contractor did not undertake similar assignment at TPA, the previous assignment was on construction of the building and not partition, that is why even items used in partition and construction were different. However, TPA officials revealed that, partition work was similar with previous construction assignment.

Also, on 24th July, 2018 the Tender Board was requested to approve single source procurement for construction of partitions at TRA and TPA Revenue Offices (Floor No.20) and another stakeholder's office (Floor No.3) at one Stop Centre. On 28th September, 2018, Estim Construction Co. Ltd submitted a bid and it was opened, all necessary approvals were undertaken and ended up signing a new contract of TZS 1,585,699,705.

According to Regulation 161(1)(d) of PPR GN No. 446 of 2013 and its amendment single source method can be used if, works which are under execution are to be extended if corresponding contract was awarded following national and international competitive tendering. For this case corresponding contract was awarded through single source method.

4.2.1.3 Unjustifiable Use of Single Source Method for Tender No.AE/016/2016-17/CTB/W/08 for Construction of Rigid Pavement at Check Point No.3 at Dar Es Salaam Port amounting to TZS 532,677,034

On 17th August, 2017 bid for M/s Skol Building Contractors Limited was submitted and opened after being invited through single source procurement method. The reason for single source was that, the contractor was already on site executing contract awarded by TANRORDS Dar Es Salaam for emergency repair of Bandari Road One.

Audit team noted that, at the time single source method of procurement was proposed by user department, the Contractor executed the contract with TANROARDS for only 15% and had two other assignments uncompleted with other entities. As a result, contract between M/s Skol Building Contractors Limited and TPA was terminated on 29th July, 2019 due to poor performance, this is contrary to Section 4A (3) of Public Procurement (Amendment) Act No.5 of 2016, which require Procuring Entities to strive to achieve the highest standard of equity during execution of procurement by taking into equality, fairness and need to obtain value for money for each procurement undertaken.

Interview with TPA officials revealed that, this happened because of the inadequate understanding of the requirements of Public Procurement Act and its Regulations.

4.2.2 Delays in awards of tender No.AE/016/2016-17/CTB/W/50 for Construction of Jetty, Ramp and Heavy Duty Paving at Ndumbi along Lake Nyasa.

Section 60(3) of PPA No. 7 of 2011 requires Accounting Officer to immediately issue notification of awards upon receiving Tender Board award decisions.

It was noted that, on 31st August 2017 TPA invited potential bidders to bid for Construction of Jetty, Ramp and Heavy Duty Paving at Ndumbi along Lake Nyasa. Bids were opened on 20th September 2017. Evaluation Team recommended M/s Hematec Investment Ltd to be awarded at a contract price of TZS 5,380,382,115 VAT inclusive. However, the 210th special meeting of Tender Board (TB) TPA awarded the Contract to M/S Hematec Investment Ltd. According to document review it was noted that the Accounting Officer ordered review of contractor's ability to undertake assignment at the recommended cost before according him with tender board resolution. The Engineer's estimates for the work were TZS 6,780,933,177 as revised in January 2018.

On 24th April, 2018 TPA wrote letter²⁷ to M/s Hematec Investment Ltd to notify the intention to award the contract. Audit noted that there was delay of 217 days which is more than 7 months from the date of submission of bid. According to TPA the delay in award was attributed to suspicion that the winning bid price was unrealistic, too low to do the job. This was later dismissed (January 2018). The bid validity period ended about 3 months prior to this letter. A request was made by TPA for contractor to extend bid validity period, however the contractor rejected the offer.

Review of documents showed that M/s Hematec Investment Ltd requested negotiation with TPA prior to contract signing due to time factor. Eventually it rejected the offer because the tender had taken long to be concluded, and that they were engaged in other assignments at that moment.

TPA opted to approach the second, third and fourth lowest evaluated bidders. Both were found to be unsuccessful. A year Later TPA started a new procurement process and on 17th April 2019 tender board awarded M/s China Henan International Cooperation Group Co. Ltd for Construction of Jetty, Ramp and Heavy-Duty

²⁷ Ref No.AE/2016-17/CTB/W/50/53

Paving at Ndumbi Port on lake Nyasa for TZS 12,281,184,022. Critical review noted that, in the new contract there were addition of Construction works amounting to TZS 2,459,589,362 comprising of: Construction of Open Shed (TZS 1,783,804,116); Passenger Lounge and Canteen (TZS 334,871,988); Generator house (TZS 93,801,500); Toilets (TZS 70,408,488) and Fences (TZS 176,703,270).

Based on the above, delays in award of contract ended up to not only delay in meeting organization goals, but also increased contract cost by TZS 4,441,212,543.

4.2.3 Improper disapproval of recommendation for award of Tender No.AE/016/2017-18/CTB/W/10 for Construction of Heavy Duty Paving and Rehabilitation of Shed No.3 yard in Mtwara Port

According to Section 75(b) of PPA No.7 of 2011, if Tender Board refuses to authorize recommendation for award of the tenders, it has to refer the evaluation to the Procurement Management Unit with an instruction to re-evaluate the tenders or re-tendering or undertaking other actions.

Review of the evaluation report dated 28th September, 2018 indicated that Tanzania Builder Works Ltd, was recommended for the award of the Tender No. AE/016/2017-18/CTB/W/10 for Construction of Heavy Duty Paving and Rehabilitation of Shed No. 3 Yard in Mtwara Port for TZS 2,392,321,818.

However, TPA's Tender Board²⁸, rejected to approve recommendations for the award, and instructed the user department to submit a report on the contractor's previous performance for decision making.

²⁸ On its 172th ordinary meeting held on 7th September, 2018

According to the report of contractor's previous performance from the user department, the bidder had a track record of poor performance on TPA works. However, review of certificate of substantial completion revealed that, completion of previous contract No. AE/016/CTB/2015-16/W/17B, indicated that, the bidder previously completed the work at TPA to the satisfaction of the project manager and consulting engineers.

It was further revealed that, upon receipt of the report of contractor's previous performance from the user department, TPA's PMU instructed the evaluation committee to conduct post qualification for the second evaluated bidder M/S Kings Builders in JV with M/S Pioneer Builders Ltd, as a result the tender was awarded to the second lowest evaluated bidder for TZS 3,297,009,750. Hence contract price increased by TZS 904,687,932.

4.2.4 Unjustifiable Rejection/Cancelation of Tender

Section 59(2) of PPA, No. 7 of 2011 requires rejection of all tenders to be justified where: there is lack of effective competition; tenders or proposals are not substantially responsive to the tender documents or to the request for proposals; the economic or technical data of the project have been altered; tenders or proposals involve costs substantially higher than the original budget or estimates; exceptional circumstances render normal performance of the contract impossible; tenders received contain serious irregularities resulting in interference with the normal play of market forces; or funds voted or earmarked for the procurement have not been withheld, suspended or have otherwise not been made available.

In the year 2018/19 TPA initiated procurement process for Tender No. AE/016/2018-19/CTB/CG/04 for supply and commissioning of one-unit portable Hydraulic Scissor Elevator Lift 12M for Electrical Workshop at Dar Es Salaam Port, which was repeated three times.

Review of Tender Board meeting 181st minute dated 31st January, 2019 indicated that TPA's Tender Board rejected to approve Tender Award and cancelled tender proceedings for the Tender No. AE/016/2018-19/CTB/CG/04 claiming that TPA has a policy of buying directly from the manufacturers. This was contrary to Section 59(2) of Public Procurement Act No.7 of 2011, because the stated reason was not among the reasons for rejection of all the tenders.

Review of document²⁹, indicated that tenderers were notified about the cancellation of the tender the reason being changes in the scope of the tender as per clause 16(2c) of Public Procurement Regulation 2013. However, review of all three tender documents dated November 2018, March 2019 and July 2019, revealed that there were no changes of scope in this tender.

As a result of improper cancellation of tender, the procurement proceedings took a long time to be completed, proceedings for tender no.AE/016/2018-19/CTB/CG/04 started 26 October 2018 but up to the time of audit January 2020, tendering process was not completed.

4.2.5 Interference of Procurement Functions

Section 41 of PPA No.7 of 2011 requires PMU, user department, AO, Tender Board, and Evaluation Committee to act independently in relation to their respective functions and powers. Review of TPA's Internal memorandum dated 6th December 2018 prepared by Director of Engineering Services (DES) to Director of Procurement and Contract (DPC), indicated that, the user department provide a list of potential manufacturers/Suppliers who can participate in restricted tendering for supply of ports equipment.

²⁹ Letter with reference no.AE/016/2018-19/CTB/CG/04 dated 26 March 2019

In addition to that, review of a letter dated 19th June 2017 from Director of Engineering Services (DES) to Ag. Director General, noted that DES as a user department requested approval from accounting officer to invite two contractors namely M/S Skol contractors Ltd and M/S Bharya Engineering & Contracting Co. Ltd to tender for construction of Rigid Pavement At Check Point No.3, by so doing user department interfered the functions of Procurement Management Unit.

PPRA report on compliance and Value for Money audit at Tanzania Port Authority for financial year 2018/19, also identified the same problem of the user department interfering the functions of the Procurement Management Unit by providing a list of potential Manufacturers/Suppliers who can participate in restricted tendering.

4.3 Vocational Education Training Authority (VETA)

PPRA has ranked VETA with inconsistent performance in recent two financial years. Audit examined the way procurement was undertaken by Vocational Education Training Authority (VETA).

The audit reviewed randomly sampled procurement files at Vocational Education Training Authority (VETA), covering procurement of goods, works and services. The randomly selected files were found to have improper evaluation of bids and possible financial losses to the government. The following were observed;

4.3.1 Improper Evaluation and Awards for Contract (No. VETA/ADB/G/02) for Supply, Installation and Commissioning of Teaching Equipment and Tools for Mtwara Regional Vocational Training and Service Centre (RVTSC)

VETA invited potential to bids for Supplying, Installation and Commissioning of Teaching Equipment and Tools for Mtwara (RVTSC)

through International competitive tendering. On 17th July 2016 evaluation team submitted an evaluation report recommending award to M/s. Q&T S.p.A at a sum of \$638,738.82 VAT inclusive.

Review of the bid evaluation report revealed that, M/s. MG Worldwide Pvt Limited was disqualified for not providing detailed specifications for non-destructive test machines. Further review, noted that, bidders sought clarifications on the specifications for various items including non-destructive test machines. VETA provided clarifications to all bidders on the requested specifications. However, for non-destructive test machines the specification provided by VETA was “Ultrasound”. Review of submitted bids noted that, M/s. MG Worldwide Pvt Limited quoted for the test machines as stated in the tender document. Whereas the bid submitted by M/s. Q&T S.p.A contained the quoted price as well as new specifications.

Evaluation team decided to disqualify M/s. MG Worldwide Pvt Limited who quoted \$449,000 due to not providing detailed specification for non-destructive test machine. The PMU agreed with the Evaluation Team and the forwarded the report to the Tender Board for approval of award, Tender Board approved the award and final Accounting Officer communicated the awarding decision to bidders. M/s. MG Worldwide Pvt Limited, complained to VETA for unfair disqualification. However, VETA did not agree to revise their decisions and maintained that, the decisions to disqualify M/s. MG Worldwide Pvt Limited was correct.

According to regulation 203 of PPA, 2013 tender evaluation is supposed to be consistent with the terms and conditions prescribed in tender documents and such evaluation has to be carried out by using criteria explicitly stated in the tender document.

Audit noted that was contrary to Regulation 203 of PPA, 2013 which require tender valuation to be consistency with the term and conditions prescribed in tender document and such evaluation has

to be carried out using criteria explicitly stated in the tender document.

Based on the evidence presented VETA failed to provide enough guidance to the bidders and eventually unfairly disqualified the low priced bid for not meeting unclear specifications. Consequently, the contract was awarded to a bidder that was more expensive by US\$ 189,738.82 which is equivalent to TZS 415,433,146.

4.3.2 Improper Evaluation and Awards for proposed Construction of Namtumbo District Vocational Training Centre

On 23rd February 2017 VETA signed an agreement with C.F. Builders for the proposed Construction of Namtumbo District Vocational Education Training Centre Phase I for TZS 6,321,320,292 VAT inclusive.

Review of evaluation report showed that, M/s. SKY Wards Construction with a bid price of TZS 5,129,325,017, the bid was major technical requirement responsiveness. However, was disqualified for substantial technical non responsiveness for not submitting realistic and adequate plans and schedule for subcontractors, and their technical personnel and equipment's did not comply with the requirement of the bid document.

However, review of submitted bids revealed that, neither C.F. builders nor SKY Wards Construction contractor submitted adequate plans and schedules for subcontractors but submitted plans and schedule for the entire activities including the one to be implemented by Subcontractors. Both C.F. Builders and SKY Wards Construction introduced subcontractors to be used for outsourced activities. However, C.F. builders submitted company profile for electrical subcontractor.

Audit noted, the decision to disqualify SKY Wards Construction for not submitting realistic and adequate plans and schedule as per instruction to tenders (ITT 3.10) was wrong because, ITT 3.10 required tenderers to submit proposals relating to nature, conditions and modalities of sub-contracting of any elements of contract amount to be more than 10% of expected tender price. Also, in line with ITT 12.4 and 12.5 subcontractor's experience and resources may not be considered in determining the tenderer's compliance with qualifying criteria for award of contract. VETA could have solved this matter related to subcontractors during contract negotiations.

Because of that decision, a possible financial loss of **TZS 1,191,995,275** was incurred. Contrary to Section 4A (3) of Public Procurement (Amendment) Act No.5 of 2016, which requires Procuring Entities to strive to achieve to equity in procurement by considering fairness and need to obtain value for money for each procurement undertaken.

4.4 Petroleum Bulk Procurement Agency (PBPA)

PBPA had not been audited by PPRA since it started operations in January 2016. Audit examined the way procurement was undertaken by PBPA. The audit reviewed randomly sampled procurement files at Petroleum Bulk Procurement Agency (PBPA), for the purpose of assessing the way procurement is managed. Finding at PBPA are related to procurement planning, establishment of PMU and TB, record keeping and reporting and use of petroleum bulk procurement implementation manual as detailed hereunder:

4.4.1 There is no Procurement Management Unit (PMU) and Tender Board

Section 31 of PPA No.7 of 2011, require any public body to establishment tender board for procurement of goods, services, works and disposal of public assets by tender. Likewise, Section 37

requires Procuring Entities to establish PMU staffed to appropriate level. The Audit team noted that PBPA had neither composed Tender Board nor Procurement Management Unit.

Interview with PBPA officials revealed that, lack of approved organization structure and small volume of procurements were the reasons for this. An organization structure was prepared and submitted to President Office Public Service Management and Good Governance for approval. However, no evidence was submitted to auditors in regards to the approval of the organization structure. Recently, one Procurement staff was temporarily transferred from the Ministry of Energy to facilitate procurement activities at PBPA.

Review of records revealed that, during the 3 years PBPA had spent about TZS 3.3 billion on procurement in the absence of a PMU and a Tender Board (TB). As a result, all public procurements undertaken were not being properly assessed by PMU and approved by TB - refer (Table 4.1).

Table 4.1: Procurement undertaken without PMU and TB for Three (3) Financial Years

S/N	Procurement Undertaken	Amount in TZS
1	Procurement of Surveyors	2,454,421,085
2	Office refreshment	208,855,392
3	Printing and Stationary	104,497,513
4	Procurement of Air tickets	478,839,011
5	Office Cleaning	34,971,400
Total		3,281,584,401

Source: System generated information General Journal, 2020

Table 4.1 indicates that, 2.5 out of 3.3 billion (equivalent to 74.8 %) was spent in procurement of Surveyors who are used in Petroleum Bulk Procurement System. Failure to have Procurement Management Unit and Tender Board at PBPA resulted into the followings:

4.4.1.1 *PBPAs Unplanned Procurement throughout the Audit Period*

Section 49 of PPA No.7 of 2011, requires procuring entity to prepare its Annual Procurement Plan to avoid emergency procurement, aggregate requirement and integrate procurement expenditure and budget. However, audit noted that, since 2015/16 when PBPA was established as per Government Notice (GN) 423 this agency has never prepared required annual procurement plans. Because of these procurement undertakings were done on ad-hoc basis.

4.4.1.2 *Improper Contract Signing*

Section 36(1)(h) of the PPA requires the Accounting Officer (AO) to take overall responsibility for the execution of procurement process in the procuring. Specifically, the AO is entitled to sign contracts for the procuring entities on behalf of procuring entities. The audit noted that some of contracts were signed and witnessed by personnel in acting positions such as Acting Finance Manager, Acting Human Resource Manager and Acting Supply Manager (**Appendix 8**). This situation jeopardizes PBPA operations as AO may not be aware of contracts signed and the contracts may not be enforceable by law in case of any disputes.

4.4.1.3 *Inadequate Records on Procurement Process*

Section 61(1) of the PPA requires Procuring Entity to maintain a record of procurement proceedings in which it is involved. Review of files showed that, PBPA do not keep records relating to procurement process as per PPRA procedural form. For procurement surveyors and petroleum bulk procurement some of key information was in place. For other procurement undertakings, only minutes, invoices and payment vouchers were presented for verification. This imposes a potential risk for some of necessary approvals to overlooked by AO during the process.

4.4.1.4 *No reporting on procurement transaction*

Section 36(1) l of PPA 2011 and Regulation 86-87 of PPR, 2013 require PEs to submit to PPRA information relating to procurement plan, monthly and quarterly process report, publication of general and specific procurement, procurement awards and quarterly internal audit report. However, it was noted that, since its establishment PBPA did not submit any reports to PPRA to facilitate the required performance monitoring. This information relating to procurement at PBPA were not availed to PPRA.

According to interviews with PBPA official the aforesaid weaknesses were attributed to:

i. Lack of Approved Organization Structure

Audit noted that, the proposed PBPA organisation Structure recognizes the procurement functions, however this structure is not operationalized because it has not been approved by President's Office Public Service Management and Good Governance.

ii. Small Volume of Procurement

Although staff of PBPA assumed that their procurement volume is small, the audit found that PBPA has undertaken procurement goods and services close to TZS 3.3 billion (*Table 4.2*). However, there is no exemption for PEs with low volume of procurement to adhere with Public Procurement Act. Also, the audit noted the key function of PBPA is coordination procurement through international competition. It has been confirmed in recent, months that an employee from Ministry has been hired to assist in matters relating to procurement.

4.4.2 PBPA do not use Tanzania e Procurement System (TANePS) in its Procurement

Regulation 342 of PPR (GN 446 of 2013) and its amendment require PEs to implement e-procurement in public procurement system. According to interviews with PBPA official, PBPA did not use TANePS. Review of Tanzania Procurement Journal³⁰ PBPA was among one of entities which has not been enrolled in TANePS and its staffs were not trained to use the system. This shortcoming limits transparency of procurement activities undertaken at PBPA.

4.4.3 PBPA- Bulk Procurement System Implementation Manual is not Approved

Audit team examined tools used by PBPA to implement petroleum bulk procurement system. This is important for smooth implementation and monitoring of the adopted system. Regulation 24 of the petroleum (Bulk Procurement) Regulation GN 198 of 2017 highlighted that *Bulk Procurement System Implementation Manual* is expected to regulate all matters relating to invitation of bids, evaluation of bids, bids qualification and awards of bids to supply bulk procurement products; and guide all operational matters. Review of documents showed that, the manual had been in use to guide bulk procurement since 2017. However, it was still in draft form awaiting approval.

According to interview with PBPA Official the draft manual was sent to EWURA for vetting before obtaining final approval of Minister responsible for Ministry for Energy. The absence of approved manual jeopardizes PBPA operations as it can't be enforceable by law in case of anything going wrong during the bidding process.

³⁰ PPRA Tanzania Procurement Journal, 14 February, 2020

4.5 National Institute of Medical Research (NIMR)

NIMR was ranked by PPRA as a poor performer for two-years consecutively, i.e. 2017/18 and 2018/19.

The audit team reviewed randomly sampled procurement files covering procurement of goods and services. Based on the review of procurement records, weaknesses were observed in evaluation of tenders and issuing of quotations as further elaborated in Sections 4.5.1 to 4.5.3. below.

4.5.1 *Improper Evaluation of Tenders*

Regulation 203(1) of PPR of 2013, requires tender evaluation to be consistent with the terms and conditions prescribed in the tender documents and such evaluation to be carried out using the criteria explicitly stated in the tender documents.

The review of tender³¹ evaluation report for supply of Analytical Equipment for Herbal Pharmaceutical Quality Assurance/Quality Control revealed that, evaluation was conducted without considering some of the criteria stipulated in the tender document.

The review noted that, the evaluation committee either changed or omitted some of the criteria during the evaluation process. **Table 4.2** compares criteria identified in tender document versus criteria used by evaluation committee in the evaluation process.

³¹ Tender No. NIMR/019/2018-19/HQ/G/01

Table 4.2: Comparison of Evaluation Criteria in Tender Documents Versus Evaluation Criteria Used During Evaluation

S/N	Evaluation criteria in tender document	Evaluation criteria used during evaluation
1	Bid validity period 60 days (ITT clause 17.1)	Bid validity period 30 days
2	Tender security of 0.1 % (ITT clause 18.1)	Omitted
3	Warranty period of not less than 3 years and certificate of origin (ITT clause 11(i) as amended in TDS clause No. 9	Omitted
4	Documents and information to be submitted by tenderers (ITT clause 13.3 as amended in TDS clause No. 14)	Omitted

Source: Tender Evaluation Report for tender No. NIMR/019/2018-19/HQ/G/01

Table 4.2 indicates that during the evaluation, the evaluation committee changed the criteria about bid validity period from 60 days to 30 days, and also did not consider some of the criteria stated in the tender document about tender security of 0.1 %, warranty period of not less than 3 years and certificate of origin, and also listed documents and information to be submitted by tenderers.

Interview with HPMU official at NIMR, concluded that this was caused by improper composition of the evaluation committee where the evaluation committee did not include a procurement professional. Further enquiries revealed that, PMU did not properly perform their tasks of reviewing evaluation report as per Section 74(5) of PPA, no.7 of 2011. This is caused by inadequate knowledge on handling evaluation by PMU staff and the Evaluation Committee.

Improper evaluation poses a risk for PE to award contract to the lowest evaluated bidder, with no guarantee for costs and performance of the bidder.

4.5.2 Improper Competitive Quotations amounting to TZS 116,438,480

We examined the competitiveness of procurement with volume above TZS 10Million. Regulation 164(1) of the PPR 2013 requires quotations to be obtained from at least three suppliers and may include qualified agents of foreign suppliers in Tanzania. However, a review of records on competitive quotations showed that NIMR, in most cases obtained quotations from less than three suppliers contrary to the requirement of the Public Procurement Regulations-see (Table 4.3).

Table 4.3: Quotations Obtained From Less Than Three Suppliers

S/N	LPO number	Amount	Number of suppliers
1	11661	31,836,000	1
2	10931	11,561,640	2
3	12114	13,200,000	2
4	11128	10,685,340	1
5	11111	22,727,000	1
6	11136	13,212,500	1
7	11107	13,216,000	2
Total		116,438,480	

Source: Auditors analysis of NIMR's Quotations, 2019

Table 4.3 indicates that, out of 8 reviewed quotations 4 were obtained from a single supplier and 4 were obtained from two suppliers. Based on the interview with NIMR officials, we noted that, PMU staff at NIMR had inadequate knowledge and experience in managing procurement activities. Issuance of less quotation documents to suppliers limited competition and is likely to result into high prices of goods that NIMR procured.

CHAPTER FIVE

CONCLUSION

5.1 Introduction

This chapter provides general and specific conclusions related to the findings outlined in preceding chapters. The conclusion covers: monitoring and evaluation of procurement institutions conducted by PPPD under MoFP; monitoring and evaluations of PEs by PPRA; retrospective approvals of procurement decisions; and PEs compliance with the PPA.

5.2 General Conclusion

Addressing the procurement problems in this country has continued to be a frightening challenge to the government. The findings of this report provide evidence that, both the Ministry of Finance and Planning (MoFP) and Public Procurement Regulatory Authority (PPRA) have not adequately enforced Monitoring of Public Procurement activities.

The Ministry has not adequately monitored the performance of Public Procurement Institutions including the Public Procurement Regulatory Authority, Procurement and Supplies Professional and Technician Board, and the Government Procurement Services Agency.

In addition, the handling of the requested retrospective approvals by the Ministry is not effective as, there is a substantial and unnecessary delay in the process which makes the objective of requesting retrospective approval lose its intended purpose.

The audit findings provide reasons to conclude that PPRA and PPPD under MoFP have underplayed their regulatory and monitoring roles respectively. PPRA's role of Monitoring and Evaluating Procuring Entities (PEs) operations is not adequately exercised. Many PEs did not submit their procurement information to PPRA, and no deterrent action has been taken to the noncompliant.

In addition, the observed weaknesses in the operations of the PEs presented in this report is an indication that the audits done by PPRA to PEs need to be enhanced, so as to help the audited PEs to improve their internal control systems to ensure compliance with PPA.

5.3 Specific Conclusions

5.3.1 Public procurement institutions are neither monitored nor evaluated by MoFP under PPPD

MoFP, through PPPD has not been able to provide assurance that PPRA, PPAA, PSPTB and GPSA perform their functions as required. Because 100 % of Public Procurement Oversight Institutions³² as well as 100 % of Procuring Entities (PEs) were neither monitored nor evaluated. As a result, MoFP is unaware of what is going on the performance of oversight public procurement organs, presence of public procurement systems which are not known and monitored by MoFP and PPRA such as petroleum and fertilizer bulk procurement system, uncoordinated training in the area of procurement and malpractice in public procurement.

5.3.2 Inadequate monitoring and evaluation of PEs by PPRA

There are entities that have not been audited by PPRA for a period of 5 years. As per the current trend, PPRA may take six (6) years to ensure each PE is audited. In addition, more than 50 % of PEs do not

³² PPRA, PPAA, PSPTB and GPSA

submit monthly progress reports, internal audit reports and annual procurement awards.

Selection of PEs for the audits does guarantee that all the PEs are substantially monitored. There is a risk that some PEs will go on unmonitored for several years and none of the PEs is audited every year.

5.3.3 Retrospective approval applications were not handled properly

There are serious delays of processing retrospective approval for more than two years, which distorts the essence of applying for retrospective approval. In addition, double standards for the same scenario of the application of retrospective approval process.

5.3.4 PEs do not comply with PPA to ensure Value for Money

Despite efforts made by PPRA and MoFP under PPPD to ensure compliance and value for money in procurement transaction, there are notable weaknesses caused by inadequate monitoring and evaluation of procuring entities.

CHAPTER SIX

RECOMMENDATIONS

6.1 Introduction

This chapter provides recommendations to MOFP and recommendations and PPRA. The Controller and Auditor General believes that these recommendations if fully implemented will improve the performance of MOFP and PPRA in enforcing the PPA and enhance procurement practices in the public sector.

6.2 Recommendations to MOFP

Ministry of Finance and Planning through PPPD should:

1. Ensure monitoring and evaluation of performance of Public Procurement Institutions is regularly conducted;
2. Review and update the process for advice on retrospective approval to ensure the approval process time is shortened;
3. Review public procurement laws and regulations in order to harmonize public procurement systems such as bulk procurement systems (Petroleum Bulk Procurement System) and electronic procurement system;
4. Develop a coordination mechanism to minimize overlapping functions of public procurement institutions;
5. Develop and implement a capacity building program for PPPD to facilitate monitoring and evaluation of procurement institutions and;
6. Ensure Public Procurement Oversight Organs Submit performance reports to PPPD for monitoring and evaluation purpose.

6.3 Recommendations to PPRA

Public Procurement Regulatory Authority should:

1. Ensure all public procuring entities are audited and a continuous follow up is conducted on all the issued recommendations;
2. Increase enforcement measures to all PEs to submit the required procurement information by using TANePS to PPRA for monitoring purposes;
3. Ensure market prices of commonly used items and services are available for benchmarking purposes as required by the law³³;
4. Ensure that recommendations for PEs with poor performance are directed to respective competent authorities for them to take corrective action against those PEs;
5. Develop strategies to improve its human resource base in order to minimize the risk of excessive outsourcing of the Authority's core functions; and
6. Develop mechanism for implementation and monitoring bulk procurement systems.

³³ Section 5A (0) of Public Procurement (Amendment) Act No.5 of 2016.

APPENDICES

Appendix 1: Responses from PPRA and MoFP

Appendix 1.1: Responses from MoFP

General Comments

There is Budgetary constraints.

Specific Comments

S/No.	Recommendation	MoFP comment/response	Actions to be taken	Planned date/
1.	Ensure monitoring and evaluation of performance of public procurement institutions is regularly conducted.	It can be implemented	To develop key performance indicator for monitoring and evaluation of public procurement oversight institutions. To monitor and evaluate Public Procurement oversight Institutions.	FY 20;
2.	Review and update process for advice on retrospective approval to ensure approval process is shortened.	It can be implemented	To facilitate the Amendment committee in reviewing stakeholders' comments on the Implementation of PPA CAP 410 in which the retrospective approval process will also be reviewed.	FY 20;

S/No.	Recommendation	MoFP comment/response	Actions to be taken	Planned date/Timeline
3.	Review public procurement laws and regulations in order to harmonize public procurement systems such as Bulk procurement systems (such as Petroleum Bulk Procurement) and electronic procurement system.	It can be implemented	MoFP shall review and harmonize the current Bulk Procurement systems in the country with PPA Cap 410.	FY 2020/21
4.	Develop coordination mechanism to minimize overlapping functions of public procurement institutions.	It can be implemented	To facilitate the Amendment committee in reviewing PPA CAP 410 and PSPTB Act so as to propose a clear demarcation of Public Procurement Oversight functions.	FY 2021/22
5.	Develop and implement capacity building program to PPD to facilitate monitoring and evaluation of procurement institutions.	It can be implemented	To provide training to PPD staff on the Monitoring and Evaluation.	2019/20 - 2020/21

S/No.	Recommendation	MoFP comment/response	Actions to be taken	Planned date/Timeline
6.	Ensure Public Procurement Oversight Organs Submit performance reports to PPPD for monitoring and evaluation purpose.	It can be implemented	To review current reporting mechanism of Public Procurement Oversight Institutions and proposing Public Procurement Regulations amendment in collaboration with Treasury Registrar.	FY 2021/22

Appendix 1.2: Responses from Public Procurement Regulatory Authority (PPRA)

General comment

PPRA to be given adequate resources (financial and human resources) to enable it perform some of its core functions namely procurement audits to PEs.

Specific Comments

SN	Recommendation	PPRA Comment/Response	Actions to be taken	Planned Timeline
1	Ensure all Public Procuring entities are audited and follow up on the issued recommendations within a certain specified period	The recommendation is received. PPRA will continue conducting procurement audits to procuring entities in each financial year. However, auditing of procurement in each year depends on the availability of financial resources. Audits which are being conducted by PPRA each year depends wholly on donor funds (PFMRP) and the amount given in the budget for procurement audits cannot suffice conducting audits for all PEs in the year. Furthermore, procurement auditing of procuring entities requires the Authority to have adequate human resource to carry out the activity. Currently the Authority's staff who are	Continue to conduct procurement audits to PEs Request to Po-PSM to fill the gaps in the Authority's manning level Submit a request to the Ministry of Finance for adequate allocation of funds for procurement audits	Continues follow up

SN	Recommendation	PPRA Comment/Response	Actions to be taken	Planned Timeline
		<p>responsible in carrying out the procurement audits are only ten (10) staff out of 44 staff as contained in the Authority's manning level.</p> <p>Follow up on implementation of issued audit recommendations is being done by PPRA for all audited procuring entities (PEs). By virtue of Regulation 92 of the Public Procurement Regulations, 2013, PEs had been required to submit to PPRA implementation action plans on how they will implement the audit recommendations.</p> <p>Also, PEs had been required to submit to PPRA implementation reports of the audit recommendations within three months after receiving the audit recommendations. Together with these measures follow up on the recommendations is also been done during procurement audits in PEs where auditors do assess the extent of implementation of the audit recommendations.</p>		
2	Ensure all PEs submit required procurement information to PPRA	The recommendation is received. The Public Procurement Act requires procuring entities to submit various procurement information to PPRA for monitoring purposes. The information	Publication in the PPRA website and TPJ of the list of PEs which have not	Continuous follow up

SN	Recommendation	PPRA Comment/Response	Actions to be taken	Planned Timeline
	for monitoring purposes	includes: Annual procurement plans, GPNs, tender notices, contract award information, contract completion reports, monthly, quarterly and annual procurement reports and internal audit reports. PPRA will ensure that PEs submit to the Authority required procurement information by enforcing the usage of TANePS.	submitted required information issuing reminder letters to defaulting PEs Submission to competent authorities of the list of defaulting PEs for necessary actions	
3	Ensure market prices of commonly used items and services is available for benchmarking purpose	The recommendation is received. PPRA will ensure available market prices of commonly used items for benchmarking purposes	Conducting survey to obtain the market rates	FY 2020/2021
4	Ensure that recommendations for PEs with poor performance are directed to respective competent authorities to take corrective action	The recommendation is received. PPRA has been submitting to competent authorities' recommendations for taking necessary actions against procuring entities with poor performance in the procurement audits. Also, in some cases the PPRA Board of Director's do summon the Accounting Officers of PEs with poor performance to show cause why disciplinary	Forwarding to competent authorities recommendations for taking necessary actions to poor performing PEs	After completion of procurement audit exercise in each respective financial year

SN	Recommendation	PPRA Comment/Response	Actions to be taken	Planned Timeline								
5	Develop strategies to improve its human resource base in order avoid outsourcing of the core functions of the authority by 100 percent	<p>measures should not be taken against them.</p> <p>The recommendation is received. However, the Authority does not outsource by 100 percent its core function namely auditing of procuring entities. This is because the Authority's staffs have been assigned to carry out procurement audits together with the individual consultants though the responsibility for the preparation of audit reports is left to the consultant. Due to the limited number of staff and based on the number of responsibilities to handle, it has been difficult to commit the staff to engage fully in normal audits at a reasonable percentage.</p> <p>In most cases the Division staffs have been highly engaged on special audits and investigations which require special attention and intensive reviews.</p> <p>The list of special audits and investigations carried out by PPRA staff from FY 2016-2017 to 2018/2019 are as shown below;</p> <table><tr><th>No</th><th>Financial year</th><th>No of PEs which were subjected to investigation/</th><th>No of tenders investigated</th></tr><tr><td></td><td></td><td></td><td></td></tr></table>	No	Financial year	No of PEs which were subjected to investigation/	No of tenders investigated					Request to Po-PSM to fill the gaps in the Authority's manning level	FY 2020 - 2021
No	Financial year	No of PEs which were subjected to investigation/	No of tenders investigated									

SN	Recommendation	PPRA Comment/Response	Actions to be taken	Planned Timeline																
		<table><tr><td></td><td></td><td>Special audit</td><td></td></tr><tr><td>1</td><td>2016/2017</td><td>8</td><td>10</td></tr><tr><td>2</td><td>2017/2018</td><td>6</td><td>34</td></tr><tr><td>3</td><td>2018/2019</td><td>5</td><td>13</td></tr></table> <p>It should be noted that, Procurement audit is not only the activity which is to be carried out by the Authority and instead there are other associated activities which should go parallel with the procurement audit activities which include the continuous monitoring activities, investigations and special audits. Therefore, staffs are assigned responsibilities which are running parallel with procurement audit activity.</p> <p>During the FY 2017/2018 PPRA staff in association with consultants carried out procurement audits to 18 Local Government Authorities which were under ULGSP Program. All staff were required to carry out procurement audit on the part of compliance while the consultants were required to carry out Vfm audit for goods, works and consultancy works.</p> <p>PEs which were fully audited by PPRA staff from FY 2016-17 to 2018/19 are as shown below;</p>			Special audit		1	2016/2017	8	10	2	2017/2018	6	34	3	2018/2019	5	13		
		Special audit																		
1	2016/2017	8	10																	
2	2017/2018	6	34																	
3	2018/2019	5	13																	

SN	Recommendation	PPRA Comment/Response	Actions to be taken	Planned Timeline												
		<table><tr><th>No</th><th>FY</th><th>PEs audited</th></tr><tr><td>1</td><td>2016/2017</td><td>Songea MC, Kibaha TC and Lindi MC</td></tr><tr><td>2</td><td>2017/2018</td><td>Bukoba MC, Geita TC, Ministry of Finance and National Audit Office</td></tr><tr><td>3</td><td>2018/2019</td><td>Ministry of Finance and DART</td></tr></table>	No	FY	PEs audited	1	2016/2017	Songea MC, Kibaha TC and Lindi MC	2	2017/2018	Bukoba MC, Geita TC, Ministry of Finance and National Audit Office	3	2018/2019	Ministry of Finance and DART		
No	FY	PEs audited														
1	2016/2017	Songea MC, Kibaha TC and Lindi MC														
2	2017/2018	Bukoba MC, Geita TC, Ministry of Finance and National Audit Office														
3	2018/2019	Ministry of Finance and DART														
6	Develop mechanism for implementation and monitoring bulk procurement systems	The recommendation is received. PPRA will put in place mechanism for monitoring of bulk procurement systems.	To carry out procurement audit to Petroleum Bulk procurement Agency with a view of reviewing the existing systems	FY 2020 - 2021												

Appendix 2: Audit and Sub Audit Questions

Audit Question 1	Do PPPD Monitors Performance of Public Procurement Institutions³⁴ ensure effective public procurement?
<i>Sub-question 1.1</i>	<i>Do PPPD monitor performance of Public Procurement Institutions?</i>
<i>Sub-question 1.2</i>	<i>Do PPPD evaluate the performance of Public Procurement Institutions?</i>
Audit Question 2	Do PPRA Monitor and Evaluate Performance of Procuring Entities to ensure Value For Money in Public Procurement?
<i>Sub-questions 2.1</i>	<i>Do PPRA ensure all procurement data and reports from PEs are submitted for monitoring purposes?</i>
<i>Sub-questions 2.2</i>	<i>Do PPRA adequately institute and conduct procurement, contract and performance (VFM) audit to ensure compliance with PPA?</i>
<i>Sub-questions 2.3</i>	<i>Do PPRA conduct periodic inspections of the records and proceedings to all procuring entities to ensure compliance with PPA?</i>
<i>Sub-questions 2.4</i>	<i>Do PPRA monitor the implementation of recommendations to PEs during the Audit?</i>
<i>Sub-questions 2.5</i>	<i>To what extent Do PPRA help PEs to obtain market price information for the standardized common use items and services?</i>
Audit Question 3	Do Ministry of Finance and Planning and PPRA adequately process advice for retrospective approval?
<i>Sub-question 3.1</i>	<i>Do the retrospective advice by MoFD under PPPD and PPRA processed on time?</i>
<i>Sub-question 3.2</i>	<i>Do PPPD and PPRA provide appropriate recommendations to paymaster general?</i>
<i>Sub-question 3.3</i>	<i>Do the Ministry's monitoring functions ensure that the handling of retrospective approval by PPRA and PPPD are clearly defined and coordinated?</i>
Audit Question 4	Do MoFP use its Monitoring and evaluation results to improve the performance of Procuring Entities?

³⁴ PPRA, PSPTB, GPSA, PPAA&PEs

	<i>(Based on this question, the team will establish a case studies to selected PEs and asses their procurement performance)</i>
Sub-question 4.1	<i>To what extent do procurement plans encourage transparency and competition?</i>
Sub-question 4.2	<i>To what extent do selection and procurement award conduct in fair, transparent, accountable and competitive environment?</i>
Sub-question 4.3	<i>To what extent do internal control activities ensure efficient procurement?</i>

Appendix 3: List of documents to be reviewed during the Main Study

S/ N	Type of Documents/file Reviewed	Reasons for Review
1.	VETA, NIMR, PBPA and TPA	
	Tanzania National Five-Year Development Plan 2016/17-2020/21 (NFYDP)	To understand strategic areas of resource allocation in procurement planning and implementation.
	Government Budgets for financial years 2016/17, 2017/18 and 2018/19 Citizens' Budget Editions.	To understand priority projects that were allocated funds for the three consecutive financial years.
	Annual Procurement Plans for 2016/17, 2017/18 and 2018/19	To examine planned expenditures for three financial years.
	Annual Procurement Volume for 2016/17, 2017/18 and 2018/19	To assess funds disbursed for three financial years.
	Contract Register	To identify the awarded contracts
	Tender and contract files(such as tender documents, evaluation reports)	To understand how tendering and awarding was conducted
	Tender Board Files	To understand various decision made by Tender Board
	Purchase orders	To understand orders placed by the procuring entities
	Payment Vouchers	To examine the details of payments made
	Procurement reports to PPRA	To assess compliance level of PEs
2.	At PPRA	
	Annual Performance report of procurement	-To assess the extent to which PPRA undertakes M&E; -To assess extent to which PEs were audited; -To examine the way retrospective approval was conducted; -To examine the way auditing is
	Database of the PEs	
	Data Base of Audited Entities	
	Retrospective approval guidelines	

	Audit Manuals	undertaken
	PPRA Procurement Audit Manual	
	Contract files for Individual Consultancy	
	At MOFP	
3.		-To understand extent to which MoFP carries out M&E and Performance Measurements. -To assess the tools used in M&E and Performance Measurement -To assess the way retrospective approval is undertaken
	Monitoring Report	
	Progress Reports	
	M&E tools	
	Retrospective approvals	

Appendix 4: List of officials to be interviewed during Main Study

S/N	Official Interviewed	Reason for the Interview
1	Ministry of Finance and Planning (MoFP)	
	<ul style="list-style-type: none"> Commissioner of Public Procurement Policy Division 	To get clarifications on the M&E of procurement systems; and Performance measurement of public institutions is undertaken
	<ul style="list-style-type: none"> Assistant Commissioner Public Procurement Policy Division 	To get detailed information on the way performance measurement of public institutions in procurement is undertaken
2	VETA, NIMR, PBPA and TPA	
	<ul style="list-style-type: none"> Directors/Head of Procurement Management Unit 	To obtain clarifications on matters relating to execution of procurement activities
	<ul style="list-style-type: none"> Senior Procurement officers 	To gain more clarification on matters relating to execution of procurement
	<ul style="list-style-type: none"> Head of Internal Audit 	To gain understanding on matters relating to internal control in procurement.
3	Public Procurement Regulatory Authority (PPRA)	
	<ul style="list-style-type: none"> Director of Monitoring and Compliance 	To gain understanding of monitoring activities done by PPRA
	<ul style="list-style-type: none"> Senior Procurement Officer-Responsible for monitoring and evaluation 	To gain understanding of magnitude of the entities monitored.

Source: Auditors Analysis (2019)

Appendix 5: Policies and Legal documents

S/N	Name of the Regulation	Description
1	Public Procurement Act No.12 of 2011, Public Procurement (Amendment) ActNo.5 of 2016	Require procuring entities to planning for its procurement and implement as per plan. It restricted nothing to be implemented without being planned unless otherwise approved by Accounting Officer.
2	Public Procurement Regulation GN 446 of 2013 and Public Procurement (Amendment) Regulation GN.333 of 2016 as amended from time to time	
3	Guideline for Procurement of Conference Services from Public Bodies,2017	
4	Guideline for Procurement of Capital Equipment, Materials, Products and related services for development of industries	
5	Procurement and Supplies Professional and Technician Board No.23 of 2007.	This act empowers and regulates procurement and supplies practising professionals and provides professional advice on matters relating to procurement management to key actors.
6	Guideline for retrospective approval	It facilitates how approving process is supposed to be conducted

Appendix 6: Retrospective Approval Processes

S/N	Activity	Responsible	Time (days)
1.	To submit application form retrospective approval to PMG	PE	7
2.	To seek advice on application for retrospective approval to PPRA	PMG	3
3.	To review the application for retrospective approval sufficiency t of documents submitted	PPRA	2
4.	Where documents are not sufficient, summons letter to require the PE to submit additional documents	PPRA	1
5.	To submit to PPRA additional documents	PE	5
6.	To submit copies of the application and documents to Government Asset Management Division (GAMD)and Technical Audit Section (TAS) for review	PPRA	2
7.	To review the application and submit findings and opinion to PPRA	GAMD and TAS	7
9.	To conduct physical verification/inspection	GAMD and TAS	21
10.	To review the application and prepare a report	PPRA	7
11.	To incorporate findings and opinions received from GAMD and TAS in the report	PPRA	2
12.	To hold meetings with PPRA, GAMD and TAS to discuss and agree on dissenting opinion; where necessary.	PPRA	2
13.	To submit the report to the PPRA Management	PPRA	2
14.	To incorporate Management comments in the report and to submit the report to the Advisory Committee	PPRA	5
15.	To incorporate the Advisory Committee's directives/decisions in the report and to submit recommendations of the Advisory Committee to PMG	PPRA	2
16.	Where the application is within the CEOs approved limit (Contract value of up to TZS 100 million), to incorporate Management directives/decisions in the report and submit Management's recommendations to PMG.	PPRA	2

S/N	Activity	Responsible	Time (days)
17.	Implementation of PMG directives by PE	PE	14
Working days			84
Non-Working days			6
Total days			90

Appendix 7: Delays in Processing of Retrospective Approvals

S/N	APPLICANT	TYPE OF APPLICATION	LETTER TO PPRA	PPRA's RESPONSES	DELAY S in Days
1	Wanging'ombe District Council	Emergency procurement of Works Along Kinenulo - Kipengere Road- TZS 875,997,249.00	12-Aug-15	18-Aug-16	372
2	TANROADS Iringa - Pawaga	Application for retrospective approval of emergency procurement of works for rehabilitation of the Iringa - Pawaga Regional road	21-Jan-15	24-Feb-17	765
3	TANROADS - Lindi	Contract No. AE/001/2013-2014/LD/W/63 for emergency repair works on Mkwaya flood plain along Mtegu- Mingoyo trunk road. Contract Price TZS 253,450,000/=	4-May-16	9-Feb-17	281
4	TANROADS - Lindi	Contract No. AE/001/2013-2014/LD/W/64 for emergency repair works at Nangurukuru-Liwale regional road at Mikuyumbu-Mlowoka section. Contract Price TZS. 431,525,000/=;	24-Aug-17	30-Nov-17	98
5	TANROADS - Lindi	Contract No. AE/001/2013-2014/LD/W/66 for emergency repair works at	4-May-16	9-Feb-17	281

S/ N	APPLICANT	TYPE OF APPLICATION	LETTER TO PPRA	PPRA's RESPONSES	DELAYS in Days
		Nangurukuru-Liwale regional road (Package II -Njinjo-Zinga Section). Contract Price TZS 239,730,000/=;			
6	TANROADS - Lindi	Contract No. AE/001/2013-2014/LD/W/65 for emergency repair works at Nangurukuru-Liwale regional road (Package I Nangurukuru-Njinjo Section). Contract Price TZS 206,650,000/=;	4-May-16	9-Feb-17	281
7	TANAPA	Emergency procurement of EFD machines	18-Jul-16	22-May-17	308
8	TANROADS- Bukoba	Emergency Procurement of Road Maintenance Works To Mutukula-Bukoba And Bukoba-Bukoba Port Roads In Kagera Region	10-Jun-15	6-Jul-17	757
9	TANROADS - Arusha	Contract No. AE/001/13-14/AR/TEN/W/85 for emergency works along Monduli - Lolkisale Road at additional works of TZS 290,000,000/= and further additional works of TZS 85,599,000. Total Contract Price TZS 375,559,632/=;	13-Oct-16	24-Mar-17	162

S/ N	APPLICANT	TYPE OF APPLICATION	LETTER TO PPRA	PPRA's RESPONSES	DELAY S in Days
10	Ofisi ya Waziri Mkuu (Sera na Uratibu)	Maombi ya Retrospective approval” kwa ajili ya huduma mbalimbali zilizotolewa wakati wa msiba wa marehemu Mhe. Samwel Sitta, Spika Mstaafu wa Bunge la Jamhuri ya Muungano wa Tanzania.	10-Jun-15	24-Jun-16	380
11	TRL	Application for retrospective approval of TZS 1,427,549,543 by Tanzania Railways Limited for emergency procurement of works to rehabilitate the flood prone areas of Kilosa to Kikombo section (km 305/0-km 426/0)	31-Mar-14	20-May-17	1146
12	MOI	Application For Retrospective Approval For Procurement Of ICU Equipment(Mechanical Ventilators And Patient Monitors)	12-Aug-15	18-Aug-16	372
13	TANROADS Morogoro	Application for Retrospective Approval for Six Emergency Works Contracts in Morogoro Region	10-Jun-15	6-Jun-17	727
14	TANROADS Tanga	Retrospective Approval for Roads, Works in Tanga	10-Jun-15	6-Jun-17	727

S/ N	APPLICANT	TYPE OF APPLICATION	LETTER TO PPRA	PPRA's RESPONS ES	DELAY S in Days
		Region			
15	Ofisi ya Rais, Tawala za Mikoa na Serikali za Mitaa	Maombi Ya Kibali Cha Uhalalisho wa Uchapishaji Wa Mitihani Ya Majaribio Darasa VII 2017 Tzs.136,207,400.00	31-Mar- 14	20-Feb-17	1057
18	TARURA - Katavi	Emergency Procurement of works for construction of gabions along Kibaoni- Chamalendi at Msadya Bridge TZS 19,824,000.00 carried out by TARURA	24-Apr- 18	5-Mar-19	315
19	TARURA - Shinyanga	Emergency procurement of works on washed out of approach roads (110) near vented drift along Isoso Mwabusiga Road in Kishapu District	16-Mar- 18	5-Mar-19	354
20	TARURA - Simiyu	Emergency Procurement of works for construction of storm water drainage along Uwanja Wa Ndege Road At Maswa Town TZS 98,583,336.00/= carried out by TARURA	3-May-18	5-Mar-19	306
21	TARURA - Morogoro	Emergency Procurement of road maintainance works along Lugala - Misegese in Malinyi	3-May-18	27-Feb-19	300

S/ N	APPLICANT	TYPE OF APPLICATION	LETTER TO PPRA	PPRA's RESPONSES	DELAY S in Days
		District carried out by TARURA			
22	TARURA - Ruvuma	Emergency procurement of damages of two bridges along Minazini - Libango Road And Minazini - Ukombozi - Muungano Primary School Road carried out by TARURA	3-May-18	22-Mar-19	323
23	TARURA - Mbeya	Emergency procurement for damaged along mwandibe road carried out by TARURA	24-Apr-18	22-Mar-19	332
24	TARURA - Mara	Emergency procurement of works along Mgeta - Mihingo - Mekomariro - Sirorisimba road	3-May-18	5-Mar-19	306
25	TARURA - Manyara	Emergency procurement of damages of temporary wooden bridges along labay - qambasiro road carried out by TARURA	3-May-18	27-Feb-19	300
26	TARURA - Katavi	Emergency procurement of damages of culvert lines and scored culverts carried out by TARURA Katavi Region	3-May-18	22-Mar-19	323
27	TARURA - Rukwa	Emergency procurement of damages of road	24-Apr-18	22-Mar-19	332

S/ N	APPLICANT	TYPE OF APPLICATION	LETTER TO PPRA	PPRA's RESPONSES	DELAY S in Days
		section along Mkombo - Mlenje road.			
28	TARURA- Dodoma	Emergency procurement for damaged Road along Kawatire-Iwanza- Ikukwa Roads In Mbeya District	24-Apr- 18	19-Nov-19	574
29	TARURA - Njombe	Emergency procurement for damaged road along Luhololo-boimanda road	20-Apr- 18	10-May-19	385
30	TARURA- Mbeya	Emergency procurement for damaged road along Ihai-Kibaoni; Kongolo-Utengule Usangu	11-Apr- 18	24-Apr-19	378
31	TARURA- Dodoma	Emergency procurement for damaged structure in Chemba & Kondoa District	3-Jul-18	19-Nov-19	504
32	TARURA-Dsm	Emergency Procurement of damage along full Shangwe Road- Kibada Road	8/12/201 5	18-Aug-16	372
33	TARURA- Rukwa	Emergency procurement of damaged of road along Kashai-Katusa Road	8/12/201 5	18-Aug-16	372

Source: *Reviewed retrospective approval at MoFP,2019*

Appendix 8: Improper Signing of Contracts

Contract	Supplier	Signatories	Date of signing
Marine Survey Services for March 2018	CGS Collateral Control Company Limited	Ag. Executive Director and Ag Supply Manager	8-Nov-18
Marine Survey Services for May 2018	ACE Global Depository (T) Ltd	Ag. Executive Director and Ag Legal Manager	25-May-18
Marine Survey Services for November 2019	Universal Superintendence Co. Ltd	Ag. Finance Manager and Ag Legal Manager	1-Nov-19
Marine Survey Services for September 2019	Inspectorate Tanzania Co Ltd	Ag. Human Resource & Administration Manager & Ag Legal Manager	30-Sep-19
Marine survey service for December 2017	ACE Global Depository (T) Ltd	Ag. Executive Director and Ag. Finance Manager	4-Dec-17

Source: Contract signed between 2017-2019