

THE

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CONTRACTOR UGANDA

This magazine is a publication of Uganda National Association of Building and Civil Engineering Contractors (UNABCEC)

THEME: UP AND RUNNING

WORK RELATIONS: Putting people at the heart of your business

TAXES: Tax legislation in the construction sector

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Email: sales@yogisteels.com / admin@yogisteels.com Website: yogisteels.com

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PROJECT LEADER

Elizabeth Muhebwa
Executive Director, UNABCEC
executive.director@unabceec.co.ug
+256 704 637049

EDITOR

Asiimwe Peninah B
pen.ninah28@gmail.com,
+256 779 877744

CREATIVE DESIGN

Mike Loubojera Musaasizi
demico2003@gmail.com
+256 772 536 512

CONTRIBUTORS

Francis Karuhanga, Elizabeth Muhebwa, Mike Serunkuuma, Jetty Nuwagira, Dorothy Uzamukunda, Eng. Jamesone Olonya, Eng. Ronald Mugabi, Nyanja Abraham, Can. Eng. Jonathan G. Mwedde, Florence Nakyeeyune, Namirembe Patricia N. Kyeeyune, Caroline Mukhaye Kyesimira, Sybella Namirembe, Mariam N. Kabanda

PROOFREADER

Michael Agaba
agbarinks@gmail.com
+256 782 384457

UNABCEC Secretariat

Uganda National Association of Building and Civil Engineering Contractors (UNABCEC)
Plot M764, Coronation Avenue,
UMA Show Grounds, Lugogo
P.O Box 34046, Kampala
Tel: +256 392 795036
Email: unabceec@unabceec.co.ug
www.unabceec.co.ug

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Local Partners



The construction landscape is getting bigger and better

If you look around you, in any part of the country's urban centres, there is a construction project going on. It could be a road, shopping mall, school, hotel and many other aspects of construction.

Only a few years ago, the Entebbe Expressway was only a plan on paper. And the place on which the road now sits was a residential area and part of it a swamp. And so was the cable-suspended Source of the Nile Bridge, the magnificent URA Towers and the many new UNRA road networks across the country.

These and many more big construction projects only serve to show how the sector is on a steady growth. And with the growth in the sector, we will definitely see big growth in our indigenous construction companies. And it has already started as you will read and discover, some of the construction projects featured are being undertaken by indigenous companies.

But for this to get even bigger and better, we may need to see partnerships between foreign and local contractors.

And if you thought engineering was a reserve for men, this issue brings you even more exciting experiences of Mariam Kabanda and Sybella Namirembe who are sailing the way waters of engineering with boldness. Find this and more well packaged articles that won't allow you put your copy down until the last full stop.

Peninah

Editorial



International Partners



Membership to Certified Bodies



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"BUSINESS ETHICS - THE ANSWER TO SUSTAINABILITY"

20-21

Business ethics refers to the contemporary organizational standards, principles, sets of values and norms that govern the actions and behavior of an individual in the business organization. Acting ethically takes into account all the factors of doing business.



INDUCTION OF THE BOARD OF DIRECTORS SETS NEW ENERGY

50

The Annual General Meeting of December 6, 2018 saw a new Board of Directors elected into office. The Secretariat then set to out to orient the Directors into the UNABCEC culture, familiarise them with the closer view of the association's functions, services and financial activities in a quick but effective manner.

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President's Message

We are determined to continue serving our partners better

On behalf of the Board of Directors, we would like to take this opportunity to welcome new members to **the association of genuine contractors in Uganda**, while at the same time re-assuring all existing members of our continued commitment to serve them to the best of our abilities, based on UNABCEC's 5 Corner Stones of Professionalism, Knowledge, Care, Credibility and Development.

We shall also continue to cherish and inculcate our new values of Humanity, Harmony and Democracy. As a contractors' member association, our promise of quality service to members is the same promise our members are encouraged to extend to their own clients so that they **continue to distinguish themselves as paragons of quality service in the provision of construction services in our country.**

Construction is a tremendously intricate process, considering the attendant capital and resource intensiveness, besides the involvements of many stakeholders over the long-associated lifecycles and lead times—moreover the industry is compounded with significant complexities of managing the entire maturation processes efficiently.

Resolving numerous causes and effects of poor construction quality in Uganda, which include:

i. Poor engineering and contracting details (involving critical matters of: research and materials' selection, improper documentations, procurement criterion, etc)

ii. Corporate and individual Ineffectiveness (i.e meagre institutional interactions, inapt construction management practices, lack of proper supervisions, ignorance, carelessness, negligence, conflict of/and vested interests).

iii. Poor workmanship (i.e incorrect interpretations, hydro-geo-technical cataclysms, formwork catastrophes, methodological and maintenance failures etc), requires **an extensive and concerted national effort.**

Such effort is made unnecessarily more difficulty by the lack of common, robust and effective national regulatory framework or standards; meaning that these problems must be solved separately for each of us involved in this sector.

From this new edition of *The Contractor*, we shall continue to look at how the industry is evolving and sharing what we need to know to keep pace with those changes. **The transformations have come and will continue to come to our construction industry that are sweeping, and we want to make sure that all construction stakeholders in Uganda understand what is happening and how to benefit from those changes.**

We developed the idea for this issue as part of the **Future Focus initiative** we established during our Silver Jubilee in 2018. We went to great lengths to spend as much time looking forward as we did review our past during our anniversary. As we did that, it became very clear that our industry is **on the**

brink of some very profound changes and have detailed our Seven interventions that we demand from government. Our goal with the Future Focus initiative is to track those changes and develop programs and educational materials to help all the stakeholders to profit from them. We extend our special appreciation to the following stakeholders that have **embraced and continue to support this Future Focus initiative.**

1. Ministry of Works and Transport for setting up Construction Industry Development Committee comprising all stakeholders to deliberate and advise its top management on issues that affect the industry.

2. Uganda National Roads Authority that established a full-time UNABCEC desk in the executive director's office to address any written issues from the sector. The entity bi-annually engages the stakeholders in a face to face forum and is the only entity of Uganda government that has pioneered mandatory subcontracting on the projects executed by foreign providers.

3. Foreign providers - Ms Mota-Engil Engenharia E Construcão Africa SA, Ms SBI International Holdings (AG) Uganda that continue to engage national providers on their ongoing projects (which do not have any local content mandatory requirement) to supply all local materials and engage local staff up to their middle management levels of their firms.

4. Resident providers – Ms. Dott Services Ltd, Ms. Roko Construction Ltd and Ms. Terrain services Ltd that engage national subcontractors, and employ 99% local staff up to their top management level.

The special Future Focus issues are designed to share information about some of the **new developments, technologies and techniques that are transforming our industry.** But we also want to explore how construction stakeholders in Uganda are harnessing these new developments, technologies and techniques to their benefit.

These special issues will be just one of the ways we work to prepare ourselves for the coming industry transformation. We are also putting a special focus on the future as we develop cooperative and supportive programs for all our members – foreign, resident and national providers. Working together is necessary to achieve the envisaged development goals of Uganda government and to promote East African common protocol. **Our strength lies in our ability to speak with one voice on matters affecting our industry and to negotiate concessions** for the collective benefit of the entire construction sector.


Francis Karuhanga
UNABCEC President.



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A lot remains to be desired of the 30% local content

In March 2017, PPDA issued guidelines on reservation and preference schemes that introduced a mandatory subcontracting requirement on all public works to national providers. The scheme was aimed at not only increasing the input of local labour, goods and services, but to also build capacity of local contractors who are otherwise always outcompeted by foreign providers. This was later amended (before implementation) in February 2018 to include resident providers who are foreign firms incorporated for two years thus the government effectively disempowered local contractors.

Uganda National Roads Authority (UNRA) is the only implementing entity that has piloted the mandatory subcontracting on her projects in line with PPDA guidelines on reservation and preference schemes with the aim of empowering and building capacities of local contractors. We applaud the entity for the initiative. A handful of Ugandan construction companies have been taken on under this scheme and have executed some of the road works that would have otherwise been an exclusive preserve of foreign companies. This, however, is not working according to the intended purpose as there seem to be no established frameworks for implementing the subcontracting policy.

Deficiencies in the 30% subcontracting policy

There are three major deficiencies of the 30 percent mandatory subcontracting policy;

- i.** no clear guidelines on the implementation of the policy
- ii.** no participation of subcontractors in the determination of work, and
- iii.** subcontractors don't participate in the procurement process and are only introduced after contract is awarded.

Subcontractors are engaged after the main contractor is awarded with the contract. The allotment of work is also undertaken at this stage by the main contractor. This leaves room for inconsistencies in the manner in which subcontractors are engaged.

Main contractors engage subcontractors to carry out their contractual work. They normally look for subcontractors who already have the necessary skill and experience for that particular work. This is in contrast with the mandatory subcontracting policy which emphasises the transfer of skills and building capacities of local contractors. Thus, even though the policy is in place, its imple-

Main contractors engage subcontractors to carry out their contractual work. They normally look for subcontractors who already have the necessary skill and experience for that particular work.



mentation is difficult. UNABCEC advocates for the following recommendations if the mandatory subcontracting policy is to achieve its intended objective:

i. Method of engaging subcontractors through nomination by the client. It would be difficult to achieve the objective of empowering and creating jobs for the local contractors if main contractors are left to engage subcontractors. The preference of nomination by the clients is that it would enhance fairness and reduce cases of main contractors buying off subcontracts while pretending to have subcontracted. If main contractors are left alone to implement the policy in its current state, very few subcontractors would be engaged.

ii. Works should be identified and allocated Prime Cost Sums for subcontracting on all projects to national providers only. The allocation of prime cost sums prior to bidding process of the project would help unify prices of the subcontractors so as to avoid cases whereby projects fail due to under quoting with the aim of just winning the bids. Furthermore, it will avoid biases from the main contractors who might get tempted to quote lower prices on works earmarked for subcontractors.

iii. Contract Management on major projects funded by government under international bidding. The scope of works for subcontractors should be well defined in the main contract documents and the main contractor only manages the subcontractors. The terms and conditions for subcontracting would be included in the contract documents, especially payment terms, retention, advance payment bond, defect liability period and liquidated damages. The main contractor would still be responsible for the overall performance of the project. Monitoring of subcontractors and the project would be carried out for purposes of checking progress and evaluating the capacity building programme. Monitoring would be to assess which subcontractors graduate from the programme. The process would also be used to re-assess those subcontractors failing to perform. Performing subcontractors would then be recommended for upgrade. At the end of the project, it is expected that some subcontractors would have been upgraded and able to bid for jobs with high values.

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Girls shouldn't shy away FROM ENGINEERING



Narrowing down

Ironically, as soon as she embarked on this journey of a lifetime, she started second-guessing. It was all raindrops on roses in the first year, probably because it was all theoretical beginner's mode, so to speak. But then came second year, and with it, the end of utopia.

"I did an internship with Uganda National Roads Authority (UNRA) at the Mpigi station. It was not so challenging at first because I was assigned to do office work but then time to move to the field where hands on engineering happens came. I spent months in the materials laboratories. It was very dirty, with extremely noisy machines, and physically demanding. That is when I started questioning my decision," she recounts.

Those months refocused her lens dramatically. She realised there were sections of this new world she had chosen for herself that she was not at all comfortable with. The experience made her decide what she really wanted to do as an engineer. She had had a taste of most aspects of engineering, ranging from traffic to materials to building and water in that one internship. She chose traffic.

Projects

Today, several years after completing her undergraduate degree, Kabanda has done most of her projects in traffic work. As a transport economist and traffic engineer, she has designed Kampala's outer belt way that will connect all the highways shooting out of Kampala City. That way, a motorist from the West does not have to first enter Kampala City in order to proceed to the East or the North. The project kicks off later this year. Other projects include the design work on the Lukku-Kalangala road, which is in its final stages. It runs for 42kilometres on one of the biggest islands on Ssesse Islands.

Professional growth

Though Kabanda has done most of her work as a consultant, she recently started taking on projects as a contractor. This has been made possible

By **Anthony Mushoborozi**

Mariam Namiya Kabanda made the decision to become an engineer early in life. The decision was a no-brainer. From her early days at Buganda Road Primary School, Mariam noticed that Mathematics and Science came easy with her. When she later joined Gayaza High School for secondary education, it became even clearer what career path she would take. Subjects like Technical Drawing and the entire compendium on the science menu tended to burn her wood quite effortlessly. In fact, she was so proficient in all the science subjects that her family tried to interest her into becoming a medical doctor. But as it always is with all of life's major deci-

sions, Kabanda would choose to follow her heart instead.

"In O-Level, I enjoyed Mathematics and Technical Drawing so much that I reasoned it would be fun to do that for life," Kabanda says.

As she was winding up her secondary school, Kabanda would find a dilemma on which course to pursue on at university. Choosing between engineering and architecture would pun out to be as torturous as choosing between one's right and left arms. She had been drawn to Architecture because she loved Technical Drawing. However, when all cards were placed on the table, she chose civil engineering because it was broader.

through her company, Reenboog Construction Services Limited (RCS). The nascent Bugolobi-based company that she opened only two years ago has done some construction work for a reputable international non-governmental organisation and is currently undertaking construction projects in Bidi-bidi Refugee Settlement in Yumbe District.

Opening her own company has unearthed a whole new ecosphere for the young engineer. She says she has been amazed at how the engineering industry is ruled by businessmen and not engineers.

Kabanda says her experience running a contracting company has shown her why most engineers would rather keep on the other side of the river. It involves investing for so long without harvesting. It takes one out of their comfort zone and being a woman in man's world, it makes everything much more challenging. And yet, she considers setting up her company as her greatest professional successes, the insurmountable challenges notwithstanding.

"I am naturally a person who does not give up. Before my family, before my clients, I commit to myself. And I made a commitment to myself when I was 18. I wrote down things I wanted to do. One of those things was to set up a construction company. That alone means that no challenge can make me back down. Of course I have second-guessed myself several times but fortunately, I made it clear a long time ago that I cannot give up," she says.

As a new company on the scene, getting the first job is the hardest part. Kabanda got her first contract by being as tenacious as an A-list marketer. After registering the company, she approached one of the largest companies, Sogea Satom, and told them they would do well with her skills. "I told them I was a contractor. I can carry out works. I can supply. They told me they would get back, I pushed and pushed until they finally said yes," she says.

Challenges

"As a wife, you are supposed to take care of your husband and yet as an engineer, most times it's had to deliver on that perfectly. There is a lot of fieldwork involved which keeps you away from home making it very hard to achieve a balance. It takes a man who is a friend to be okay with a woman who comes home at 10pm. I am lucky to have that kind of man," she says.

The dream...

18

The age at which Mariam dreamed of setting up a construction company

Would she still choose a career in engineering if she had to start over?

"When all is said and done, Kabanda would not choose another career over this one.

The challenges of operating a construction business in a male-dominated world has taught her to be strong. Being as it is that the business is full of male porters, foremen, engineers, among others you have to learn a whole new set of people-skills. Men are not easy like women. They talk in a way that women might find mean but you cannot afford to take things personally."

To women considering an engineering career

"Go for what you want and be aggressive about it," Kabanda says sternly. "Girls should not shy away from a career in engineering. It is doable. Make a promise to yourself to not cower from the challenges."

She appreciates that one of the biggest challenges to women in this career is their role as a wife but advises that one should care to get a man who will support her. Talking about this during dating would be paramount.

"A male friend of mine once told me he wouldn't marry an engineer because according to him, it would be like marrying a fellow man," Kabanda laughs before saying not balancing work and life would sadly result in that sort of situation.

But she says when challenges of that nature come up, the tendency is for the woman to give up her dream for the man yet she advises that one should not aspire to just be someone's wife.

"Think about why your parents paid school fees for all those years. Never let anyone tell you that you cannot do something. When I started this company, I did not get very many encouraging comments. People will project their insecurities on you. 'Will you manage? Where will you get all that money?' If you listen to every opinion, you won't go far. It's between you and yourself. No one else. Not your parents, your spouse or siblings," she says.

Would she still choose engineering?

When all is said and done, Kabanda would not choose another career over this one. The challenges of operating a construction business in a male-dominated world has taught her to be strong. Being as it is that the business is full of male porters, foremen, engineers, among others you have to learn a whole new set of people-skills. Men are not easy like women. They talk in a way that women might find mean but you cannot afford to take things personally.

The future

I have big dreams for my company as well as myself. By the end of this year, I see myself growing the company finances to more than Shs1 billion. Anywhere after that, we are going global.

But in all as a female engineer, balance work and life. Let your husband get involved in your work. That way, he will understand you better when you have to be away from home. Support him in his endeavors too. Yet always remember family comes first.

YOUNG WOMEN ENGINEERS

Should engage mentors to get to the top

By **Chrispus Buule**

Although there are very few female engineers in the sector, Sybella Namirembe, a petroleum engineer, says the ground is well levelled for more females to join the sector. Namirembe believes that the females in the sector, especially the young ones, should engage mentors to support their dreams rather than talk them down on the nature of industry and who it is meant for.

She believes that many times what young women are told about the engineering sector scares them off yet according to her, no matter the complexities, the engineering world is very exciting because engineers are always solving the problems around them.

"Young women should embrace technology and question the status quo not just follow what has been done for the past years but rather add value. They should also challenge themselves in different engineering aspects in order to ease the complexities in the sector," Namirembe advises.

As a means of further levelling the ground for fair participation, Namirembe calls on engineering firms to re-think their strategy and accord female engineers vibrant tasks other than stereotyping them assuming they cannot deliver enough. "Fe-

male engineers are sometimes subjected to desk work yet if given tasks they can also go an extra-mile," she advises.

Considering a career in engineering

And indeed this woman, who is full of all these words of wisdom, spent several years in the construction industry before joining petroleum. And her love for the right subjects started off this journey.

"I loved Physics and Mathematics from the very start and having parents who were engineers also played a big role in endearing me to engineering," she recalls.

But the dream for this petroleum engineer then was civil engineering because construction works had been part of her life even as a child. "If I was not busy colouring pictures, I was in the sand and aggregates playing and building all sorts of things. This is how I spent my nursery school evenings all the way to primary school holidays as I sat on construction sites waiting for my mother to finish supervising different projects," she recounts.

And while in high school, Namirembe started procuring materials on behalf of the construction department during her holidays. She says she always went into the market with one rule she was taught –negotiation. That is how it has been since then.

With the urge to be a great engineer, Namirembe during her internship opted to fix the loopholes in the sector and that is when





she got acquainted with the importance of accountability. During her internships, she got acquainted with the importance of accountability and over the years, she has come to understand that accountability still lacks in the industry not only in terms of monetary value but also to different stakeholders that are affected by different projects.

Responsibilities and learning

Namirembe says at the moment, her focus is on identifying areas of improvement by adopting six sigma and lean principles, which are all quality management tools to support her in formulating strategic business goals and objectives.

She achieves this by working hand in hand with different departments in identifying areas that need to be improved and implementing new systems to improve their performance. Her key learning area is grit, which is key in such a competitive industry.

Planning for her work is also very essential in order to manage the three major elements of the industry; cost, time and quality. However, she says, in working as an engineer she has learnt to appreciate the power of teamwork.

Women engineers and recruitment

Advice to women engineers

“There is no room for being fainthearted. You go for the job aggressively until the last stage. I believe there are initiatives to create equal opportunities for women in the industry and the engineering community as a whole. Women have also become more aggressive and believe in themselves to excel in these fields. It is necessary that women interested in the industry stay ambitious, passionate and flexible.”

Namirembe says despite recruitment initiatives, there are still underlying critical issues that make it very hard for women to thrive in the industry. She notes that the culture within a given organisation also plays a critical role in the retention of female engineers.

A culture and behaviour within an organisation that promotes male engineers only suppresses skills that would otherwise add value to the industry. “The confidence, zeal and enthusiasm that women have expressed makes it very hard not to include them on different engineering teams. We are critical thinkers and thorough executors,” she proudly says.

However, Namirembe adds, that this potential can only be tapped into if organisations, particularly top management and line managers, create an environment that is friendly and supportive to female engineers.

To the women engineers

Namirembe believes that despite the hurdles blocking females from thriving in the industry, they should not be discouraged but rather press on to cause change and level the ground for others.

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Partnerships will give contractors edge

By **Chrispus Buule**

In order to forge a way forward for contractors in the country, members of the Uganda National Association of Building and Civil Engineering Contractors (UNABCEC) gathered at Kingdom Kampala on July 4, to discuss progress and problems facing their sector.

Ms Elizabeth Muhebwa, the executive director Uganda National Association of Building and Civil Engineering Contractors said as the association continues to streamline opportunities for local contractors, there is need to create partnerships with international stakeholders

“To entrench subcontracting up to 30 per cent of actual works on all development projects we have to ensure that foreign service providers partner with domestic service providers through sub-contracting or joint-ventures on all infrastructure projects whose values are above national reservation threshold,” she said.

While calling for support, Francis Karuhanga, the UNABCEC president, said the government should facilitate the acquisition of a revolving equipment lease fund worth about Shs104 billion into Uganda Development Bank. He also asked the government to establish a specified training centre for plant operator and machinery.

Minister of State for Works, Gen Katumba Wamala, noted that it is not possible for a local contractor, who gets money at high interest rates, to compete favourably for a project with a foreign company, which got funds from their

home country at an affordable rate. “As government we need to facilitate contractors to be able to access money at an affordable interest rate,” he said.

He added that in seeking quality works, local contractors need to be given an upper hand because government finds it hard to put maintenance clauses in contracts with foreign companies. “It is incumbent upon government, local contractors and all the other players, including banks, to work together as a team to help build the capacity of contractors,” Gen Wamala added. Jim Wei, the chief representative CGCOC Group Uganda, noted that much as there is a law to enforce local content, there is a need by the government to functionalise the Buy Uganda Build Uganda (BUBU) policy so as to benefit both the local contractors and other service providers.

Mark Anthony Muyobo, the executive director NC Bank Uganda, revealed that the bank had started a programme to finance equipment and assets. He added that the bank has already partnered with some members of UNABCEC such as Ganatra Plant and Equipment Limited to offer asset based finance support.

Still on equipment, Mr Baisama Awori, the National Sales and Marketing Manager Toyota Uganda, unveiled a Toyota Double Cabin that consumes 2.8 on manual transmission, which he said, offers a contractor support solution in addition to being durable.

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for sponsoring her mid-year Stakeholders Engagement Forum on July 4, at Kingdom Kampala



CONSTRUCTION VOTES 2021

Get up and let's be in class

The construction sector is the 2nd major contributor to Uganda's economic development after agriculture.

The construction industry and the thousands of workers it employs have much at stake in this upcoming election. Now more than ever, it is important to elect leaders willing to work for common-sense solutions to the challenges facing the construction industry and its workforce. Be a construction voter by registering to vote and voting in the general election 2021.



Are you an employer in the construction industry?

Research shows that 4 out of 5 workers want information from their employers about candidates, issues and elections. You are, therefore, encouraged to provide time and talk to your employees, family and friends to register now for national identity cards so as to be included on the national agenda.

Tell them the issues we are facing as the construction industry that can be addressed by the leaders. Employers should know that once the construction industry is streamlined and well developed, their standard of

living as stake holders in this mighty industry will be developed as well.

Provide time for your employees to register and get their National Identity cards now and encourage them to vote for only those candidates dedicated to promoting our industry. Mobilise them further to encourage their friends and relatives to do the same.

The simplest voter registration efforts on your part can produce high-yield results.



Potential candidate?

Are you an aspiring presidential, MP or District council candidate in the forthcoming general elections? Interventions to develop the construction industry are well underlined, kindly get in touch with us to include them in your manifesto and be assured of the construction votes.

Here is a simple calculation of the construction votes:

UNABCEC currently has **256** member companies each averagely employing **200** potential voters and each employee has an average of **20** friends and/or relatives. This gives us **1,024,000** votes from contractors.

Apart from these contractors registered with UNABCEC, the construction industry is composed of a lot more stakeholders namely; consultants, architects, surveyors, engineers among others who, in addition to their staff, friends and relatives, can make a constituency of over **2,000,000** voters.



TAX LEGISLATION in the construction sector

Dorothy Uzamukunda



There are various laws that affect businesses in the construction sector. These businesses, whether operating as companies, partnerships or individuals, may be contracted or sub-contracted to carry out engineering, architectural, building, and supervisory or construction works.

Uganda's tax regime for the construction sector is governed largely by five major laws. These are the Income Tax Act (ITA) Cap 340, the Value Added Tax Act Cap 349, the Tax Procedure Code Act, 2014, the East African Community Customs Management Act, and the Stamp Duty Act, 2014.

We also have various regulations under the main acts, and these include; the Income Tax (Withholding Tax) Regulations, 2000, the Income Tax (Transfer Pricing) Regulations, 2011, the Income Tax (Designation of Payers) Notice, 2018, Value Added Tax Regulations, 1996, and the Value Added Tax (Deferment of Tax on Plant and Machinery) Regulations, 2013.

Rulings from the tax appeals tribunal, courts and other common law countries also provide useful precedents on interpretation and meaning of tax provisions.

The URA Commissioner-General issues various practice notes spelling out the application of some provisions in tax laws. The practice notes are usually published in the Gazette.

We will first look at the Income Tax Act (ITA), which has been in operation since July 1, 1997. Generally, corporate income tax is imposed at the standard rate of 30% on chargeable income. Chargeable

income is calculated as gross income less allowable deductions. Individuals are taxed based on given tax bands and partnerships fall in the same bands. Branches of companies suffer an additional branch repatriation tax of 15%.

There are various initiatives in the tax law, which allow for deduction of business expenditure and capital costs in determining the income that is subject to tax. Start-up costs mostly relate to expenditure incurred in starting up and is commonly used as a default category for up-front capital expenses that do not fall within another depreciable category (that is, as depreciable assets, industrial buildings or intangible assets). There is also a deduction for minor capital equipment with a cost base less than UGX1 million if the item is able to normally function on its own. These initiatives apply to all companies in Uganda and construction firms are able to benefit as well.

The tax law also provides for the treatment of long term contracts. It is not uncommon for infrastructure projects to span over a number of years. ITA provides guidance on how the revenue from such projects should be treated when preparing income tax returns and when to recognise that revenue for tax purposes.

In terms of compliance, ITA requires all taxpayers to file income tax returns, whether they operate as individuals, partnership or companies.

Provisions relating to withholding tax are also contained in ITA. Withholding tax (WHT) is imposed on certain payments to both residents and non-residents in

respect of income derived from sources in Uganda, for example dividends, interest, rent, royalties, natural resource payments, management charges, payments under a Ugandan-source services contract and purchase of an asset from a non-resident. Where a construction firm is operating as a member of a group or in partnership with non-resident firms, it is likely that there may be payments on which withholding should be made. The default rate of withholding tax to non-residents is 15% but it may be reduced under given circumstances. In some instances, Ugandan taxpayers have additional withholding obligations, especially if they have been designated by the commissioner as withholding tax agents.

The WHT rate on local payments is 6% unless the payee is exempt.

Where tax has been withheld, the amount should be remitted to the URA within 15 days after the end of the month in which the payment subject to WHT was made. A WHT return must also be filed with the URA by the same deadline. The returns are filed electronically on the URA e-filing platform.

The ITA also provides for the obligations of withholding tax agents, which include withholding and remitting the correct amounts as well as issuing tax credit certificates (TCC). A withholding agent, who fails to withhold tax, is personally liable to pay the tax, which has not been withheld. Additionally, failure to deduct and remit WHT on time will attract interest and penalties. It is, therefore, important to review contracts entered into to determine withholding



entities, as such transactions can be supported on an arm's length basis. The regulations also provide for related penalties for non-compliance.

With respect to Value Added Tax, construction services, whether comprising engineering, civil works, or architectural designs are standard rated services and subject to VAT at the rate of 18%. According to the VAT law, every provider, who exceeds the registration threshold by making sales of UGX 150 million a year or UGX 35 million in any three month period, is required to register, charge VAT on the services and goods that they supply. This requirement also produces an obligation to file monthly VAT returns.

However, the VAT Act contains a number of incentives that taxpayers in the construction sector can benefit from. For example, a number of goods and services are exempt from VAT. They include supplies of feasibility studies, design and construction services provided to a developer of an industrial park or free zone, earth moving equipment and machinery for development of an industrial park, construction materials for development of an industrial park or free zone

obligations and comply with these to avoid interest and penalties.

Uganda has double taxation agreements (DTAs) with nine countries. These are Mauritius, Netherlands, Norway, South Africa, United Kingdom, Denmark, India, Italy and Zambia. Therefore, when payments that would normally be subjected to withholding tax are made to a recipient in a DTA country, they may be able to benefit from reduced rates under the tax treaty provided the recipient meets the eligibility requirements contained in the ITA, such as having economic substance in that country.

Uganda also has transfer pricing regulations, which apply to controlled transactions between related parties. URA also issued a practice note on May 14, 2012, giving details on the transfer pricing documentation to be maintained by each taxpayer that has entered into related party transactions with other group entities. Such details include the various companies involved and transaction details, including agreements and the pricing methodology used in determining the arm's-length price.

The transfer pricing provisions provide guidance on methods that are acceptable when allocating profits between group

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to a developer of an industrial park or free zone, services to conduct a feasibility study and design, the supply of locally produced materials for the construction of a factory or a warehouse and the supply of locally produced raw materials and inputs or machinery and equipment of an operator in an industrial park. Contractors and subcontractors of energy projects also enjoy a VAT exemption on goods and services provided to them.

Another key incentive that is useful is the VAT deferment for a VAT registered importer of plant and machinery who may apply to the Commissioner General to defer payment of VAT in respect of such items. This facility is useful for purposes of saving the importer the cash flow that would otherwise be used in making payment of VAT at importation.

There are, however, other provisions within the VAT Act, which taxpayers would need to be aware of. For example, the inability to claim input tax credit during construction phase as well as accounting for VAT on imported services, where such services are provided by a foreign supplier. This may especially be the case where a taxpayer is working with foreign suppliers in a consortium or where a contract is being implemented by a Ugandan contractor together with its foreign head office. The VAT Act requires the Ugandan client to account for VAT on imported services at a rate of 18%. The VAT paid on imported services cannot be claimed as an input tax credit irrespective of whether the company is registered for VAT or not, and, therefore, the tax represents an additional cost to the project company.

Construction projects are capital intensive and require the developers and contractors to invest large sums of money. While some funds may be provided by the owners, it is inevitable that businesses have to rely on financial services providers to provide additional funding for various projects. Firms that are engaged in construction may use either debt or equity. Both of these options have stamp duty implications. Stamp duty is payable on the nominal value of the share capital. Debt instruments such as mortgage and debenture documents as well as loan agreements are also subject to stamp duty

\$704.2 b

According to data from the National Endowment of the Art in the US, in 2013, arts and cultural production contributed \$704.2 billion to the U.S. economy, a 32.5 percent increase since 1998.

Facts.

Currently there are three main rates of import duty under the CET, 0%, 10% and 25%. Most capital goods (equipment and machinery) are subject to CET of 0%. In addition, the import of goods is subject to an infrastructure levy of 1.5% on the CIF value of the goods. At the moment, this is not applied on goods which have a 0% import duty rate and therefore, it is likely that capital equipment used in the construction industry would benefit from these initiatives. In addition, VAT and withholding tax are charged where the importer is not exempt. Exports are largely not subject to duty though the necessary forms have to be duly completed.

debt. If a business intends to rely on documents that have been entered into, it is important that stamp duty is paid on time.

In general, the Tax Procedures Code (TPC) Act provides for processes to be followed in the administration of all the domestic tax laws so that there is consistency in how the URA addresses various issues originating under the different tax laws. Some of the matters, which are covered under the TPC, include registration for taxpayers, tax agents and representatives; accounts and records to be maintained by taxpayers, filing of tax returns, tax assessments; the process of appealing against tax decisions, practice notes and rulings, offences and penalties; and how URA conducts tax investigations.

Uganda is part of the East African Community (EAC) customs union, which applies a common external tariff (CET) on goods imported from outside the EAC. The movement of goods within the EAC is generally import duty free (but other import taxes still apply). The import of goods and application of import duty is governed by the EAC Customs Management Act, 2004, (EACCMA). Rules of origin apply to determine where goods are imported from.

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In conclusion, it should be noted that the above tax provisions are not exhaustive, but provide a general outline of the tax regime applying to the construction sector. Where specific advice in respect of particular transactions is needed, consultation should be sought from a tax professional.

**Dorothy Uzamukunda,
PWC, Manager – Tax Services
dorothy.b.uzamukunda@pwc.com**

EARN AND LEARN: A smart choice for college learners

Abraham Nyanja



minimise resources, which is one of the core principles of a successful project.

I must state if there is any organisation or company that is willing to take on a fresh graduate and nurture him/her into the world of engineering through offering trainings that open up new ideas and pointing him/her into the right direction, that is the biggest offer you can ever receive as a fresh graduate.

I call upon all responsible stakeholders; the government, ERB, UIPE, UNABCEC, UNRA and institutions to put in place such opportunities so as to guide fresh graduates. We shall create a better world and mould better engineers if we all get involved.

Abraham Nyanja is a graduate Civil Engineer with Armpass Technical Services Ltd

The fear of securing a job placement from a prominent high-way contractor was my biggest worry. And as a Bachelor's of Science graduate, my biggest fear was of not being able to apply the science I had studied, relating it with the practical world of civil engineering.

Luckily, I got a chance to be on graduate training with Armpass Technical Services Ltd. I was attached to Mubende-Kakumiro-Kagadi road project under the supervision of senior engineer Reynaldo C. Gumawid Jr.

After two months, I was allocated a separate section under my supervision. This was the right opportunity to try out each and everything I had ever imagined in road construction, from how activities are scheduled to their practical execution.

When it comes to earn and learn, here is what you should know. At the start you have this fear whether you are worth what you are being paid for,

but when given a chance at a supervisory role, the fear of whether you are doing the right thing slowly reduces and you gain the passion. You also learn how to multitask and how to



UNABCEC GRADUATE TRAINING PROGRAM

UNABCEC initiated this program to offer graduate training to young construction professionals through our member companies. The pilot program focuses on final year students (2018/19 academic year) and fresh graduates of 2019, pursuing Construction and Engineering related courses at Makerere and Kyambogo universities. Once successful, the program will be extended to other universities and tertiary institutions in Uganda.

Are you a UNABCEC member?

Free yourself from the burden of advertising jobs for your company by utilising the potential candidates UNABCEC brings closer to you. Giving these early experiences to young professionals acts as an important stepping stone into their career.

This year's list of shortlisted candidates is ready at the secretariat. Choose yours today and make a difference.

Kindly support this program as we empower tomorrow's contractors and build the future for our industry.

BUSINESS ETHICS

The answer to sustainability



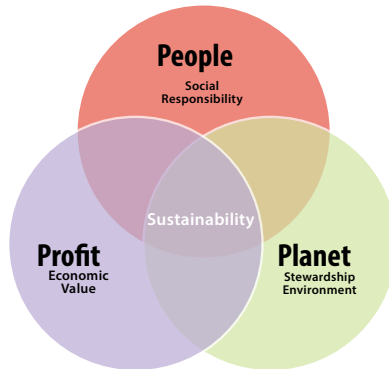
Eng. Ronald Mugabi > **UNABCEC BOARD DIRECTOR**



Business ethics refers to the contemporary organisational standards, principles, sets of values and norms that govern the actions and behaviour of an individual in the business organization. Acting ethically takes into account all the factors of doing business. These include production, business processes, and the company's behaviour with its customers and the communities in which it operates. It is about doing the right thing in everything the company does.

However, sustainability focuses on meeting the needs of the present without compromising the ability of the future generations to meet their needs. The concept of sustainability is composed of three pillars: economic, environmental, and social, also known informally as profits, planet, and people.

Ethics are a key facet of a companies' Corporate Social Responsibility (CSR), which they must endeavour to fulfill. The basis of modern definition of CSR is rooted in Archie Carroll's "Pyramid of Corporate Social Responsibility." In this pyramid a corporation has four types of responsibilities. The first and most obvious is the economic responsibility to be profitable. The second is the legal responsibility to obey the laws set forth by society. The third, which is closely linked to the second, is the ethical responsibility. That is to do what is right even when business is not compelled to do so by law. The fourth is the philanthropic responsibility. Also called



Source: UNF – Coggin College: Centre for sustainability Business Practices

the discretionary responsibility, it is best described by the resources contributed by corporations toward social, educational, recreational and/or cultural purposes.

Organisation's ethics must be instilled by its culture and leadership. Ethical failure in an organization can often be the result of inadequate leadership promotion of ethical practices, as individual's ethics become considered among the wider non-observance of professional ethics. Personal ethics are a reflection of beliefs, values, personality, among others.

Therefore, business organizations can gain competitive advantage by being concerned with ethics which involves list of rules, codes of practice, and restrictions on action that might harm others.

Organisations should comply with the following ethical principles:

- **Honesty:** Acting honestly and avoiding

conduct likely to result, directly or indirectly, in the deception of others.

- **Fairness:** Not seeking to obtain a benefit which arises directly or indirectly from the unfair treatment of others.
- **Fair reward:** Avoidance of acts likely to deprive another party of a fair reward for work.
- **Reliability:** Only provide services and skills within areas of competence.
- **Integrity:** Regard for the public interest.
- **Objectivity:** Identify potential conflicts of interest and disclose this to the party who would be adversely affected by it.

Accountability: Provide appropriate information so effective action can be taken where necessary.

An organisation's ethical philosophy can affect the organisation in many ways including its reputation and productivity. Positive ethical corporate culture improves the morale among the workers in an organization, which could increase productivity, employee retention and loyalty

There are at least four elements that aim to create a culture of good ethics and integrity within an organization. These elements are:

1. A written code of ethics and standards
 2. Ethics training for executives, managers, and employees
 3. The availability of ethical situational advice (i.e. advice lines or offices)
 4. Confidential reporting systems
- Business ethics ensure that a cer-

tain level of trust exists between clients and various forms of market participants with business. In construction, ethics has developed both at a professional and organizational level. Professionals such as engineers, surveyors among others have ethical codes to uphold as befits their profession, as do organizations. Ethical behaviour is often measured by the degree of trustworthiness and integrity with which companies conduct business.

A business that embraces good ethics and integrity has a positive reputation which draws customers, employees and suppliers. No one would wish to work or carry out any business transaction with a business that has a record of any form of unethical conduct. That is why most potential clients do thorough due diligence and research about a company before engaging in any business transaction with them.

Business ethics and integrity help businesses to have a competitive advantage in the long run. Competition in the construction industry is too high and therefore one needs something that will help them to out compete others. A business that is known to be ethically upright will always will always have an upper hand from legitimate stakeholders.

Poor ethical decisions can affect a company in a variety of ways.

Fines and legal settlements can destroy small businesses and cripple large ones, such come as a result of unethical conduct. For example failure to declare and pay tax may result in huge penalties and fines that can in turn bring down a company that has been doing very well.

A lack of good ethics and Integrity has a negative effect on employee performance. Additionally, employees who feel that acting ethically and following the rules will not get them ahead in the business sometimes feel a lack of motivation, which often leads to a decrease in performance.

Some construction companies in Uganda have faced penalties for significant breaches of ethics and compliance, on issues from bribery and collusion to exploit workers. Such companies have been



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Source: Carroll (1996)

blacklisted by the World Bank and others suspended by the Public Procurement and Disposal of Public Assets Authority (PPDA).

There are current laws or regulations that encourage ethical and sustainable practices. For example, the National Environment Act 1995 of Uganda. Organizations must ensure that they abide by these laws. This approach to CSR ensures that organisations can tackle the relevant sustainability challenges and in particular satisfy all its relevant stakeholders. This is good for the environment, for the people that work with the organizations, for the communities in which these organizations operate and also good for clients and therefore for business and profits.

Acting responsibly also benefits the reputation of organizations. This enhances the image of organizations as environmentally committed and responsible, giving good public relations in a competitive world market.

Sustainable practices are often the best business options for a company. As corporate reputation becomes more important and more companies are adopting ethical stances, taking responsibility for sustainability is increasingly important both to ensure reputation and also to satisfy the demands of a range of stakeholders. The benefits of taking responsibility for sustainability include an enhanced reputation which, in turn, leads to greater customer loyalty. The

benefits can also be seen in terms of efficiency, with businesses using fewer raw materials, less power and more recycling. Both of these have an impact on profits and shareholder confidence.

Organisations, therefore, need to conduct their activities in relation to economic progress, social responsibility and environmental concerns in an integrated way in order to be more sustainable and to meet the expectations of stakeholders.

In conclusion, Business ethics and integrity is critical for business sustainability and it should be taken seriously by all organisations if they are to survive over a period of time. Cavanagh (1998) puts it clearly, "without a value system or ideology, it is impossible to make consistent and reasonable decisions" and without consistent decisions, it is impossible to have sustainability.



Uganda National Roads Authority

Key highlights on UNRA physical

The Uganda National Roads Authority (UNRA), which became operational in July 2008 under the UNRA Act of 2006, is responsible for the management, maintenance and development of the national road network, rendering advisory services to Government on policy matters concerning roads, and assisting in the coordination and implementation of policy relating to roads. To effectively deliver on its mandate, UNRA is required to provide services in the most economical, efficient and effective manner; manage its affairs in a business-like and cost-effective manner.

The Road Network

The national road network has increased by 310.8km, from 20,544 to 20,856km in total length. This was verified through a network inventory update undertaken in 2018. The changes are due to the newly constructed roads and other roads that have been reclassified and gazetted as national roads by the MOWT for various reasons. 24% of the road network is paved to bituminous standards while the 76% is gravel.

Procurement

According to the Annual Procurement Plan (APP), the total estimated procurement commitment for the procurements initiated FY 18/19 was UGX 4,859 Bn comprising of 299 procurements. By the end of June 2019, the entity had signed contracts worth UGX 2,632,139,449,313 representing a performance of 54% of its Annual Procurement Plan (APP). The less than expected performance is because of two civil works procurements with a total contract value of UGX 883.7 billion, whose procurement process had been completed but were not signed by the end of the FY, awaiting approvals as follows: i) Oil Roads Package 4: Lusalira –

Nkonge – Lumegere – Sembabule Road Upgrading (97km) awaiting clearance of Solicitor General; and ii) the Upgrading of Muyembe – Nakapiripirit Road (92 km) and selected link roads (25 km) awaiting finalization of re-negotiation of the Loan by MFPED with the Islamic Development Bank.

The following contracts were awarded during the FY 2018/19 for the upgrade/rehabilitation of roads;

- (i) Civil Works for Upgrading of Rukungiri-Kihihi-Ishasha/Kanungu Road (78.5km) to Bituminous Standards to facilitate tourism;
- (ii) Civil Works for Upgrading of Masaka - Bukakata Road (41km) from gravel to paved (bituminous) Standards to facilitate agriculture;
- (iii) Kampala Flyover Construction and Road Upgrading Project Lot 1 and
- (iv) Civil Works for the construction of Busega-Mpigi Expressway (23.7km) to decongest Kampala City;
- (v) Package 5 Critical Oil Roads: Design and Build of Masindi- Biiso Road Upgrading Project (54km) Kabale-Kiziranfumbi, Hohwa-Nyairongo-Kyarushesha-Butole and Kaseeta-Lwera Road Upgrading Project (68km) to facilitate oil production;
- (vi) Upgrading of selected town roads (20.2km) in Mbarara Municipality to paved (Bitumen) Standard
- (vii) Rehabilitation of Kampala-Mukono road from junction Nakawa Spear Motors Junction to - Seeta (9km);

The following contracts have been signed for construction of bridges:

- (i) Construction of Alla (Anzuu), Gazi (Rhino Camp), Aca (Rhino Camp);
- (ii) Design and Build of 2 Strategic Bridges;- Jure Bridge on Atiak-Adjumani-Moyo- Yumbe-Manibe Road & Amou

Bridge on Laropi-Palorinya-Obongi Road, in (Moyo DLG);

- (iii) Ora 1, Ora 2, Awa and Olemika on Pakwach-Inde-Ocoko in West Nile Sub Region;
- (iv) Kagandi Bridge on Kagandi Natete-Busanza-Mpaka Road and Dungulwa on Kinyamaseke-Kisinga-Kyarumba-Kibirizi Road.
- (v) Nariamabune Bridge, Awoo Bridge and Enyau Bridge.

A number of contracts were awarded for the rehabilitation of ferries and construction of the ferry landing sites. These include;

- Design and build of Sigulu ferry permanent landing sites.
- The contract for rehabilitation of Old Bukakata ferry.
- Contract for design and build of landing sites for Bukungu Kagwara Kabera-maido (BKK) ferry.
- Contract for construction of Kiyindi Buvuma ferry and construction of landing sites.
- Contract for the Design and Build of Wanseko landing site.

Building Local Construction Capacity

This FY, Contracts worth UGX 736,953,042,566/= were awarded to local or resident providers in accordance with the guidelines for Reservation schemes for promoting local content. This represents 28% by value of the contracts signed in the FY 2018/19, up from 24% in the previous year. During the year, five engagements have been conducted with UNABCEC and the Uganda Association of Consulting Engineers to discuss ways of promoting and enhancing local content. This included reservation by threshold and sub-contracting as shown in the Table below:



Uganda National Roads Authority

performance in FY2018/19

Breakdown of contracts signed in FY 18/19 (Bn UGX)

S/N	Category	Reservations For Local & National Providers		Contract Awarded To Foreign Firms	Signed Contracts
		By Threshold	By 30% Subcontracting		
1	Works	406.6	162.6	1,894	2,300.7
2	Consulting Services	24.65	-	162.6	187.6
3	Supplies & Ncons	118.3	-	769.1	119
4	Delegated	24.8	-	-	24.8
Sub-Total		574.4	162.6	2,057.8	2,632.1
Total local firm with 30% subcontracting		574.4+162.6		Less (162.6)	
TOTAL AMOUNTS		737		1,895.1	2,632.1
%		28		72	54.17

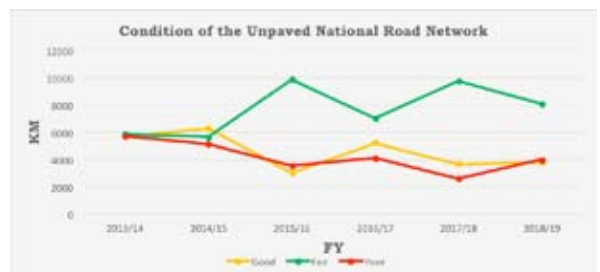
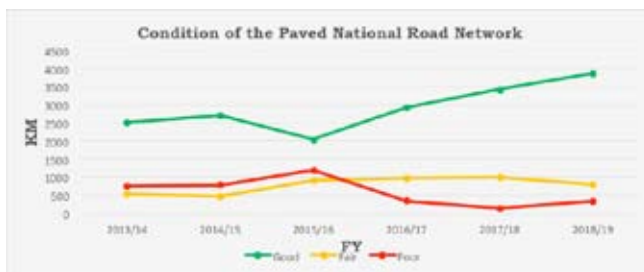
CONDITION OF THE ROAD NETWORK

The condition of the roads is a Key Performance Indicator that is used internationally for the roads system. It refers to the structure, roughness and unevenness of the road. The measurement of the road condition is by the

International Roughness Index (IRI). Roughness is a good indicator of the condition of the road because it affects the level of service in terms of the riding quality, speed and cost of vehicle operation and maintenance. The national roads network in fair to good condition was 93% for paved roads and 75% for

unpaved roads against the NDPII target of 85% and 70% respectively.

The trends in the improvements in the condition of the national roads are as shown in the figures below which depict that paved roads in good condition have increased over the past 6 years.



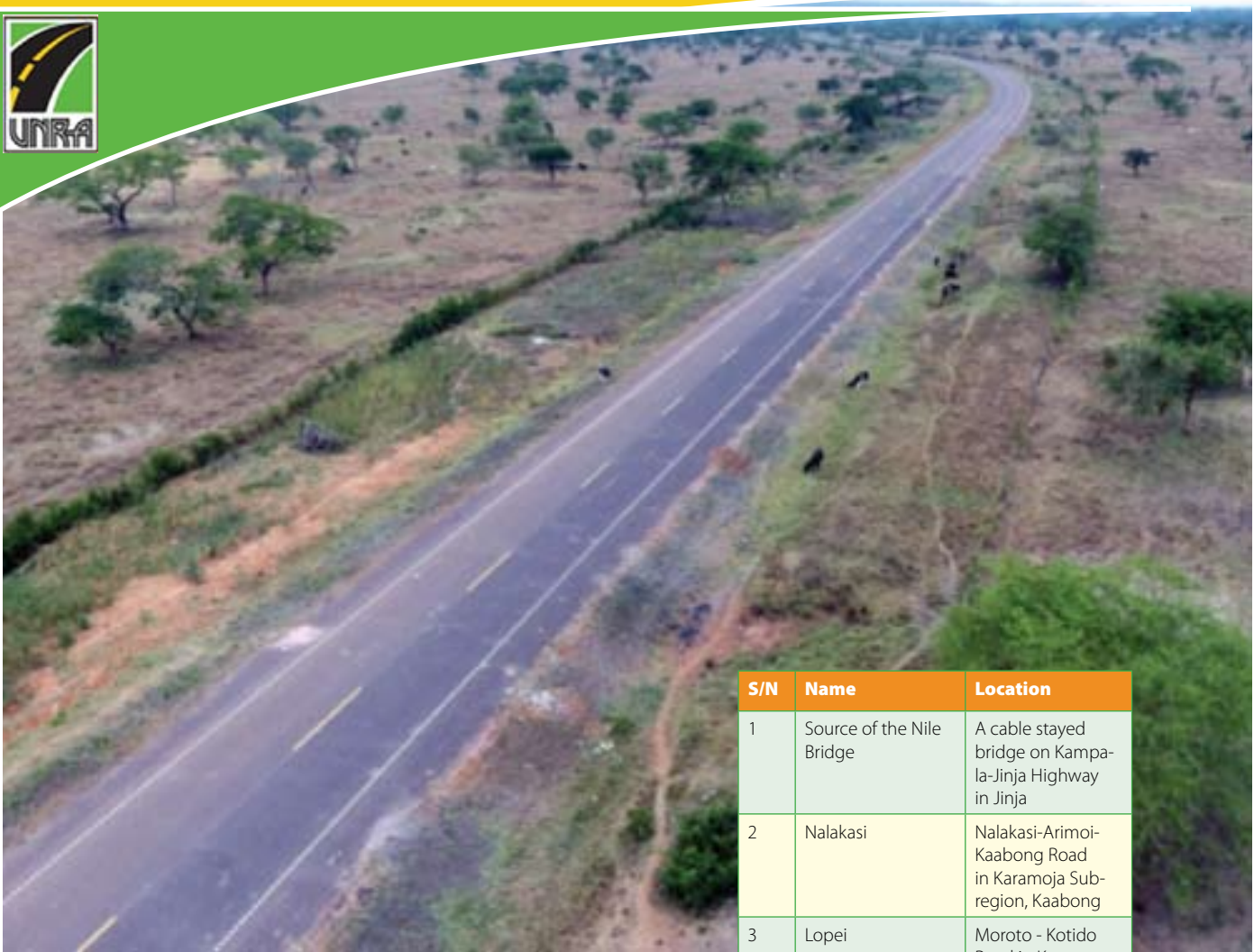
Road Development – Upgrading to Paved Bituminous

UNRA is currently upgrading 27 road projects (new construction and upgrading from paved bituminous standards) covering a total distance of 1,920.7Km. At the beginning of the year, these were at various stages of construction or physical progress. The incremental % increase in physical progress for all the projects was assessed to be equivalent to 349 as the total construction output

within the FY.

The paved roads refer to roads having an all-weather bituminous surface. The stock is measured by computing the number of completed kilometres of gravel roads upgraded to bitumen standard or new roads constructed to bitumen standard. Mukono-Kyetyume-Katosi/Nyenga(74km), Olwiyo-Gulu(70.3km), Akisim-Moroto (50.3km), Kanoni-Sembabule-Villa Maria(110km), Kashenyi-Mitooma(11.5) and Musiita-

Lumino (104km) projects will be substantially completed by the end of the FY, adding 420.1Km to the paved road network: This has resulted in an increase of 2% to the paved road network, which now stands at 4,971 Km (23.8 %) and 1,029km that need to be constructed to hit the NDP II target of 6,000km by 2021. The table below shows the annual increment in the stock of national road paved network since FY 2008/09.



S/N	Name	Location
1	Source of the Nile Bridge	A cable stayed bridge on Kampala-Jinja Highway in Jinja
2	Nalakasi	Nalakasi-Arimoi-Kaabong Road in Karamoja Sub-region, Kaabong
3	Lopei	Moroto - Kotido Road in Karamoja Sub-region, Moroto-Kotido
4	Kaabong	Kaabong-Kotido Road in Karamoja Sub-region, Kaabong
5	Ruzairwe	Ruzairwe Bridge on Kibaale-Kyebando-Pacwa road, Kibaale

Kanoni-Ssembabule (110KM)

The lifecycle of road development entails a number of activities undertaken before actual construction commences, such as planning and putting together financing arrangements and procurement. This means that, the substantially completed projects depend majorly on the speed of implementation and that of their lead times for project preparation and procurement.

Road Reconstruction/Rehabilitation

This FY, rehabilitation of 372Km of the national roads continued on six (6) road projects. This FY, 155.8 Km-equiv. was achieved out of the targeted 237 Km-equiv, which represents a performance level of 66%. Rehabilitation of Nansana-Busunju Section 2 (18km) was substantially concluded.

Major Structures

There are 661 major structures, comprising 424 bridges and 237 box culverts on the national road network.

Bridge Development

In the Last 4 Years, UNRA has constructed a total of 21 Bridges including 5 for this FY 2018/19, which have been substantially completed as shown below:

Ferry Services

The Nine (09) ferries at Kiyindi, Mbulamuti, Masindi Port, Laropi, Obongi, Kyoga 1, Kyoga 2, Nakiwogo and Bisina were fully operational and are delivered the scheduled trips.

This FY, Sigulu Ferry that will connect Namayingo district to the Islands of Lolwe & Sigulu, is awaiting commissioning after it was fully assembled and trials conducted. The vessel will provide safe means of transport to the communities of Namayingo, Lolwe and Sigulu Islands at no cost.



Uganda National Roads Authority



MV Sigulu Ferry exterior and the interior (inset).

THE 2019/20 FY OUTLOOK

Roads and Bridges Development

400km equivalent will be constructed and a total of 251km (including 69km of OPRC) will be rehabilitated while 5 bridges will be completed.

Upgrading Projects planned to commence in FY 2019/20

- i) Upgrading of Muyembe-Nakapiripirit road (92km)
- ii) Upgrading of Rwenkunya-Apac-Acholibur (191km)
- iii) Construction of Busega-Mpigi (32km) Expressway
- iv) Design and Build of Najjanankumbi-Busabala with Munyonyo Spur Interchange and Service Roads (11Km)
- v) Design and Build of Kira-Matugga (22Km) and Improvement of 5No. Junc-

tions.

- vi) Design & Build of Lusalira-Nkonge-Lumegere-Ssembabule roads (97km) (Package 4);
- vii) Design & Build of Masindi-Biiso, Kabaale-Kizirafumbi & Hohwa-Nyai-rongo-Kyaruseha Roads (106km) (Package 5)
- viii) Kampala-Flyover Lot1 (3.5km)
- ix) Mbarara town Roads (20km)

Upgrading projects to be completed in FY 2019/20 (373km and added to the paved Road stock)

- i) Soroti-Katakwi-Aksim 100km
- ii) Bulima-Kabwoya 66km
- iii) Kyenjonjo- Kabwoya 100km
- iv) Mubende-Kakumiro-Kagadi 107km

Bridges projects to be completed in FY 2019/20

- i) Nsongi
- ii) Mpondwe
- iii) Multi Cell Box Culvert At Ajeleik
- iv) Multi Cell Box Culvert At Opot
- v) Aji And Ora Bridges

Rehabilitation projects to be completed in FY 2019/20 (131.5km)

- i) Nyega-Njeru (10km)
- ii) Kyamate town (2.5km roads)
- iii) Fort Portal- Kyenjojo (50Km)
- iv) Rehabilitation of Hima -Katunguru road (60km)
- v) Nakawa-Seeta (9km)

Allen Kagina
Executive Director.

GENUINE PLAYERS

in construction on same footing



Francis Karuhanga > UNABCEC PRESIDENT

National, resident and international genuine players in Uganda's construction industry all agree that we must have contractor development models and programmes that are holistic and integrative in approach. We acknowledge that globalisation in the construction industries of developing countries is real, unstoppable and has the potential to destroy non-competitive national contractors. Developing countries, like Uganda, must meet the challenges of globalisation by strengthening the competitiveness of Small and Medium sized-Enterprises (SMEs) in particular.

At our bi-annual stakeholders engagement forum held on July 4, 2019 at Kingdom Kampala, we re-affirmed the interventions that we need for our industry. These are:

a. To entrench the National Reservation scheme with exclusive thresholds in procurement of works: UGX 25Billion for all roads and bridge works and UGX 10Billion for all other works be given to companies 100% Owned by Citizens of Uganda (National providers) or East Africa (provided similar benefit is accorded to Uganda citizen), UGX 25-50 billion for all road and bridge works and UGX 10-20Billion for all other civil works be given to both National and Resident providers (Resident provider shall be Incorporated in Uganda and operating with profit

for minimum 7 years) and qualification requirements of annual turnover and similar works previously executed ought to be half of the expected value of works.

b. To entrench sub-contracting up to 30% of actual works on all development projects. To ensure that "foreign service providers" ought to partner with "domestic service providers" through "sub-contracting, or joint-venture" on all infrastructure projects whose values are above national reservation threshold. The providers should be selected sub-contractors —sub-contractors so-

licitated from a recommended list of potential sub-contractors in the tender documents, and/or nominated subcontractors - nominated by the client or client's agent to undertake specified aspects of the main contract.

c. Initiate a 10-year strategic programme with total of 1,000km as Affirmative Road Development Pilot Projects to deliberate training to prime national providers for execution of real paved works thus reduce the unit cost of paved roads. This would address the critical need for domestic paved roads construction providers, and impact to stimulate further investment in equipment and human resource assets for domestic contractors. Every year you would engage 8 firms each contracted for 5km in Level I, then graduated to 10km in level II and finally 20km in Level III. Promotion from Level I to III is based upon good performance that include equipment owned and graduates and youth trained and employed.

d. To entrench Mandatory placement of graduate interns. This is to transfer skills to Ugandan youth by all construction companies operating in Uganda. Award training points for each graduate trained and registered in his professional to the company as a preference scheme during evaluation of bids.

e. Facilitate the acquisition of the



Any construction firm that is not assured of business for years cannot sustain itself because it cannot retain its skilled staff, nor pay its day-to-day costs including repayment of loans secured for initial investment which is very expensive.



Current and former Board Directors with other special guests at the mid year stakeholders engagement forum on July 4, 2019 at Kingdom Kampala.

revolving equipment lease fund of Shs104Billion onto Uganda Development Bank that offers good financing terms not exceeding 5% pa. The cost of construction equipment is very high for domestic contractors in Uganda, which has continuously pushed the local construction firms out of business.

f. To classify and register all works contractors in Uganda and adapt an enterprise development program where you incubate and promote small and medium local contractors from grade 1 to 7, based upon performance. This further promotes transparency and fair competition in procurement of works, goods and services in the construction industry. Currently, there is no specific registration of construction contractors in Uganda.

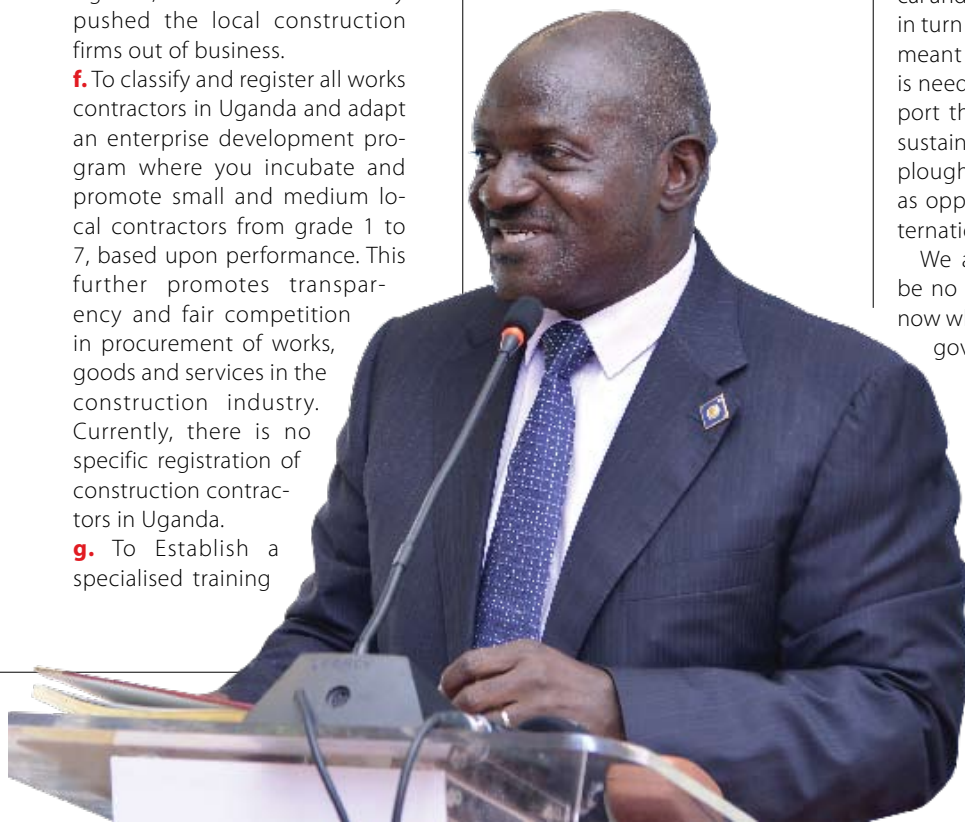
g. To Establish a specialised training

centre for training of plant operators and mechanics.

Any construction firm that is not assured of business for years cannot sustain itself because it cannot retain its skilled staff, nor pay its day-to-day

costs, including repayment of loans secured for initial investment which is very expensive. Construction Companies can only survive when they have work. In order to build sustainable capacity in the construction sector and build cooperation between local and the international contractors, which in turn will reduce repatriation of resources meant for transforming the country, there is need for Government of Uganda to support the industry. This shall contribute to sustainable employment in the country by ploughing back the profits into the sector as opposed to all being repatriated by international contractors.

We all must appreciate that there will be no other conducive environment than now when the sector is highly prioritised by government and fairly facilitated.



Gen Katumba Wamala, Minister of State for Works addressing genuine contractors at the mid year stakeholders engagement forum.



UNABCEC SACCO promises immense benefits

Can Eng Jonathan G. Mwedde

The vision of UNABCEC SACCO is to “Provide effective financial solutions to members by encouraging high quality, prompt and affordable credit to members”.

The mission is “To be the leading contractors’ financial institution in mobilizing saving and providing dedicated financial products and services to its members.”

The theme: “save together and grow together”.

The 23rd UNABCEC AGM in 2016 endorsed the proposal by the Directors to form a Savings and Credit Cooperative Society to provide a platform from which UNABCEC members can pool their financial resources together, through savings, to increase their earnings/investments so as to improve on their capacity.

Specifically, the objectives of the SACCO are to:

1. **Encourage regular savings**
2. **Build up a guarantee fund to support members requirements**
3. **Provide a negotiation platform for favourable lending terms by members.**
4. **Seek and provide investment**

ventures and opportunities for members.

5. **Support and complement various UNABCEC Advocacy and policy reform activities**
6. **Encourage the spirit and practice of co-operative movement in the construction Industry and the country as a whole.**

CASE FOR UNABCEC SACCO

The potential for effective and dependable construction sector in Uganda lies in the hands of the local construction players in this country: such as contractors, manufactures, suppliers and transporters, among others who must work together.

Contractors fraternity, came out to join hands through UNABCEC as a non-profit member-driven organisation. It was found necessary, however, that it would be prudent for the association to create a “trading arm” to support its membership to harness the numerous benefits it will offer. The target is that one day, the UNABCEC Cooperative society will grow to a strong and multi- purpose financial institution in the country.

UNABCEC SACCO benefits include but

are not limited to:

1. **High returns on savings**
2. **Instant access to low-interest loans**
3. **Access to individual or company loans with minimal/ or no collateral security requirements.**
4. **Advantage to block/Joint venture investments**
5. **Immediate access to society’s welfare resources and facilities**

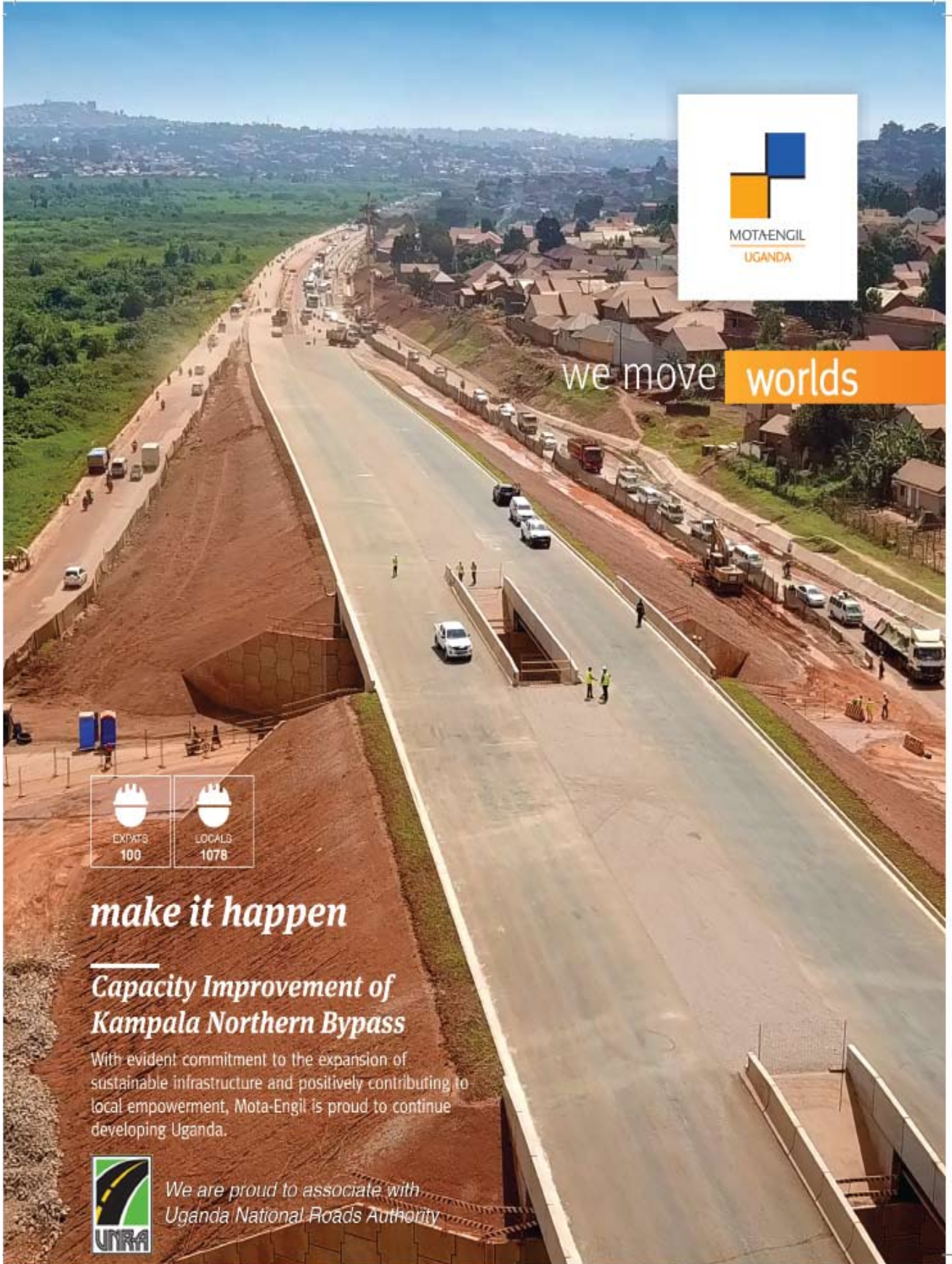
APPEAL

I wish to urge all contractors, manufactures, material suppliers of whatever size and capacity to join this movement (SACCO) destined to solve various financial constraints facing the contraction industry today.

By saving together, we shall surely grow together and eliminate the financial infancy that bedevils most local contractors in this country.

Can Eng Jonathan G. Mwedde is the chairman, UNABCEC SACCO
contractorssacco@unabceec.co.ug





we move worlds

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make it happen

**Capacity Improvement of
Kampala Northern Bypass**

With evident commitment to the expansion of sustainable infrastructure and positively contributing to local empowerment, Mota-Engil is proud to continue developing Uganda.



*We are proud to associate with
Uganda National Roads Authority*



Question and Answer session at the bidders' awareness conference.

E-PROCUREMENT

A solution to wastage and fraud in procurement

1.0 Background

Public procurement offers the largest business opportunities in Uganda. Uganda spends approximately 65% of the government budget through public procurement. However, Organisation for Economic Cooperation and Development (OECD) (2007) recognised that "public procurement is the government activity most vulnerable to waste, fraud and corruption due to its complexity, the size of the financial flows it generates and the close interaction between the public and the private sectors".

Despite some achievements through the different reforms in public procurement, Government of Uganda still has challenges with value for money and delivering quality service due to inefficiencies in the Procurement Processes. These challenges



The system will be piloted in 10 entities for a period of one year and thereafter rolled out to the rest of the procuring and disposing entities.

include:

- Procurement delays that have a significant impact on budget absorption by the ministries, departments and agencies.
- Procuring outside the procurement plan hence over committing government and creating an imbalance between budget and expenditure.
- Ineffective and inefficiencies in contract management
- Low levels of compliance with procurement laws and regulations.
- Poor procurement records management due to the poor storage of documents
- Centralised reference point for Suspension of providers due to fraudulent practices, misrepresentation and breach of con-

- contractual obligation
- low bidder participation

2.0 Business case

The Government of Uganda seeks to create value addition to public procurement through:

1. Improved transparency of the public procurement process
2. Improved governance and accountability for public funds
3. Improved budget absorption of government and development partner funds
4. Reduced bidding costs
5. Timely Payments for goods, services and works
6. Timely and equal accessibility to tender information
7. Obtaining real time feedback on tendering process
8. Promote bidder participation and competitiveness in public procurement
9. Improved public procurement efficiency
10. Centralised record keeping enabling improved decision-making

In bid to achieve the above key performance indicators within the public procurement process, government decided to go “e-procurement”. The new e-government procurement system is a web-based system that covers the entire procurement life cycle, all procurement modalities and keeps a record and audit trail of all procurement activities.

In order to streamline the implementation of the electronic government system, a project governance structure was established that constitutes the steering committee (highest decision-making body, a project management team as well as a project implementation team. The implementation is managed by three entities namely the Public Procurement and Disposal of Public Assets Authority (PPDA) (the regulator), National Information Technology Authority (in-charge of infrastructure) as well as the Ministry of Finance, Planning and Economic Development (the system implementer).

The system will be piloted in 10 entities for a period of one year and thereafter rolled out to the rest of the procuring and disposing entities. The piloting entities include PPDA, National Information Technology Authority, Kampala Capital City Authority, Uganda National Roads Authority, National Social Security Fund,



Miss Florence Nakyeeyune:
e-Government Procurement Project Manager.

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The e-procurement system has a vast number of stakeholders whose buy in is important in order to ensure system uptake and utilization hence the awareness meetings that are being held. These include; Political leaders (the President, Cabinet members, Members of Parliament), Project Sponsor Institutions (PPDA, NITA-U, MoFPED), Professional Associations e.g. IPPU, UNABCEC, ULS, CPA, UIPE, Development partners e.g. World Bank, FINMAP, Procuring and Disposing Entities (372 in number), the Bidding community, the Civil Society Organisations (CSO's), Opinion formers/leaders in the business community e.g. PSFU, UMA, Media and the General Public.

Civil Aviation Authority, Ministry of Finance, Planning and Economic Development, Ministry of Water and Environment, Mpigi District Local Government, Jinja District Local Government.

The e-procurement system has a vast number of stakeholders whose buy in is important in order to ensure system uptake and utilisation hence the awareness meetings that are being held. These include; Political leaders (H.E the President, Cabinet members, Members of Parliament), Project Sponsor Institutions (PPDA, NITA-U, MoFPED), Professional Associations e.g. IPPU, UNABCEC, ULS, CPA, UIPE, Development partners e.g. World Bank, FINMAP, Procuring and Disposing Entities (372 in number), the Bidding community, the Civil Society Organisations (CSO's), opinion formers/leaders in the business community e.g. PSFU, UMA, Media and the General Public.

Project Status

A number of project activities have been finalized and “go live” is around the corner. Below is a brief on the project status.

SN	Status	Remark
1	Readiness Assessment	Completed
2	Business process Reengineering	Completed
3	System requirements specification and design	Completed
4	Data Centre (Tier III ISO 27001 Certified)	Completed
5	Internet Connectivity –pilot sites	Completed
6	System development and customisation	Completed
7	User Acceptance Testing (PDE's and Bidders)	Completed
8	Awareness Campaigns	On going
9	End User Training	July 2019
10	Go –Live	August 2019
11	Post Implementation Assessment and feedback	October 2019
12	Monitor and Evaluate system performance	August 2019
13	Issue Vendor Certificate of Operational Acceptance	February 2019

Government of Uganda’s request to members of UNABCEC

UNABCEC is made up of a big number of government providers. It is, therefore, imperative that all the members are on board through the various awareness meetings that will be held as well as system trainings for contractors and engineers that will be channeled through UNABCEC. Therefore government of Uganda requests all UNABCEC members that they;

1. Embrace technology and in particular e-GP
2. Ensure technology readiness :-
 - Internet Bandwidth 2Mbps
 - LAN access
 - Computers capable of working with new system (

- Processor - dual core @ 2.4 GHz (i5 or i7 Intel processor or equivalent AMD)
- RAM - 8 GB
- Graphics Card - any with DisplayPort/ HDMI or DVI support - desktop only.
- Hard Drive - 320 GB 5400 RPM hard drive
- Wireless (for laptops) - 802.11g/n (WPA2 support required)
- Monitor - 15" LCD
- Operating System - Windows 10

Ensure people readiness:-

1. Up-skill your staff with ICT skills (ICDL)
2. Up-skill your staff with knowledge of the procurement processes
3. Develop the technical skills for bid preparation and report writing

4. Improve your processes including management processes (decision-making) for procurement efficiency.
5. Align your business processes to e-GP functionality.
6. Feedback to Government on your expectations and experience with the system.
7. Comply with Government statutory requirement.

Contact us

We Value Your Feedback please reach out to us at:-
 Tel:- 256 414 311 100
 Email: egp@ppda.go.ug
 Twitter: @eGPUganda
 Facebook :E-Government Procurement Uganda



Application Implementation Team responsible for development of the system.



Electronic Government Procurement Project Manager Florence Nakyeeyune sensitizing the bidding community on the system functionality.



Electronic Government Procurement System Support Team.

IS UGANDA'S PUBLIC PROCUREMENT SYSTEM BROKEN?

A construction perspective

By UNABCEC Staff Writer

Making case for a public procurement system

Globally, public procurement is mandated to meet any government's obligations to provide best value to its taxpayers and citizens by ensuring honesty, fairness and competitiveness.

In both developed and developing countries, governments are obliged to draw a line between protectionism and competition. Under protectionism, they have to provide best value for their taxpayers by safeguarding local industries against foreign competition. For instance, the United States of America recently tried to claw back automobile production from factories in Mexico and Canada to protect jobs for American workers.

Protectionism is particularly important in developing economies where nascent industries are struggling to provide quality, affordable products amid fluctuating exchange rates, credit-restricted financial markets, and competition from well-established foreign providers. This applies to Uganda and is more pronounced in the construction industry, which is a major employer and taxpayer.

Breaking the procurement norm

For Uganda to support its national industries, government must adopt an element of protectionism.

Inevitably, this means limiting competitiveness though procurement objectives of honesty and fairness.

Although limited competition in procurement usually means higher prices and less value for money, it is necessary, bearing in mind the need to develop national industries with emphasis on value for money for the public. In the first place, we do not want all our roads to be built by foreign contractors while Uganda companies are only sub-contracted to plant grass. On the other hand, we cannot limit all our roads to local contractors as they currently do not have the capacity.

Therefore, we need to break away from the strict procurement theory to make provision for economic development. However, the break must not be very big or permanent that objectives of competition are lost.

What breaks do we have?

The most common form of break found in pure procurement strategy is "margin of preference", especially prevalent when multi-lateral lenders are making agreements with national governments to promote local industry. Small percentages ranging up to 15% (I haven't seen higher) are added to evaluated prices of foreign competitors, allowing preference to local bidders who are higher than the foreigners but within the margin. Over the years, foreign providers have been finding ways through this obstacle (e.g. ABC ... XYZ (Uganda) Limited with a well-placed VIP as principal shareholder). I suspect that the margin of preference policy has had some effect but not as much as was expected. I have not seen studies as to the effectiveness or otherwise of this policy at any local, regional or global scale.

More recently in Uganda (March 2017), government introduced guidelines on reservation schemes to promote local content in public procurement. For us in construction, this meant road projects under UGX45 billion and other public (building as well as engineering) works under UGX10 billion were limited to local contractors, and for projects in excess of these values, at least 30% of the works were to be reserved to local providers. Government qualified the reservation by limiting any increase over the "assessed market price" to 15% (though exactly how this would be computed is not clear). Sadly, some powerful lobbies were brought to bear, and local providers, "whose majority ownership is held by Ugandan citizens", were quickly replaced by resident providers. There are also obscurities about modalities, not least the meaning of "30% of the works". However, the Uganda National Association of

Building and Civil Engineering Contractors (UNABCEC) is fully engaged with the authorities to resolve these matters and we are looking forward to a healthy supply of work in the future.

UNABCEC is also promoting a scheme with the Uganda National Roads Authority (UNRA) to support contractors seeking training and experience in bitumen pavement works. This scheme will address the issue of capacity and ensure that opportunities in this field are not lost for lack of qualification.

Simply put, governments are willing to have their citizens pay more – for Uganda, it seems up to 15% more – for the goods or services, as a price to support local service providers. The experiences outlined above show us that this is not always easy to implement but we must persevere. We must not lose this opportunity. We contractors must justify our case, which Ugandan taxpayers have to pay for. Our task is to persuade policy makers of the necessity and level of support required, which can be practically provided, implemented and checked for compliance.

OTHERWISE, ...

In Uganda, government provides best value to its taxpayers and citizens through the Public Procurement and Disposal of Public Assets Authority (PPDA). However, the question is; Does public procurement under PPDA function honestly, fairly and competitively?

The PPDA regulates construction procurement through published regulations and standard bidding documents. These regulations are based on international norms and generally provide a framework for effective procurement. PPDA has been at the forefront of investigating its own effectiveness (Procurement Integrity Surveys of 2009 and 2015) and publishing annual audit reports. Non-compliances have been found by PPDA.

Despite some challenges, PPDA has done what government asked; set up a public procurement, which can function honestly, fairly and competitively. The weakness lies in other areas where PPDA regulations are implemented. And it is here – policing of the implementation of the regulations – that the role of PPDA must be expanded.

LEST WE FORGET

Government does not control all construction procurement; there is a growing private sector demand for construction

services. True, this is limited more to the building side of our industry and less to the civil engineering side. Contractors can choose to balance their portfolio to lessen any perceived problems with public procurement.

Nonetheless, roads and bridges – infrastructure generally – remain as principal drivers of economic development, and government will remain the principal customer for such developments. It is the duty of government to support its local construction industry to provide these services rather than foreign providers. It must be good for the nation to have a vibrant and competitive local construction industry.

The determination of the optimal way forward, the improvement of the local provider reservation scheme, the acquisition of further skills by local providers, and fighting corruption are principal keys to improvement of the fortunes of the local construction industry. Since they involve government policy, these issues will take time to be ironed out. However, the industry needs support now. What can be done with short term interventions to improve the lot for UNABCEC members and indeed all players in Uganda’s construction sector?

Short-term improvements

We refer to operating conditions within the existing market. These do not require lofty economic strategies but rather common-sense steps. The operating conditions are not so much related to restricting foreign opposition as foreign contractors often work under Multilateral Development Bank contract guidelines, which frequently provide conditions better than those for local contractors. UNABCEC and government need to partner more closely and rather improve operating conditions, which will remove differential conditions inimical to local contractors, remove disadvantages and support our fledgling industry. Local conditions should not be disadvantageous to local providers but must be more advantageous than conditions for foreign providers.

In this context, government means all ministries and its agencies such as UNRA, PPDA and UBOS, which collectively regulate the operating environment for UNABCEC members.

What can we do?

Cash flow is the life-blood of the construction industry. However, in Uganda, banking controls on access to credit mean that all players in the industry supply chain restrict credit. When clients impose restrictions and delays in payments, the industry is squeezed from both sides, and contractors are unable to perform to their own capacity. The principal objective of any measures of support must be to ...

Improving the industry’s cash flow.

There are short-term and medium term measures that can be undertaken by entities and PPDA to support the local construction industry, chiefly by improving cash flow. These are:

- i.** Removal of penalties. Entities can immediately remove penalties, meaning conditions set by entities which are more onerous than those required by MDBs or PPDA. In fact, these conditions need to be made less demanding to strengthen local providers’ cash flow or other operating conditions;
- ii.** Selection of the most favourable options. Entities can immediately review situations where PPDA regulations provide a range of options such as level of retention. Entities tend to set levels at the disadvantageous end of a range of options (and sometimes beyond). These can be immediately changed to the end most advantageous to local providers’ cash flow;
- iii.** Amendments to PPDA regulations. This can be addressed in the medium term to improve support to local providers where practicable without prejudice to Government.

Entities to remove penalties

- 1.** International practice requires contracts to be fair and balanced if national construction industries are to flourish. A pre-requisite of fairness is appointment of independent consultants and a dispute board so that the prescribed process for dispute settlement can be followed. Instead, entities manage projects themselves with consequent penalising of providers by un-balanced settlement of disputes such as “extension of time but with no costs”. Entities should prepare for best practice contract management by appointing experts.
- 2.** Bid validity periods must be reduced as long periods eat into contractors’ allowances on fixed price contracts. Evaluation times are allowed in the pricing but ex-

tended valuation times are not. According to the Uganda Bureau of Statistics, inflation in the construction industry is at around 6% per annum or 0.5% per month. This means an average contract of UGX10 billion is losing UGX50 million per month of delay in award.

Multilateral Development Bank (MDB) sample bidding documentation requires that “normally the validity period should not exceed 120 days”. This is for large multi-lateral projects; smaller local projects should be dealt with more quickly. Duration of bid validity periods is set by entities as PPDA SI No. 8 2015, Regulation 52. Entities could assist local providers with quick evaluations, say within 90 calendar days without any delays, if possible. Entities frequently define days as ‘working days’ thus further extending the long validity period. Entities should follow best practice and define days as calendar days.

Despite long provisions, evaluation periods are frequently extended. MDB normally provides that any such extensions to the bid validity period be compensated (usually with a simple formula) to increase the eventual contract sum. Sometimes such extensions may be unavoidable, but providers are not at fault and should not be penalised by any such delays. If MDB guidelines can compensate foreign contractors, local conditions should similarly support local providers – the addition of 0.5% per month as described above would be fair.

- 3.** It has become common for entities to split advance payments into half and set preconditions for the respective releases. Such provisions are unnecessary since the entities are secured by the advance payment guarantee and have no need for further security. Such precautions are purely a burden to providers and the opposite of the often-claimed “support for local contractors”.
- 4.** Regarding interim payments; conditions of process for IPCs in local contracts need to be improved to be at least equal to MDB conditions for foreign operators;
 - a.** PPDA regulations should require entities to employ independent consultant engineers in most projects.
 - b.** Engineers should have a time limit from application for payment to preparing the interim certificate for payment.
 - c.** Employers should have an improved time limit for payment.
 - d.** Each of these limits should not be less than MDB conditions for foreign contrac-

tors; 28 calendar days.

e. Neither engineers nor employers should delay matters by returning applications for correction; corrections can be made by the engineer or, if identified by the employer, should be corrected by the engineer in the subsequent certificate.

f. Best practice adjudication procedures should be applied to resolve any disputes in real time to provide optimum cash flow certainty to entities as well as providers.

5. PPDA should make it clearer to government entities that a fluctuating price contract means the bidders make no provision for future price inflation. This is the intent of PPDA SI 2014 No. 14 Regulation 40. The calculation of fluctuations is to be applied throughout the contract period, not just the period in excess of 18 months. If the first 18 months is at the risk of the providers even in fluctuation contracts, the successive periods are not, and the base date should be set at the contract base date and not 18 months after the date. Entities seem bent on heavily reducing inflation costs due to providers. This must be reversed if they genuinely want to support local contractors.

6. In the fluctuation formula for the fixed element, entities frequently require 20% and even up to 35% as fixed price with no fluctuation. In PPDA SI 2014 No. 14 Schedule 2, the fixed element is clearly described as an element representing contractors' profits and overheads included in the price, and recommend a range of 5% to 15%. Entities should be obliged to require a portion within this range. The lower the range, the more assistance to the local providers, but the figure should never exceed 15%. For example, JICA standard bidding documents require 10% (0.1 out of 1.00), and foreign conditions should never exceed local ones if local providers are to be supported.

Entities select supportive options

a. PPDA Guideline 3/2014, Section 1 provides for a bid security of 1% to 2% of the estimated bid value. For open domestic bidding, entities should have a policy of using 1% to minimise bid security costs, as support to local providers.

b. As an alternative, the provisions of Section 2 (for bid securing declarations rather than bid security) for restricted domestic

bidding could be extended to open domestic bidding, at least for contracts not exceeding UGX45 billion in value to support local providers.

c. Section 3 provides that performance securities shall be determined by the entities and shall be between 5% and 10% of the contract value. Entities always select 10% yet if they intended to support local providers, they could, within the PPDA Guidelines, select 5%.

d. On advance payments – there are three issues:

- One of the alternative conditions for effecting the contract provided in SI 14 Regulation 13 is the receipt by the provider of an advance payment. It is also a standard condition of the FIDIC MDB contract. Yet entities usually exercise the option not to use this provision. On the contrary, they penalise providers with long payment periods – and in working days not calendar days (without lessening expectations for provider mobilisation).
- Entities frequently have the further penalty of providing no interest on late payment of the advance, meaning

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Nanjing Jinsong Machine Casting Co. Ltd.

Add: No. 66# Qianqiang Road, Luhe District. Nanjing City, Jiangsu Province, CHINA
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 Skype: sichaozh, Wechat / Whatsapp: +86-13851876820
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Email: btamale@yahoo.co.uk/
 info@thetamales.com
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there is no urgent necessity for them to meet the payment period obligation.

- SI 14 Regulation 44(3) allows advance payments not exceeding 30% yet entities generally limit the amount to 10-15%. To support local providers' cash flow, entities should always allow the maximum advance permitted by PPDA.
- To ensure support to local providers, entities should allow 30% advance payment, receipt of the advance should be a condition of contract commencement and delayed advance payment should be compensated with interest as any other late payment.
- e. The margin for interest to be allowed over the Bank of Uganda rates is usually set by

entities at zero or 1% or 3%.

- The current Central Bank Rate (CBR) is 10% and current BOU rediscount rate is 14%.
- Commercial banks today have a base lending rate of about 20.5%. Regular customers may get discounted rates of around 18% depending on money flows through the account.
- The purpose of the contract provision for interest on late payments is to compensate providers, who must borrow commercially to cover delays in entity payment. Any such borrowing is at market rates, which vary from account to account. Even this standard condition does not fully compensate for late payment, as contrac-

tors will have to negotiate for additional overdrafts or loans, pay fees and deposit assets to secure additional cash funds.

- To avoid further penalising local providers, entities need to set the margin at the actual commercial level so that at least interest costs are fully recovered.
- Currently, the margin needs to be at least 4% above Bank of Uganda rediscount rate or 8% above CBR.
- f. Retention at the option of entities is frequently set at 10% with a maximum of 10% (defects liability 5%). Entities seem to forget that they already hold performance guarantees. Entities should consider an international standard 10% max 5% (defects liability 2.5%) or can consider even more supportive rates to assist local providers, for instance, retention 6%, maximum 3% (defects liability 1.5%).

Suggested PPDA amendments

- 1) PPDA could raise the general issue that like MDB and FIDIC contracts, all days are calendar days, and multiples are in multiples of 7.
- 2) PPDA should consider the integration of Regulations 39 and 40 so that the limit of 18 months period of fixed price is lowered to say 12 months.
- 3) PPDA regulations need to stipulate that dispute boards/adjudicators are appointed within 28 days of date of commencement, are kept aware of progress, and make speedy decisions on claims. Current MDB/FIDIC provisions allow 84 days; for local contracts, this could be shorter.
- 4) PPDA regulations need to clearly identify procedures for delays, damages and extended costs, or require that standard contract procedures for such are followed by entities. This will provide the framework for professional and transparent actions by entities and consultants for both local and foreign contractors (for instance, to avoid action of awarding time but no money or other decisions penalising local providers).
- 5) On minimum interim payment, PPDA should determine a reasonable percentage such as 1%, which even with the smallest contract should cover. This is to avoid having the figure set too high, thus preventing regular interim payments.
- 6) Entities sometimes limit amounts of interim payments as an effort to 'whip up' the contractor, resulting in uneven payments and poor cash flow. This tendency should be avoided and providers should receive regular payment for the work they have properly done.



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Head Office: Plot 3/7 Spring road — Bugolobi, off Old Portbell road
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Regional Office: Fort Portal, Kabarole district

7) SI 14 Regulation 50 does not provide for compensation for late payment – PPDA regulation is required.

8) In respect of performance bonds and retentions, PPDA should consider two actions to support the local industry with improved cash flow:

a. Entities should allow performance securities from insurance companies; applicable to advance payment bonds as well as performance bonds;

b. Entities should lower the figure for retention, as proposed above.

9) PPDA should clearly stipulate what a fluctuating price contract means. The bidders make no provision for future price inflation and the calculation of fluctuations is to be applied throughout the contract period, not just the period in excess of the agreed limit;

10) Entities should be prevented by PPDA from transferring employer's risks onto contractors during defects liabilities periods. After completion, the works are returned to the entity, and all liabilities of that ownership are properly the entities and not the provider.

11) Regarding variation of price, PPDA should remove the contradictions of a 2% threshold and a 10% cap on the total adjustment. For a contract over 18 months, it would likely have a value, say of UGX 10 billion.

If fluctuation is 1.8%, that means UGX 180 million – if inflation is employer's risk, why should a local provider lose that cash? At the other end, say a 48-month project valued at PPDA local maximum of UGX 45 billion, at current UBOS rates we can expect a variation in price of around UGX5.4 billion – should the provider lose UGX900 million on account of this Regulation?

Variation of price is a risk that is accepted as government is more economical to accept than pay the additional price of the provider pricing that risk. Whenever inflation becomes exceptionally high, that is the time when fluctuations clause is needed – a cap of

10% runs the other way, leaving the provider to carry the risk. It should be compensated in full.

12) PPDA should set up a hotline or an investigation unit so that entities which fail to comply with the PPDA Regulations can be reported. PPDA, especially at tender stage, should be empowered to sanction non-performing entities in this respect. PPDA should be provided with additional resources to set up and maintain such an investigation unit.

Conclusion

Therefore, we want Uganda's procurement system to be improved to allow more participation by national providers. This will be possible as government changes its policies

to strike a balance between competition and protection. There are many gaps but negotiation with government entities and particularly Ministry of Finance, Planning and Economic Development should fix that.

The main problem is financial overprotection of government position by highly ambitious entities whose choices often give national providers very poor cash flows and contract conditions when compared to foreign providers.

Explanation and negotiation should eliminate those problems. Therefore, we don't consider Uganda's public procurement system broken but needs improvement and increased engagement with genuine stakeholders in the relevant sectors.



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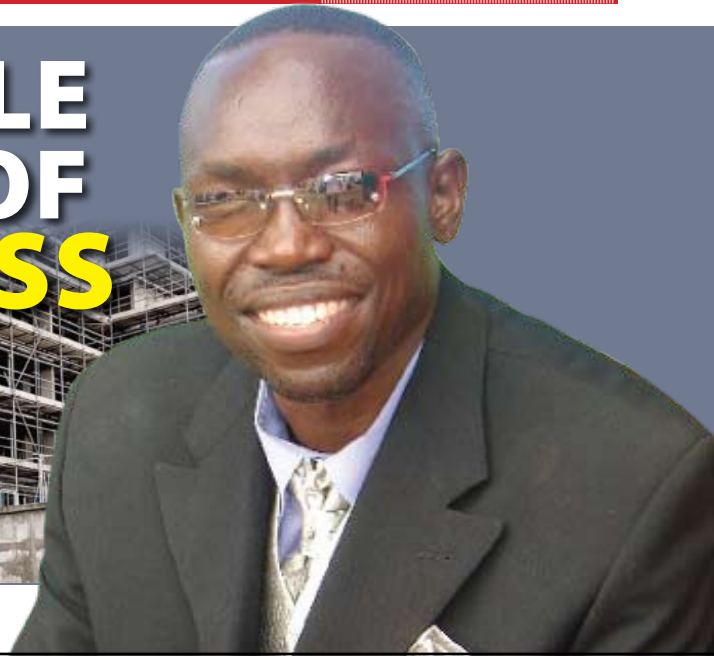
Soroti Municipal asphalt concrete roads constructed by Rocktrust Contractors (U) Ltd under USMID World Bank funded Project




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P.O. Box 355 – Jinja, Uganda, Tel: 0382 944 516

Kampala Office:
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E-mail: rocktrustcontractors@idg@gmail.com

PUTTING PEOPLE AT THE HEART OF YOUR BUSINESS



By JamesOne J. Olonya

As a leader, how often have you sought out your subordinates and proposed or inquired of the following:

1. How is the family doing?
2. How are you finding it here?
3. What do you plan on doing to improve yourself in the next five years?
4. Which areas do think we should put more effort or make changes?
5. What is your career aspiration and how can we support it?

Ordinarily, this is a tall order for many leaders as it comes with numerous bombshells of weight personality types, economic undertones and relational ramifications, among others. Yet, I trust that because you started off with the dream of building a model organisation, and with a leadership style from which many would draw inspiration, and because you carefully selected your departmental managers and their subordinates, now you may wish to explore the value of your management philosophy. In this article, I attempt to take you in that direction, and rationally.

ABSTRACT:

Somewhere within the subconscious mind of the most effective executives; whether in civic governance or private corporations, professionals are not hired to lecture or dictate what should be done, but to get what needs to be done and to be done commendably. As a result, they select worthy and smart individuals with whom to work with to

create an impact. That is an emotive way of terming "Putting People at the Heart of the Business"

People-centred Leaders care about both people and results; they know that the only way to get results is through their people. So how does this thinking play out in organisations today? Let us look at some common mistakes:

1. Bad motives:

- More often, general organisational executives predominantly think that the only reason to be in business is to make as much money and become as dominant as possible.
- When as a business leader, you work with that point of view, customers would be projected as "Central" and the "Empress," since they use your products and/or services.
- That is also the birth place of the cliché: "the Customer is the King/Queen". But you and I know that is a well-crafted pseudo courtesy, not normally reflecting the true intent. The goal is keeping the customer happy so that they keep using your product. By that, the organisation maintains influence on the customer.

In such cases, the people within the organisation are easily expendable as wear parts and replaceable with better performers. Therefore, such organisation downsizes at will, rank-orders them or gets rid of the bottom 10 percent all together; because they are perceived as tools.

2. Essential Perspective:

On the other hand, when the essence of purpose, values, competence and investment is born from a heart of service and focuses on the good of people, the result is irresistibly contagious. Besides, whatever we do technologically, religiously, socially, or otherwise, people remains central. This could be;

a) Why the International Standard ISO 27500:2016 focuses on human-centred organisation - rationale and general principles by prescribing:

- values and beliefs that make an organization human-centred;
- significant business benefits that can be achieved; and
- explains the risks for the organisation of not being human-centred.

b) It provides recommendations for the policies that executives and board members need to implement to achieve this.

c) It sets out high-level human-centred principles for executive board members to endorse in order to optimise performance, minimise risks to organisations and individuals, maximise well-being in their organisations and enhance their relationships with the customers.

Perhaps, Ken Blanchard put it better; "People-centred leadership, with its focus on both people and results, is servant leadership in action."

Super corporate leaders realise that their top-most customers are their people. They reckon that if they take care of their members, train and empower

them, such members become spirited about what they do. In turn, they will take the initiative to reach out and take care of their second most important customer; the people who buy and/or use the products/services of the organisation. This means they become the most inspired fans and raving promoters of the organisation.

Such fulfilled customers will keep coming back as they tell their friends and by that, they will have become part of the sales force. The ramifications are obvious; there is revenue generation, and the organisation becomes financially sound, which takes care of their third most important customer; the investors.

BUSINESS CASESTUDY FOR MANAGEMENT:

In recent decades, CEOs have time and again been bombarded with the buzzword phrase of “quality management systems”. True, the boom years have been recorded both in the industrial and service sectors due to structural, policies adjustments and development of standard operating procedures (SOPs) in organisations. Consequently, a generation of top-level managers embraced the development of a rich portfolio of planning and control tools designed to help them deal with the rapid pace of corporate growth and diversification.

The interrogations that remain and continue to bother most executives around the globe are about “effectiveness, comprehensiveness and sustainability”. We could do a custom-made study of the current success story of our local companies such as Café Javas™, and compare their effectiveness with Java House™. Here we could seek to understand why one is opening more branches while the other seems to be struggling, even in prime locations. However, we have no documents to back our discourse. So we shall take a dive in known cases of W. W. Norton & Company and 3M (Minnesota Mining and Manufacturing Company), which was done by Harvard Business School.

While examining the two companies, which opened at nearly the same time and similar jurisdictions and privileges. The researcher found out that while Norton Company participated in the managerial revolution enthusiastically than any other, the competitor at 3M were quietly registering more and more profit and growth through diversification. The details discovered the following:

1. Norton Company:

Their choice:

- In the early 1970s, Norton pioneered the use of profit impact of market strategies, known



Super Corporate Leaders ... reckon that, if they take care of their Members, train them, and empower them; such Members become spirited about what they do”

KEN BLANCHARD



In an effort to make workers more predictable and controllable, managers of the 1950s created “the organization man,” who was stripped of individuality and initiative.”

SILBURN CLARKE.

as PIMS.

- They relied on a computer model that analysed the impact of “37 factors on a business’s profit potential”.
- It became one of the first companies to adopt the Boston Consulting Group’s “Growth/Share Matrix”.

Their task:

- To allocate strategic roles to a company’s businesses based on their cash-flow characteristics.
- To adopt the latest management system, and become an early convert to the “Nine-Block Grid”, which allowed companies to match strategies to each of their businesses according to their competitive strengths and the attractiveness of their particular industry environments.
- To do back planning and control reports, supported by staff analysis. Norton’s corporate executives used these and similar tools to screen acquisitions while pushing existing businesses to improve profits constantly.

The result:

In spite of all Norton’s state-of-the-art management systems, its diversification efforts never met expectations of management and shareholders, and the performance of its core abrasive business remained disappointing. Persistent poor results left the company vulnerable and in 1990, it was absorbed into the French giant, Compagnie de Saint-Gobain.

2. 3M Company:

Meanwhile, 3M achieved the diversification aims that eluded Norton by taking a very different tack.

Their choice:

The leaders there placed little emphasis on top-down planning and control.

Their task:

They instead, nurtured the innovative ideas of frontline engineers and sales representatives, thereby building an entrepreneurial engine that generated a stream of profitable new products and promising new technologies.

The Result:

- Going into the post-war boom, 3M and Norton were roughly the same size. By the mid-1980s, 3M was reporting sales eight times those of its old competitor.
- 3M was named for the fifth time in six years on Fortune’s list of the “Ten Most Admired Corporations”.

3. Discussions:

One factor chiefly explains such different results for the two companies with similar origins and goals:

a) Their management philosophies and styles. If Norton was an archetype of a “systems-driven company”, 3M epitomised a “people-centred entrepreneurial model”. That is the essential model for competing in today’s post-industrial, global markets.

b) Over the years, 3M’s top management developed a very different relationship with its organisation’s members than the one that evolved at Norton.

c) Although information, planning, and control systems were clearly part of the management process, they did not define 3M’s primary communication channels.

d) Individual entrepreneurs there have always been able to present their ideas directly to management and discuss them in face-to-face meetings. As a result, 3M’s top management has seen its role much less as directing and controlling employees’ activities and more as developing their initiatives and supporting their ideas.

The chairman and CEO, Livio D. DeSimone, stated: “3M’s philosophy has been at the core of its ability to renew itself continuously. Senior management’s primary role is to create an internal environment in which people understand and value their way of operating... Our job is one of creation and destruction – supporting individual initiative while breaking down bureaucracy and cynicism.” Livio added: “It all depends on developing a personal trust relationship between those at the top and those at lower levels.”

4. The Inference:

The Harvard Business School researchers concluded with a single theme: ‘From Organisation Man to Individualised Corporation’.

Norton’s systems-based approach to management was part of what is described as the “strategy-structure systems doctrine.” The doctrine took hold when increasing size and complexity saw the CEOs take to delegating most of their operating decisions to newly installed division-level managers. Senior managers recast their own jobs as: “defining strategy, developing structure,

The Strategy-Structure-Systems Management Model enabled companies to grow for couple decades, but never to outlive their Founders. Accordingly, the problems that many companies are experiencing today are inherent in the philosophy underlying that model, which originated with the teachings of Frederick Winslow Taylor.

and managing the systems required to link and control the company’s parts”.

The Strategy-Structure-Systems Management Model enabled companies to grow for couple decades, but never to outlive their founders. Accordingly, the problems that many companies are experiencing today are inherent in the philosophy underlying that model, which originated with the teachings of Frederick Winslow Taylor.

The problem with that management approach was that its assumptions about the unpredictability and pathology of human behaviour became self-fulfilling prophecies. The systems that ensured control and conformity also subdued creativity and initiative. Stripped of individuality, people often engaged in the very behaviours that the system had been designed to control. At best, the resulting organisational culture grew passive, with amused resignation and employees implemented corporate-led initiatives that they knew would fail. At worst, the tightly controlled environment triggered antagonism and even subversion. People deep within the organisation found ways to undermine the system that constrained them.

Very few executives are actually willing to look “the fallacy of control” in the face. Conceivably, this is fabric lesson to the “brutal entrepreneurship” from a “syndicalist”.

THE FALLACY OF CONTROL:

Let us bring out a much horrid side of the “fallacy of control,” I think of the fable that my uncle told: “a brutal lesson from a ‘syndicalist to an entrepreneur”, which I think of as a classic firm perspective on the subject.

My uncle was one fascinating type, unusually able to bring exhilarating ways of canoping cosmopolitanism into cul-

tural eremitism. He would weave world matters so beautifully with issues in our surroundings as he relayed modernism to inspire our young minds. In one such fantastic moments, he spoke of a not-so-long-ago African fable:

“In the land of Aroo; right in the midst of their extreme mayhem and despondency, a young man with no genealogical history of royalty arose to lead his people. Chief Rwom Wonlim initiated a drive for change known as Turupeko, aka Purging Lack. Under the semblance of transformation to modernism, Wonlim was steadily suppressing his own people, leaving them terrified and stripped of their properties, food, and liberty.

Meanwhile, the people outside Aroo were unaware about what was going inside the territory. Instead, they envied him and spread rumors that Wonlim had dramatically pushed the land forward, and Aroo was fast becoming a modern industrial society. There were massive projects to show, the size of which the locals had never seen; testaments of robust policies and systems. Hills and mountains were moved, courses of rivers altered, industrial units sprang up, bringing supplies of new products, and foods,” my uncle narrated.

“Chief Wonlim was himself esteemed as the model of iconic leadership. ‘Project Turupeko’ demonstrated his triumph, and projected him as the embodiment of the ancient spirits that is now eradicating poverty, ignorance, and venality. ‘He is the acclaimed benevolent “Father-of-the-Land of the Land, Aroo’, chanted the mesmerised throng.

At one such event, a small group of neighbouring communities gathered with their story tellers and scribes to listen to Wonlim talk, as the man of the people. He took his guests around model farms, interacted with the workers, and answered exclusively selected and prepared questions from his guests—all as planned. The farm workers were showcasing their presentations. Wonlim’s presence was as profound as ever.

Wonlim walked casually through the barnyard spreading crumbs of locally made bread to a group of Ducklings—all the while answering the prearranged questions. “Yes, domestic farms’ output has increased tremendously, as we municipalised farming production,” asserted Wonlim. “The results; grains, fruits, and tubers are in abundance—besides the

animals," he said. "Even these ducks have increased egg production," he added.

"Everyone nodded with ecstatic gesture, as they marvelled at the leadership genius of Wonlim by his programmes, and that is all there was to know. That was, until one typically sceptical Munu Macolian scribe dared to ask a straightforward but spontaneous question. 'Chief,' the scribe beckoned, "How long do you think you will keep up with the pretence and underlying carnage?"

"Without immediate reply, Wonlim just continued spreading the crumbs.

"Trying to get his point across, the scribe asked again, 'Don't you think when you continue mistreating and exploiting your people, they will one day rise up against you?'"

"The cronies were dumbstruck with fear, and his aides were overtaken with panic. On feeling the apparent apprehension caused by the question, Wonlim gestured for them to halt. He then grabbed one of the ducks and held it tight under his arm. And as calm and confident as he could, Wonlim said: 'We have more produce because we have worked the farms, and we can sell vegetables, grain, poultry et al; we are building a capital base in order to build ourselves into a modern society, and as the needs of our people are being met.' He spoke as he continued ripping the feathers off the duck's back."

"The poor bird quacked, shrieked and squawked in agony but Wonlim's grasp was tighter. He calmly turned to the scribe: 'Our efforts are a demonstration of the ability of man to turn the page to a new dawn and our land shall overcome every individual faintness and greediness that kept us, and many other people, from solving the problems suffered.'"

"The scribe stared in horror as Wonlim savaged the duck, and later threw it down, headlong. The bird wilted and squealed hopelessly on the ground, quivering—with flabbergasted struggles, it sought to recalibrate to find it bearing and move. While the feeling of antipathy and fear overtook the members within the farmyard, Wonlim asked for more crumbs from the attendants, and continued to scatter the feeds to the other ducks, which clustered around him.

"The scribe stammered: 'What is the meaning of this... Why...?'"

"Wonlim, seemingly oblivious of the scribe's questions, said: "In Aroo, as it shall hopefully be everywhere, togetherness must be upheld over individual abilities, and for the benefit of all."

"While Wonlim continued in his stoic travesty, the wounded duck crept back toward the edge of the flock to have some of the bits of crumbs remaining on the ground. Knowing exactly what point he wanted to make, Wonlim reached again into the bucket and pulled out a fresh handful of the bread crumbs and held out his hand toward the injured bird. The animal hesitated a bit, raised its head to the correct angle and shyly stepped forward toward Wonlim. In a twinkle of an eye, it was eating the crumbs right out of the hand that just a little while back had dithered the feathers right off it's back."

"Wonlim dropped the remaining crumbs on the ground stood and turned toward the scribe, and flatteringly said. 'Does that answer you?'"

"The scribe hesitated, cocked his head in total bewilderment, and responded, 'I see what you mean sir. I get it. Thank you', as the bursting horror of the inhumane viewpoint inundated his mind."

I must say, the tale taunted me to the core, and I kept probing where my uncle got the story. Later on, in my advanced learning on human societies, I met a related story that has helped me to understand the prodigy of my uncle's style of inspiration. My uncle was ahead of his peers.

The brief lesson:

Is the story, Chief Wonlim is not any different from the majority of leaders elsewhere? We may ask, "What actually is the driving force in most organisation's leadership philosophies; indigenous or multinationals today?" For the "sharks" to survive, there must always be some deluded "ducklings". Surely, as someone asked: "If a 'duck' falls into the 'shark's waters', can anyone blame the 'shark' for eating it? The blatant truth is:

- The majority of people are weak and do not know any better, like that duck. They keep coming back to harmful situations.
- There are also unscrupulous individuals out there; I mean really bad people, who hurt others to get what they want. There are a lot more of them than we are willing to accept and they

look just like you and me.

- Then there are others who will hurt you on purpose just because they don't like you or they feel threatened by you, or just because they can.
- Others never see life beyond amassing mileage; it does not matter who they drain financially, mentally, emotionally and physically. While they have certifications from renown colleges, have statutory certifications, immigrations details, UNBS approvals, tax clearances, etcetera, they only do so as an obligatory camouflage. They remain focused on their quest for aggrandisement. Perhaps they are simply unconscious about their ability to make credible choice, because they have never been calibrated on fundamental values and standards.

However, I still believe that there are still great employers out there. I trust that you are one of them. As a great leader, may your own personal values guide you not to exploit other folks. The questions for you should always remain: "As a great employer, what must 'putting people at the heart of the business' mean in practical terms?"

The next sections of this treatise looks at the most common reasons for employee satisfaction/turnover.

EMPLOYEES' SATISFACTION/TURNOVER.

Having served at management level in multinational companies for more than two decades, and being a proprietor myself, I have come to conclude that every person we have met, or that we will meet and/or see, they have experienced some life's twists and turns, and are carrying within themselves some deep seated quests. Majority is seemingly asking: "When will I find a community of folks; through which my persona and contribution shall be celebrated, so that I too shall find fulfilment?" This is because every single individual bears an in-born potential and are longing for the right atmosphere where they can blossom.

Whereas there are some exceptions, the thing is if you and I can create such environment, even the least likely person will amaze us. Victor Hugo captured the quintessence of challenge of "Putting People at the Heart of the Business",

CONTINUED ON PAGE 42



Boost your capacity by utilising UNABCEC'S SPECIAL DISCOUNT PROGRAMS

Mike Serunkuuma

Certified UNABCEC members set to benefit from the MoUs signed under UNABCEC's discount programme

UNABCEC, under her discount programme, provides her members with access to high quality services, latest technology and top-of-the-line products at discounted rates. From discounts on heavy equipment to construction supplies and construction management solutions, UNABCEC has signed Memoranda of Understanding (MoUs) with different suppliers of construction equipment and materials that will help build capacity for her members to execute mega projects.

Equipment is one of the major success factors for contractors in the execution of their projects. If contractors are not well equipped, the country also faces the danger of sub-standard road infrastructure. That is why UNABCEC in partnership with

Ganatra Plant & Equipment Limited (GPE), the sole authorised distributors for the JCB brand in Uganda and Kenya, and NC Bank as the financier, will see UNABCEC members receive benefits that include the following;

- 5% subsidy on purchase of equipment
- 2 years extended warranty
- 2 free services
- 1 year comprehensive insurance cover
- Complimentary operator training in Nairobi
- Complimentary mechanic training in Nairobi

This will enable member companies to acquire equipment without straining their cash flow.

However, operational costs is another

major factor affecting performance of contractors. To this regard, UNABCEC has partnered with **Tyre Express (U) Ltd** – suppliers of the highest quality original tyre brands to supply tyres to UNABCEC members at a subsidised cost.

Under this partnership, Tyre Express (U) Ltd will provide UNABCEC members with a 10% discount on tyres for 4X4 & SUV cars, 7% discount on Passenger car and truck tyres and 5% discount on Off The Road tyres (tyres for Construction Equipment)

In a bid to promote a safe working environment on job sites of her members, UNABCEC has partnered with **Africa Road Furniture Ltd** – the professional manufacturers and suppliers of all Road Traffic Control

Ganatra Plant & Equipment Ltd offers special discount on JCB equipment and other incentives to UNABCEC members including:

- 5% subsidy
- 2 years extended warranty
- 1 year Comprehensive Insurance cover
- 2 free services
- Operator training in Nairobi

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<p style="text-align: right;">UNABCEC +256 704 637049 / +256 392 795036 executive.director@unabcec.co.ug <i>Plot M764, Coronation Avenue, UMA Show-grounds, Lugogo</i></p>		

signs (temporary and permanent), Road traffic equipment, Factory and institution safety labels, Car reflector plates and Screen printed products.

Under this partnership, UNABCEC members will receive 5% discount on the products supplied by Africa Road Furniture Ltd.

We are delighted that these global leaders in the construction industry are stepping up to fill major gaps that constrain the growth of contractors and impose barriers on their ability to tender for major work packages.

“We are confident that these partnerships will increase the number of participants across the value chain of the physical construction sub-sector and contribute to fair competition,” says Mrs. Elizabeth Muhebwa, UNABCEC Executive Director, at the mid-year Stakeholders Engagement Forum that took place on 4th July, 2019 at Kingdom Kampala building at which these partnerships were launched.

Present a copy of your valid & certified membership certificate to below

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256(0)704 786 454 / 774 514 184 Tel: +256- 393 264 340
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Mike Serunkuuma is the Programs Officer, UNABCEC

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when he said: "There so much misery in the lower level as there is inhumanity in the higher level." When your subject mourns, you will have denied them the opportunity for loyalty to you, which is also the most common reason for employee turnover.

1. Employee turnover:

Glassdoor Research™ arrived at the extrapolation that 53% of employees are dissatisfied with their current jobs, and are looking out for every opportunity to leave. The research further concluded:

- a) A total of 20% gain unnecessary weight at their current jobs because of negative work environment;
- b) Ten percent never take a vocation because of stress and pressure;
- c) A total of 50% will quit because of monotony, lack of engagement and challenge;
- d) A total of 23% are looking for opportunity elsewhere, because of lack of recognition and benefits.

When people are not at the heart of our businesses, we may gain some mileage, but because it is at the back of cursing and mourning souls, it will only be a matter of time before our moments of rest is full of the echoes of the sigh of the souls who served us rise. Robert Burns in his book 'Was Man Made to Mourn (1786)' said: "Man's inhumanity to man makes countless thousands mourn!"

2. Employee satisfaction:

Amanda Stansell of TechRepublic™ points out the major mistakes of well-meaning employers: "89% of leaders think people quit/stay because of [not] getting enough pay. People desire to add value, have impact, be significant and be part of your purpose".

Accordingly, employees stay in their current employment because of one or a combination of the following:

- a) They feel appreciated and listened to;
- b) They receive mentoring and challenges;
- c) They advance and have learning opportunities;
- d) There's appropriate compensations and benefits.

While the dynamics in a family will always remain more intricate, the similarity with an employment setting is that when we take talented persons as family members, they start by developing the guts to train and lead others for the benefit of the family/organisation. People want to work for a firm that values, rewards and appreciates them.

TAKE HOME:



Stripped of individuality, people often engaged in behaviours..., resulting organizational culture that grew passive; with amused resignation."

CHRISTOPHER A. BARTLETT & SUMANTRA GHOSHA



Majority is seemingly asking: "When will I find someone... a community of folks; through which my persona and contribution shall be celebrated and rewarded, so that I too shall find fulfilment?"

SELAHI!



... for the 'Sharks' to survive, there must always be some deluded 'Ducklings'."

UNCLE.

In our next series on "Putting People at the Heart of Your Business", we shall endeavour to look at subtopics such as:

1) Organisational culture, socialisation, and mentoring:

a) What you need to know and do, wherein we shall deal with how best to meet with each employee, ask about their fulfilment, seek their opinion how the work culture can be improved. We shall ask about their work balance, if they feel valued at work and what could make them love their role in the company.

Always bear in mind that the greatest cost will remain: "The guts to hear and accept the truth". Remember "we don't hire professionals to tell them what to do. We select smart people with whom we work together to create significance and have a lasting impact".

1) What an Employee can do: Besides the fact that a great employer is fond of an affiliate who "vies" for great things in life, you must demand for the best that life offers. This is why I believe that the function that is upon you "vies". So how should you handle it? For applied relevance, I prefer put it this way:

- **Veneration:** Serve beyond yourself;
- **Integrity:** Be truly faithful, especially in small things;
- **Excellence:** Be your best and enjoying what you do;
- **Stewardship:** Handle another person's thing as though it is yours.

In the words of Albert Schweitzer, "what really matters is that we should all realise that we are guilty of inhumanity. The horror of this realisation should shake us out of our lethargy so that we can direct our hopes and our intentions to the coming of an era in which hostilities will have no place. (The Problem of Peace, 4 November 1954)"

1. Creating person-centred organisations:

This is a huge subject, which we shall unwrap with time. For now, let me leave you with this profound inspiration by Adele Peters, a staff writer at Fast Company, who focuses on solutions to some of the world's largest corporations challenges. She focused her fingers on a New Zealand company which she decided to offer a four-day work week.

"After spending two months testing a 20% shorter week, a New Zealand company found its employees happier, more focused, and producing the same amount of work. Now they are making the change permanent.

This New Zealand company tried a new experiment: employees could work four standard days instead of five, but would be paid their usual salary. Newly released numbers from a study of the project, which lasted eight weeks, show that it worked. Workers' sense of work-life balance went from 54% to 78%. Stress went down. And the missed hours did not affect job performance, which slightly improved.

"The head of the company, a trust and estate planning firm, called Perpetual Guardian, was inspired to make the change after reading about research showing that the average British employee is productive only 2.5 hours a day. 'I thought, well, that's interesting,' says CEO Andrew Barnes. 'If I gave people a day off a week to do all the other stuff that got in the way—all the little problems that you might have outside of work—would you then get better productivity in the office in the four days when people worked?'"

"When he announced the plan to his employees, he asked them to brainstorm how to keep their own productivity as high as it had been before as their hours changed to get Wednesdays or Fridays off. With the incentive of time off, they got creative. 'Often there are lots of small inefficiencies which never get addressed in a company because they are just really too small for someone to focus their time on,' he says. "Now, because there was a prize—y to have a day off—all of those little things got addressed or got identified."

Employees spent less time in meetings and on social media. They started experimenting with signals on their desks to indicate to co-workers when they shouldn't be interrupted. (Studies have found that it can take more than 20 minutes to get focused after an interruption.) Because there were fewer people in the office, noise and distractions went down. And despite the fact that the staff was spending 20% less time in the office, productivity didn't fall."

"The supervisors actually seemed to be somewhat surprised to say they actually managed to do all of their work,' says Jarrod Harr, a professor of human resource management at Auckland University of Technology, who surveyed employees. A second researcher, Helen Delaney, a senior lecturer at the University of Auckland Business School, performed qualitative research at the company.

Job satisfaction, though fairly high before the experiment, ticked upward, as did employees' sense of satisfaction with their lives in general.

“

Perception of workload went down. Job stress declined from 45% to 38%. Employees' sense of engagement with their work went up, and their commitment to their employer rose from 68% to 88%.”

HELEN DELANEY.

Perception of workload went down. Job stress declined from 45% to 38%. Employees' sense of engagement with their work went up, and their commitment to their employer rose from 68% to 88%. They found their work more stimulating, had more confidence in the leadership team, and felt more empowered in their roles.

The company is now moving forward to implement the change permanently..."

2. WHAT I HAVE URGED:

Ordinarily, "Putting People at the Heart of the Business" is a tall order for many leaders, as it comes with numerous bombshells of weight personality types, economic undertones, relational ramifications, and so on. Yet, I trust that because you started off with the dream of building a model organisation, and with a leadership style that many would draw inspiration from, and because you have carefully selected your departmental managers and attendant minions; please explore the criticality of your management philosophy—so that you "put people at the centre of your business".



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A section of Hoima Municipal roads constructed by Abubaker Technical Services and General Supplies Ltd.

Media guided tour to members' projects

By Anthony Mushoborozi

In June 15, 2019, Elizabeth Muhebwa, the executive director of UNABCEC, together with the Projects Monitoring Team, led a team of journalists to the western part of the country for a field tour. The tour was aimed at publicising the construction works that the members of the Association were currently undertaking on different projects.

"Some Ugandan construction companies have developed capacity over the years to undertake construction projects of every kind. All the major construction projects in recent history have tapped into our local capacity to deliver quality works. However, both the public and the government are largely unaware of this because there has been minimal publicity. This is not fair and it needs to change," Mrs Muhebwa said.

The excursion that started at 6am at the Association offices in Lugogo took about four hours before the first stop at Mubende on Mubende-Kakumiro-Kagadi (MKK) road project. Amid the flurry of activity, clouds of dust and thundering

noises from construction machines and monstrous tipper trucks, a team of engineers, graduate interns, technicians and casual labourers toiled.

This section of the roadworks was under one of the genuine contractors, Armpass Technical Services, whose works at Km 25 on this project include swamp treatment, culvert structures and earth works.

Mr Andrew Amanyire, one of the graduate interns on this project, said it is hard to have such career development opportunities with some companies since they require experienced personnel. He requested the government to support construction companies that provide such opportunities to fresh graduates.

A few kilometres into the greater Kakumiro area, another section of the same project, was another genuine contractor hard at work at Km 29. As this part of the country is very rocky, the contractor in charge of this section, Kasese Nail and Wood Industries Limited (KNWI), was busy blasting rocks and carrying out swamp treatment works.

They, too, complained about the way Uganda's biggest client, the government,

treats local contractors. "The government needs to be fair. Local contractors deserve a little more trust. We are happy to do the donkey work of earth works, draining swamps and blasting rocks but people need to know that we have the capacity to build a road all the way to the final top layers. The way it is now, we do all the hard work and leave the simple work of top layers to foreigners who then bank the lion's share of the project money," Eng Rose Kiggundu, the contracts manager of KNWI, said.

The next stop was on the newly built Ruzairwe Bridge on Pacwa – Kyebando - Kibaale Road and Armpass Technical Services was on site doing final touches on the bridge.

After a short time doing interviews and photography, the team set off for Hoima Town where Abubaker Technical Services and General Supplies exhibited its completed works on the Hoima Municipal roads, a USMID project funded by World Bank. Anyone who has recently travelled to Hoima will attest to the impressive state of the finished work and will agree with Ms. Ndagire Fatuma, the administrator of Abubaker Technical Services and General Supplies Limited, that "local contractors have the capacity".



Reducing construction waste could save millions

Caroline Mukhaye Kyesimira

Waste is often times defined as any substance the holder discards or intends to discard. Any item that might be considered by the user as not having any more use is also termed as waste. It has been said that; "There is no such thing as "away", when we throw anything away, it must go somewhere."

One of the avenues that can be used to cut down on cost, eventually saving a lot of money at a construction site is to reduce on the amount of waste that is generated on the site. Often times without realizing it, a lot of money is lost at construction sites in the form of waste.

Players in the industry can all make a huge contribution to tackling the issue of waste at sites by; reducing waste, using materials in a better way and going the way of waste recycling. Knowledge and use of the waste hierarchy can come in handy in such situations.

Companies can reduce waste by planning early on the project in order to use designs that cause less waste creation. Use of standard sizes and quantities of materials while planning ahead to reduce offcuts. Also, order only that which is needed on site at each particular stage of the project and ensure that storage areas are safe and weather proof. By using some of these methods to reduce the amount of construction waste on site, the company saves money in material that could have been lost from wastage or lack of planning. It is wise also, to always ensure the quality of the products that are being accepted on site, poor quality materials always end up costing more as new materials will have to be acquired to replace the poor-quality ones.

Reusing can also be another way to go while trying to cut costs at a construction site. Some of the ways in which this can be done is by reusing offcuts where applicable, these can be used first before new materials are used. Also, use of temporary materials like timber hoarding in a manner such that they can be dismantled and reused several times. Caution should always be taken not to reuse materials that are not

fit for purpose. An example of how to reuse material is during the demolition of a building if the structure can be dismantled instead of knocking it down. This alternate process increases the amount of materials that can be salvaged intact.

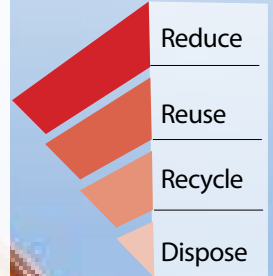
Using a reliable waste contractor can help the company if it chooses to go the way of recycling. At construction sites, different skips should be put in place in order to aid in the segregation of waste. This aids the process of recycling, as it will be easier to place recyclable materials together, clean and separate from other waste materials. Once the decision to use your waste contractor to help with recycling, the company should take great care to use a contractor whose license can be verified. Recycling can help to recover a significant amount of money for the construction company and reduce negative environmental impacts.

As a rule, companies should always aim at disposing waste as a last resort. The benefits of using the waste hierarchy to manage waste at a construction site go a long way in saving money for the company in various ways.

One of the obvious ways that the company saves money is by reducing the cost from purchasing less material. If a company is only purchasing what it requires for each phase, it reduces significantly on the amount of wasted material that will be generated, translating into a money saved.

Reducing waste as well as proper handling of waste is a company's legal obligation. By fulfilling this, you save on millions of shillings that could be lost in legal battles as well as fines from regulatory authorities.

Companies can easily generate more income by recycling their waste, thereby earning money from their waste. This also saves on the money that could have been used for disposal costs of the waste.



The author is the Waste Manager at Epsilon Uganda Limited, a leading Waste Management and Engineering Company in Uganda.





CONSTRUCTION MANAGEMENT: The key to a successful construction business

Namirembe Patricia N. Kyeyune

Construction management is the overall planning, coordination, and control of a construction process from project commencement to completion. It is aimed at putting the client's vision on ground. It is a professional service that ensures the overall control of a project's schedule, cost, quality, among other aspects. Ideally, the construction manager represents the owner's interests and provides an oversight of the entire project. His mandate is to work with all the parties to deliver the project on time, within the budget, and to the expected standard.

What should have been achieved?

For some, if the profits are far higher than the losses in each financial year, then they would consider that sufficient enough. For others, it is the demand. In Uganda, the market has been unable to meet the growing demand for services at affordable prices. While demand for proper management skills, especially in the construction field, that are affordable to high income earners has increased, the supply has not.

Customer satisfaction is imperative since a satisfied customer will commend your services to others. In other instances, business owners go out of their way to satisfy their clients by attaining good press and employing individuals who are informed, motivated and can perform. Hence the aspect of management comes into play.

There is need to employ an individual with the ability to make quick but smart decisions. The meticulous precision with which the manager works will bring about timely and efficient delivery. Working with a construction manager allows for a high level of transparency, minimisation of unplanned costs, and adjustments in the course of the project.

Another reason for a manager is to minimise theft of construction materials that is rife on many sites in Uganda. Therefore, there is need to have an individual with

whom one has established trustworthiness, honesty and dependability.

The Contractor's Perspective:

According to Andrew Mukiibi, the managing director of Bolt Construction Company Limited, one of the genuine contractors in Uganda, construction management is the key to construction success because of the following reasons:

1. Recruiting the right team for your project especially the quantity surveyor who does the valuations for any project, will ensure success.
2. The site manager can make the right site material requirements and avoid excess/waste.
3. The overall project manager must make quick, timely and reliable decisions and avoid unnecessary delays of the works.
4. The project management has to ensure a very professional site organisation is in place to avoid traffic jams of the trucks and site accidents.
5. Always ensure the accounts team is good at what they do.
6. The procurement team has to be

well managed as this can be the source of losses for any construction company.

7. Construction management must, at inception, involve professional work together with the project consultants.

8. Time management is very crucial in the construction field because the lack of it can affect the project costs. .

9. Always ensure proper filing of the records for future reference. In addition, monthly reports should be made for the client and consultants to avoid unknown mishaps.

In a nutshell proper construction management is the key to construction success only if the project manager and their team are properly selected and managed in order to avoid any losses but rather savings. It is a business if managed well can make one rich quick but can also make them very poor overnight if mishandled.

Namirembe Patricia N. Kyeyune
BSc. In Construction Management,
Makerere University.
President, Makerere Association of
Construction Managers (MAC)



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Pictorial



Left: UNABCEC members attending an engagement between local contractors on oil roads upgrading projects and UNRA. Right: UNRA Executive Director Allen Kagina addressing the contractors.



Ruzairwe Bridge on Pachwa-Kyebando-Kagadi road by Armpass Technical Services

UNABCEC project monitoring team led by Elizabeth Muhebwa, the Executive Director (2ndLeft) visits Kasese Nail & Wood Industries Ltd (KNWI) at Mubende-Kakumiro-Kagadi road project.



Ongoing works at MKK project by KNWI



The team from Abubaker Technical Services and General Services Limited with the monitoring team at the Hoima municipal roads project.

Pictorial



UNABCEC members and other stakeholders attending a construction and engineering conference organised by Petroleum Authority of Uganda.



UNABCEC representative, Eng. Geoffrey Haabasa presents views from contractors at CNOOC National Content Supplier development Workshop for civil engineering companies.



PAU representative Mr. James Musherure and CNOOC Uganda Vice president Mr. Cu Yujun at the workshop.



UNABCEC President, Francis Karuhanga (3rdLeft), with other international association presidents at the 10th International Infrastructure Investment and Construction Forum (IIICF) in Macao, China.



UNABCEC members discuss the amendment of the Local Content Bill 2019 with the Parliamentary committee on Finance Planning and Economic Development.



Induction of the BOARD OF DIRECTORS SETS NEW ENERGY

Jetty Nuwagira

The Annual General Meeting of December 6, 2018 saw a new Board of Directors elected into office. The Secretariat then set out to orient the Directors into the UNABCEC culture, familiarise them with the closer view of the association's functions, services and financial activities in a quick but effective manner. This journey led to choosing a competent organisation, which professionally inducted the new Board of Directors into their roles and responsibilities.

The official induction, therefore, took place on May 3, 2019 at City Royal Resort Hotel in Bugolobi and was facilitated by the Institute of Corporate Governance of Uganda (ICGU).

Needless to say, the UNABCEC Board of Directors are CEOs and Directors in

their own construction firms. The well-attended daylong Board retreat showed the members were open to learn what they had been hitherto practicing. And learn they did; as speaker after another injected a fresh breath into the way of looking at things.

The workshop kicked off with an overview of corporate governance principles and practices, followed by functions of the board, legal framework and was crowned with an introduction to strategic planning.

It was participatory in nature. Each talk was followed with comments from participants and a discussion of issues that stood out. The wisemen/women were also treated to refreshing health breaks.

The Board was reminded of their primary role of protection: such as protect-

ing the Association and her assets, her employees and the Association herself from risks. The Board is also charged with the responsibility of ensuring the Association prospers by collectively directing her affairs, without ignoring the interests of the members and other stakeholders. Above all, the Board must provide strategic direction to the Association, by clarifying vision, mission and goals as well as monitoring strategy implementation.

By the close of the day, the directors had been re-energised to serve and to exact accountability.

Jetty Nuwagira is the Finance and Administration Manager, UNABCEC



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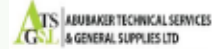
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rocktrust11@gmail.com
Ssembatya Francis



RODO CONTRACTORS LTD

Kayanja close -Mbuya 11 zone 1,
Old kireka road
P.O Box 28505, Kampala
0392 940788 or 0773138719
wamimbi@yahoo.com
Wamimbi Robert



SARICK CONSTRUCTION LIMITED

Plot 5641 Kitende – Wakiso district.
0772663217
sarickconstruction@yahoo.com
Okurut Samuel



SPIDER CONTRACTORS LIMITED

Kiwatule – Najjera road. Plot 1634, Block 217
0772365536
spidercontractors@yahoo.com
Eng. Jemba Seezi Nicholas



STONE CONSTRUCTION LIMITED

Plot 244 Kajjansi, Near Kajjansi Airfield
P.O.Box 26443, Kampala, Uganda.
0752-732-373 or 0703-045-370
procure@stonecon.net
Gopal D Vekaria.



UGANDA MARTYRS HOUSING & CONSTRUCTION COMPANY LTD

Kyalwajjala-Kira road. P.O Box 2789
Kampala- Uganda
0776475741
okello.ateker@gmail.com
Okello Francis



CLASS A-3 CONTRACTORS

>>Annual contracts between 5Bn and 10Bn UGX

AZU PROPERTIES LIMITED

Plot 6-13 Kirinya road, Jokes Hotel, Top floor,
Eastern Block, Bweyogerere. P.O Box 12421 Kampala
0414 660012
azupro2000@gmail.com
Waiswa Richard



BCR GENERAL LIMITED

Plot 3/7, Spring road - Bugolobi, off Old Portbell road.
0392 725709
bcr@bcrgeneral.com
John Rubooga



CGH ESTABLISHMENTS LTD

Plot 5 Ring road, Kibuye-Kampala
0772 687683 or 0772 452469
cghestablishment@yahoo.com
Eng. Mubiru Charles or Gertrude Nakitto



CONTINUUM ENGINEERING LIMITED

Plot 9 Mukono town, 1st floor, Equity Bank building.
0772 405127
continuumengineering@yahoo.com
Enoch Kalema



DAJ INVESTMENTS LTD

Plot 7 Rukidi iii street Fortportal P.O Box 440
0772738885
dmugarra1@gmail.com
Denis Mugarra



EPSILON UGANDA LTD

Plot 1413 Kibuli-Mbogo Rd
P.O.Box 12647 Kampala
0414 252076
0772 353981
epsilonugandalimited@gmail.com
Moses Kitaka



FALCON ESTATES LIMITED

Plot no : 1111, Kansanga Nabutiti
P.O.Box 34725 Kampala Uganda
Info@falconestates.co.ug
0772202444 or 0414270088
Hassan Alwi

CLASS A-3 CONTRACTORS

>>Annual contracts between 5Bn and 10Bn UGX



GESES (U) LIMITED
Contractors of Engineering Works & General Supplies
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GESES UGANDA LTD
Plot 4 Pilkington Road
Kampala Uganda, P.O BOX 30315 Kampala
0752 092788
geses2000@gmail.com
Ampaire Michael



GABIKAN ENGINEERING LTD
Mukono - Kawuga road
0782315707
eng.ronald2008@gmail.com
Eng. Mubabi Ronald



HEAAT GENERAL ENGINEERS & CONTRACTORS LTD
Agalani House, Makindye Opposite Military Barracks,
P.O. Box 2885 Kampala.
0772 328110
heaat2005@gmail.com
Mrs. Hellen Aiko

LUSA CONSTRUCTION AND COMPANY LTD

Plot 173-174 Ring Road Lubiri
(Bell depot building)
0784 923209 or 0705 553311
lusaconstruction@gmail.com
Musinguzi Herbert

MG Engineers & Contractors Ltd

MG ENGINEERS AND CONTRACTORS LTD
Prisma hotel – suite 112/113, Plot 1307/8
Kyeabando – Nsooba road, P.O. Box 25809 Kampala.
0776/0701 924640
mgengineers@gmail.com
Kyobe Luke Inyensiko



MUGA SERVICES LIMITED
Kireka, Kabaka's road, P.O Box 13130 Kampala.
0772 539106
mugaservicesltd@gmail.com
Ibanda Isaac



NATO ENGINEERING COMPANY LTD
Plot 56 Bombo road, Kalmx Building, office C10 – 11
0414 235984 or 0701 676767 or 0713 752575
nato@natoengineering.co.ug
Twikirize Eliot Bigira



TECHNICAL MASTERS LIMITED
Engineering Contractors
Ntinda Kigoowa road, Plot 582, opposite Power Trust
Solar, 0772 700206
tml@technicalmasters.co.ug
Mwanja Joseph

CLASS A-4 CONTRACTORS

>>Annual contracts between 1Bn and 5Bn UGX



APOMU INTERNATIONAL LIMITED
Makanga house 3rd Floor, Masaka road,
Nalukolongo, P.O. Box 910, Mbarara.
0787 401218 or 0772 208067
apomuinternational@gmail.com
Murungi Maria or Odongo Charles



ADAPT TECHNICAL SERVICES LTD
Plot 13, block 204 Kawempe
P.O.Box 21064, Kampala
0414 575437 or 0752 754060 or 0772 708200
rssenozi@gmail.com / olul.francis@gmail.com
Ssenozi Robert / Olul Francis



ARS CONSTRUCTION COMPANY (U) LTD.
Block 110 Plot 1174, Jinja road- opposite
Memarito hotel, Bweyogerere.
P.O.Box 613, Kampala, Uganda
0782 319214
antonetti@arsconstruction.co.ug or
logistics@arsconstruction.co.ug
Stephen Antonetti



BOLT CONSTRUCTION COMPANY LIMITED
Cynthia house Kawuku, Kisubi Entebbe Road
P.O Box 10462, Kampala Uganda
0772466390
a_mukiibi@hotmail.com
Mukiibi Andrew



BUILD BASE ASSOCIATES (U) LTD
Plot 724/5 Theta building – Mawanda road
0772 609863 or 0772 186595
buildbase2011@live.com
Asaba Stephen Iumba

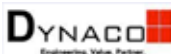
CMD INVESTMENTS LIMITED
Plot 28, Kimera road, Ntinda.
P.O. Box 8141, Kampala
0414 697448 or 0704 495658
cmd.consults@yahoo.com
Sebyala Moses Kiwanuka



CRYSTAL CONSULT (U) LIMITED
Plot 568 Rubaga road, P.O. Box 3131 Kampala.
0414 271170 or 0775 660746
sales@crystalconsultgroup.com
www.crystalconsultgroup.com
Bbale Robert



DANSEM CONSTRUCTION COMPANY LTD
Plot 163 Ntinda-Naalya road, Mt. Olive
building, P.O Box 29552 Kampala
0701 510877
dansem ltd@gmail.com
Wadda Fred



DYNACO LTD
Plot 251 Kyeabando-Kisalosal road, Bukoto
0772 630834 or 0414 691834
dynacolimited@gmail.com
Eng. Jonathan Tugume



ETA ENGINEERING WORKS & SUPPLY CO. (U) LTD
Plot 01/03, Barya plaza, P.O. Box 191
Mbarara/ 36276 Kampala
0772 638445
etacompanies@gmail.com
Kituyi Evelyn



SHEPHERDS SERVICES (U) LIMITED
UMA Showgrounds, VIMTO building, room 2.
P.O Box 1132 Kampala
0772/0712457348
shepherdsservices@gmail.com
Nicholas Masete



GAT CONSULTS LIMITED.
Plot 205 Hills House, Entebbe Road
P.O Box 37067, Kampala
0414 580472 or 0772438420
gatltd@yahoo.com
Mr. Mugizi Leonard



GEOMAX ENGINEERING LTD
P.O BOX 74710 Kampala, Seeta Bukerere rd.
next to Seeta playground
0779963000 or 0700243813
geomaxconsult@gmail.com
Nabaya Silver



HEBRON INVESTMENTS LTD.
Plot 433 Jinja Road
Kazinga Bweyogerere
0772 422359
samkibbe@gmail.com
Samuel Kibbe



HOME BUILDERS LTD
Plot 640, block 195 kyanja - gayaza rd
0414 389122 or 0752 667123
homebuilders.hbl@yahoo.com or aloysius.
lubowa@hbl.co.ug
Aloysius G. Lubowa

KENVIN COMPANY LTD

Plot 8/10 Kampala road, Uganda House
Building, Third floor.
0772 594960 or 0782 604047
kenvinco@yahoo.co.uk
Nayabarema Vincent
Ahabwe Keneth



KINGSTONE ENGINEERING AND CONSTRUCTION CONSULTANT (KECCO LTD)
Plot 832 Namanve Industrial Park, P.O. Box
8062 kampala
0782264288
muhuza2000@yahoo.com
Muhumuza Michael

MASON CONSULT LTD

P.O Box 37322 Kampala Bweyogerere
Kito zone
0772392817
iedimu@masonconsult.co.ug
Edimu Ivan



MUGOYAPLUS TECHNICAL SERVICES LTD
Plot 112 Akamwesi complex room E43
070339796 or 0414340362
mugoyaplus@yahoo.com
Atwine Eliud



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street P.O box 81 Fortportal
0772494288
info@prutaz-construction.com
Kisembo Robert Apuuli

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ROBERTS ENGINEERING SERVICES LTD

Plot 3580 Block 273 Nakinga Movit Road
Namasuba Wakiso District
0772457605
robertseng@gmail.com
Robert Rwanga



SEMEO ENTERPRISES LTD

Plot 831 Bombo Road 2nd Floor Nissi House
Makerere Kavule
0772 498527 or 077728115
vvuamac@yahoo.com
Vvuuma B. Cyrus



UNIT CONSULTS LTD

Plot 13/15 Block 2 Apartment 7B Kira Road
0756261226
unitconsults@gmail.com
Twesigye Ignatious



WIM SERVICES LIMITED

Kisozi house, Plot 8 Kyaggwe road, P.O. Box
30582, Uganda
0782 454568
wimserviceslimited@gmail.com or info@
wimservices.com
Katumba Allan

CLASS A-5 CONTRACTORS

>>Annual contracts below 1Bn UGX



ALLIED ENTERPRISES COMPANY LTD

P.O. Box 28895, Kampala
Plot 3 pilkington Road, NIC building, 6th floor
0772458421 or 0785291837
alliedcons2002@gmail.com
Tibeingana Manasseh



AL-MUBARAK CONTRACTING

PLOT 1021 Bweyogerere-Kirinya road
0704 603198
kadt2007@yahoo.co.uk
Jesse Otwane



BAKHIT BUILDERS LTD

Plot 49B, Arua - Pakwach Road.
P.O. Box 679 Arua, 0772374727
owachgiu2011@yahoo.com/owachgiu2015@gmail.com
Owachigiu Abdurahman



CHAMIL INTERNATIONAL LTD

P.O. Box 97 Kagadi
0782513085 or 0782587222
chamilinternationaltd@gmail.com
Eng. Kagwa Milton



CME ENTERPRISES LIMITED

Plot 1 Akabwai Road Lira, Weite Ojok Lane.
P.O. Box 948 Lira
0772 446135
enterprises.cme2000@gmail.com
Eng. Ojiong Charles



CRISP CONTRACTORS LTD

Plot 57 Bandali rise - Bugolobi
0777 147607 or 0772212100
crispcontractors@live.com
Francis Kazinduki



DA TRACK LIMITED

Plot 932, Block 223, 2 floor Ebenezer house
Kireka- Namugongo Rd. Opposite Uganda
martyrs hardware
0772978670
info@datracklimited.com
Katongole Christopher



DACOSI LIMITED

Plot 2602, Block 216 Ntinda- Kulambiro Road
0752636110 or 0754535204 or 0392002613
dacosi2010@gmail.com
kishajja.pk@gmail.com
Paul Kishajja



ETABCO PANAFRICA LIMITED

Plot 209, Old Kira road, Bukoto Kampala
P.O. Box 819 Kampala
0779079883
khaled@etabcopanafrika.com
Khaled Al Alem



FLEXIHOME LIMITED

Plot 15 Ntinda complex, Ntinda Road.
P.O. Box 36582, Kampala
0414-690798 or 0782-454041
aroriza@flexihomes.net
Aaron Ahikiriza



FRIENDSHIP (U) LTD

P.O. Box 57 Gulu
0779937284
friendship.charles4@gmail.com
Okidi Charles

GIGRACO ENTERPRISES (U) LTD

Plot 001 Printers miracle centre- ground floor,
room 002, Nasser road.
P.O. Box 8040, Kampala
0782 556363
mucumunya@yahoo.com or
gigracos@gmail.com
Mucunguzi Emmy



HEAVY INVESTMENT LIMITED

P.O. Box 551 Kakumiro
0783689997 or 0772434689
fatumanassiri@gmail.com
Nassiri Fatuma



JAMI CONSTRUCTION COMPANY LTD

Plot 954 Kintu Road, Kitintale. P.O. Box 2359,
Kampala
0772494329
jmwedde@yahoo.com
Can. Eng. Jonathan Mwedde



KAVCON (U) LTD

Lugalama Shopping Centre, Ntinda. P.O. Box
28785, Kampala
0393514613 or 0772 507560
kavconlimited@gmail.com
Andrew Kavuma



LUBBE CONTRACTORS LTD

Plot 1021, Bweyogerere-Kirinya road
0704 603198
sharifkalema@yahoo.com
Jesse Otwane



MALT (U) LTD

Plot 1547 Block 29 100m off Mawanda
Road Kawempe Division
P.O. Box 21058 Kampala - Uganda
0701-661293
malt_u_ltd@yahoo.co.uk
Alice Bongyeirwe

MBAFAKOKI PRODUCE ENTERPRISES LTD

P.O. Box 4 Karuguzza Kibaale
0751295530
semgeofrey@gmail.com
Zziwa Joseph



MOLECULE INVESTMENT (U) LTD

P.O. Box 1667, Lubiri ring road
0772680420
ndiwalanapeter@gmail.com
Ndiwalana Peter



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Plot 2420 Jinja road
0776 744885
sales@pmecs.co.ug
Nkooka James

REAL INVESTMENTS LIMITED

KCCA market building Room 007 South
wing- Wandegeya
0776838483
realinvestmentsug@gmail.com
Isaac Matovu Kimuli



REENBOOG CONSTRUCTION SERVICES LTD

3rd Floor Krish Mall.
P.O. Box 35879, Kampala
0759653705
reenboogconstruction@gmail.com
Mariam N. Kabanda



RUSHAKA INTERNATIONAL INDUSTRIAL CO. LTD

Plot 1 pilkington road - Kira house, 4th
floor- suit 59
0705 095355 or 0774 229682
rushaka75@gmail.com
David Muller

CLASS A-5 CONTRACTORS

>>Annual contracts below 1Bn UGX



SANITATION AFRICA LIMITED

Plot 1 Lourdel Road, floor 6 Nakasero
P.O. Box 8588, Kampala
+256 707 792488
smalinga@sanitationafrica.com
Samuel Malinga

SEMWO CONSTRUCTION COMPANY LTD

Faibah Plaza, Luwumu Street Mubarakas's Building, Kihikihi Town Council, Kanungu District
0392 944595 or 0702 333006 or
0782 434660
semwo2000@yahoo.co.uk
Semwogerere Moses



S-M CATHAN PROPERTY CONSULT

SKAS house, plot 180, Namuwongo road
0414375797
smcathan@gmail.com
Mugisha Turyahikayo Allan



TEDMACK ENG WORKS LTD

Plot 1996 Block 192 Bwate Kiira Municipal Council
Plot 243 Mubangizi road - Ruharo Mbarara branch.
0782 475620 or 0701 475620
tedmack008@gmail.com
Agaba Edwin

CLASS B-1

>>Manufacturers of construction materials

KAMPALA CEMENT

Plot 114, Block 165, Namataba, Jinja Road
0200-999888
sales@kampalacement.com
S.S Baryan

KANSAI PLASCON UGANDA LIMITED

Plot 28 Kyaggwe, Block 112, Kolo, Mukono.
0414 342070/1 or 0755 987891
info@kansaiplascon.co.ug
www.kansaiplascon.co.ug
Samallie Nankanja

MULTIPLE INDUSTRIES LTD

Plot 13/23, 8th street industrial area. P.O. Box 20166
Kampala.
0414 236021/22
automotive@multipleindustries.com
or dipanjan@multipleindustries.com
Dipanjan Ray

CLASS B-1

>>Manufacturers of construction materials



PRAMUKH STEEL LTD

Plot 2/20 Kayunga road - Njeru - Jinja
0776 706666 or 0434 251712
info@pramukhsteel.com
Ronald Ssemuli



STEEL AND TUBE INDUSTRIES LTD

Deals house, Mukabya road - Nakawa industrial area
0312261283 or 0414 287950
info@stii.co.ug
Aloysius Ntambi



YOGI STEELS LIMITED

Plot 270, Njeru - Kayunga road, Malindi. P.O. Box 2207 Jinja.
0752 289841
admin@yogisteels.com
Patel Alpesh

CLASS B-2

>>Agents & Suppliers of construction materials and equipment



ACHELIS (U) LIMITED

Plot 55 William Street, P.O. Box 7198 Kampala.
0414 344442 or 0752 778899
achelis.uganda@achelis-group.com
www.achelis.net
Hans Georg Hinterberger

DAVIS & SHIRTLIFF INTERNATIONAL LIMITED

JR Complex, Plot 101 Jinja road. P.O. Box 22824
Kampala
0414 346335/8
d&s@ug.dayliff.com
www.davisandshirtiliff.com
Sunday Anywar

FABRICATION SYSTEMS (U) LIMITED

Plot 1457 off Jinja road, Banda - Kireka. P.O. Box 22631
Kampala. 0752 344449
info@fabricationsystems.co.ug
Kalpesh Mehta

GANATRA PLANT & EQUIPMENT LIMITED

Plot 28, showroom 4, Pioneer House,
Jinja road. 0790 202006
ashiana@gpe.co.ug
www.gpe.co.ke
Ashiana Jivraj

CLASS B-2



HARDWARE WORLD LIMITED

Plot 712, Kiira road, Ntinda,
P.O. Box 3074, Kampala.
0772 708135
Info@hardwareworldug.com
David Odiam



MANTRAC UGANDA LIMITED

Plot 17/41, 7th Street Industrial Area.
P.O. Box 7126 Kampala
0312 330600 or 0756268722
info@mantracuganda.com or
ebuhweire@mantracuganda.com
www.mantracuganda.com
Buhweire Elizabeth



NILETRAC UGANDA LIMITED

Plot M424 Factory road -
Henley business park - Ntinda Industrial area
0414505777
sd@niletrac.com
Ali Mohamed

PANAFRICAN TRUCKS & EQUIPMENT (U) LTD

Namanve industrial park, next to Toyota Uganda
0775 215685
b.kwamusi@panafricangroup.com
Paul Ssali

TILE CENTRE LTD

Plot 91-93 6th street industrial area Kampala Uganda
P.O. Box 4009
0758898736 or 0414345350
info@tilecentre.co.ug or jjuukohny@gmail.com
Henry Jjuuko

THERMOCOOL UGANDA LTD

Plot 15/17 2nd street industrial area. P.O. Box 31542
Kampala
0312263711 or 0393 263711
info@thermocoool.co.ug
Karim Lalani

AFRIMECH (U) LTD

Plot 31 Ntinda Road Complex Building Block A
Floor 1
0772 515865 OR 0705 382993
info@afriimech.com
charles@afriimech.com
Charles Kavuma



AFRICA ROAD FURNITURE LTD

Plot 2065, Kasokoso road, Kireka.
P.O. Box 23545 Kampala
0704786454 or 0772611816
admin@afroadfurniture.co.ug
Jesse W. Emuge

CLASS C-1

>>Mechanical & Electrical contractors. Annual contracts above 1Bn UGX



POWER AFRICA (U) LIMITED

Plot 4725 Kisota Road, Kisasi
0772 712812
rnd@powerafrica.co.ug
Serunkuma Herbert

CLASS C-2

>>Mechanical & Electrical contractors. Annual contracts below 1Bn UGX



MEASUREMENT SOLUTIONS LIMITED

1st Floor, Konkombi house, Kibumbiro trading
centre, Busega, Kampala.
0772 951371 / 0772 427193
rhona@msluganda.com / simon@msluganda.com
Kokunda Barbra Rhona / Simon Rwashana

UNI ENGINEERS CO. (U) LIMITED

Plot 289, Block 221, Nakoozi - Mukono.
P.O. Box 16731 Kampala.
0414 572012 or +256 786 289992
info@uniengineers.co.ug
www.uniengineers.co.ug
Francis Otim

VOLCOM TECHNICAL SERVICES LTD

Najjera Kwatule Road
0776153606
tomndawula@gmail.com
Mwebaze Emmanuel or Tom Ndawula

CLASS D-1

>>International Associate Members

MUA INSURANCE UGANDA LIMITED

9th Floor Workers House Pilkington Rd
0414349659
info@phoenix-assurance.com
Mukasa Latimar

CLASS D-2

>>Local Associate Members

STATEWIDE INSURANCE COMPANY LTD

Plot 1 Bombo Road Sure House
Plot 63 Masindi Port Road
031 2262119
swico@infocm.co.ug or musisi@swico.co.ug
Joseph W. Kiwanuka

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 Ham Towers – 3rd Floor – Nussu Business Centre – Office F307 - Opposite Makerere University –Main Gate - Wandegeya – Kampala –Uganda – East Africa



END OF YEAR STAKEHOLDERS ENGAGEMENT FORUM

Theme: Strategic partnerships for sustainable growth

Venue: Mestil Hotel & Residence, Nsambya

Date: 28th November 2019

Time: 12:00 noon

Invited are all genuine contractors and all other stake-holders of the mighty Construction industry.




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 Web: www.uace.or.ug



UNABCEC 26th AGM

UNABCEC informs her members that the 26th Annual General Meeting will take place on **28th November 2019.**

Venue: Mestil Hotel & Residence, Nsambya

Time: 9:00 am

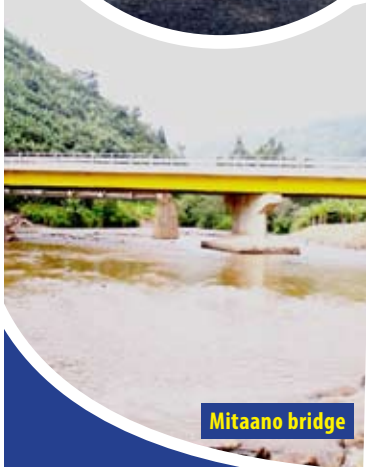


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