

REPUBLIC OF RWANDA



MINISTRY OF JUSTICE
PO BOX: 160 KIGALI

Kigali, 27 FEB 2020
N° 285708-2/EN/LSD

Chief Budget Managers (CBMS)

All

Dear Sir / Madam,

RE: Effective contract management

Reference is made to our letter n° 537/08.25.EN/LSD dated 07/03/2019 outlining issues that undermine successful implementation of Government contracts.

Once again we wish to bring to your attention issues that we continue to observe arising out of poor contract management which are the cause of most litigation and loss of public resources.

Recurrent contract management issues include: deviation from the initial purpose of the contract, execution of additional works without a prior written addendum; additional works exceeding 20%; delays (by procuring entities) to respond to contractor's notices; delayed payments or partial payment which cause delays in execution of contracts; failure or delay by the procuring entity to take measures in case of default by the contractor; etc.

It is important to stress that contract management is the process of systematically and efficiently managing contract creation, execution and analysis for maximizing operational and financial performance and minimizing risk. It refers to the management of all actions after the award of a contract to assure that terms of a contract are complied with. It is done from day one and continues till the last day of the contract's life.

In view of the foregoing, we recommend the following measures:

1. Once a contract is signed, a procuring entity should ensure that a manual or electronic contract management file is opened so all actions, timeliness and any other events regarding the implementation of the contract are performed, known in real time and the appropriate action or decision are taken. For best result, I advise that procuring entities should appraise themselves quarterly of the situation of the performance of the contracts in a comprehensive way.

In the unlikely event that a dispute regarding a contract comes up or a legal opinion is sought, the Office of the Attorney General will require the contract management file as a priority document. In the event that the Office of the Attorney General notices any contract management issues likely to cause problems, the responsible institution will be immediately advised but at the same time, the oversight institutions (eg: Ombudsman, Auditor General, law enforcement, etc) the Attorney General deems appropriate, will be advised to take interest into management of that particular contract and any other issues that might surround it.

2. For the purpose of strengthening contract management system, we recommend that public institutions should establish a contract management team, composed of not less than two people.
3. In a bid to promote transparency accountability and integrity in contract management and to plug any possible loophole that may lead to corruption or other malpractices, procuring entities will, going forward, make available on their websites all ongoing contracts. In case the media seek to have access to contracts or to documents showing how they were awarded or how they are being managed, the institutions should provide the information the media seeks.

By copy hereof the oversight, watchdog and governance institutions are requested to check on compliance with the above during routine or adhoc exercise of their respective functions.

Sincerely,



BUSINGYE Johnston
Minister of Justice/Attorney General

Cc

Rt. Hon. Prime Minister
Hon. Ministers (All)
The Ombudsman
The Auditor General
The CEO RGB

KIGALI