



**PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY**

"Procurement That Delivers"

Your Ref: PPDA/UEDCL/47

Our Ref:

6th September 2022

The Managing Director
Uganda Electricity Distribution Company Limited
P. O. Box 7390
KAMPALA.

BID PREPARATORY AUDIT INTO THE SUPPLY, INSTALLATION, TRAINING AND COMMISSIONING OF A CAR TRACKING SYSTEM & DEVICES FOR UEDCL FLEET UNDER FRAMEWORK CONTRACT FOR TWO YEARS (UEDCL/SUPLS/2022-2023/10002)

Reference is made to the above subject.

On 29th August 2022, the Public Procurement and Disposal of Public Assets Authority (PPDA) in accordance with Section 7 (j) (i) of the PPDA Act conducted a bid preparatory audit for the supply, installation, training and commissioning of a car tracking system & devices for UEDCL fleet under framework contract for two years.

The objectives of the audit were to:

1. Establish whether the public procurement planning and requisitioning processes were conducted in a manner which promotes transparency, accountability and fairness in accordance with the PPDA Act 2003 as amended, PPDA Regulations 2014 and PPDA Guidelines; and
2. Establish whether the solicitation document issued to the bidders was prepared in accordance with the provisions of the PPDA Act 2003 as amended, PPDA Regulations 2014 and PPDA Guidelines.

The scope of the bid preparatory audit included a review of the procurement requisition form, solicitation document, bid notice and the Contracts Committee approval of the procurement method, Evaluation Committee and solicitation document. The areas of the solicitation document

Page 1 of 4

Head Office
PPDA - URF Towers, Plot 39
Nakasero Road
P.O.Box 3925, Kampala Uganda
Tel: +256-414-311100
Email: info@ppda.go.ug

Western Regional Office
RDC's Building, Bishop Stretcher Road,
Opposite BOU Currency Centre, Mbarara-Kabale Road
P.O. Box 1353, Mbarara, Uganda.
Tel: +256-417-733800
Email: mbararaoffice@ppda.go.ug

Northern Regional Office
Plot 1, Lower Churchill Drive
P.O. Box 999, Gulu, Uganda
Tel: +256-417-432010
Email: guluoffice@ppda.go.ug

Eastern Regional Office
Oval Plaza, Plot 1, Court Road
P.O. Box 2173, Mbale, Uganda
Tel: +256-417-890100
Email: mbaleoffice@ppda.go.ug

analyzed were - Instructions to Bidders, Bid Data Sheet, Evaluation Methodology and Criteria, Bidding Forms and the Special and General Conditions of Contract.

The Authority identified the following exceptions with regard to the procurement planning and requisition processes, and the solicitation document for the attention of management:

1.0. *To establish whether the public procurement planning and requisitioning processes were conducted in a manner which promotes transparency, accountability and fairness in accordance with the Public Procurement and Disposal of Public Assets Act 2003 as amended, the PPDA Regulations 2014 and relevant guidelines*

1.1. Lack of a procurement and disposal plan for Financial Year 2022/2023

The Entity did not have a procurement and disposal plan for Financial Year 2022/2023.

The Authority recommends that the Procurement and Disposal Unit expedites the preparation of the annual procurement and disposal plan for Financial Year 2022/2023 in accordance with Regulations 3 and 4 of the PPDA (Procuring and Disposing Entities) Regulations 2014.

1.2. Delays in commencing the procurement process

According to the Technical Department's work plan the vehicle tracking system was expected by August 2022 however, there was a delay to commence the procurement process yet the contract with the existing service provider had expired in July 2022. Whereas the procurement was initiated on 14th June 2022, the Accounting Officer did not confirm funding until 4th August 2022.

Delay in undertaking the procurement process delays service delivery.

The Authority recommends that User Departments monitor their work plans so as to avoid delay in service delivery.

2.0. *To establish whether the solicitation document issued to bidders was prepared in accordance with the provisions of the Public Procurement and Disposal of Public Assets Act, 2003 as amended, the PPDA Regulations 2014 and relevant guidelines*

2.1. Inconsistencies in the cost of the bidding document

The Contracts Committee approved sale of the bidding document at UGX 100,000 however, the Procurement and Disposal Unit sold the document at UGX 200,000 which was contrary with the Contracts Committee approval.

The Authority recommends that the Procurement and Disposal Unit desists from altering the already approved requirements by the Contracts Committee.

2.2. Bid Data sheet

The following omissions were observed in the Bid Data Sheet:

- Part 1: Section 2, Bid Data Sheet (ITB 5.5), the requirement for Manufacturer's authorization was stated as 'Not Applicable' which was contrary with ITB 11.1 (h) that required for a letter Manufacturer's authorization.
- Part 1: Section 2, Bid Data Sheet (ITB 7.1), the Entity stated the period to which a bidder can seek clarification in days i.e 5days contrary to Regulation 49 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2014) that requires the date by which clarification can be sought.

The omissions in the bidding document may lead to disagreements which create unnecessary delays in the procurement process.

The Authority recommends that the errors are rectified immediately and bidders notified of the changes.

2.3. Section 8: Special Conditions of Contract

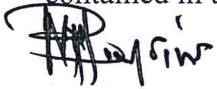
The following inconsistencies were observed in the Special Conditions of Contract:

- i. Part 3: Section 8 of the Special Conditions of Contract (GCC17.1), the requirement for the bidder to pay its taxes was erroneously stated as '*the Provider shall not be responsible for all taxes, import duties and levies imposed*' which was contrary to the incoterm used i.e DDP.
- ii. Part 3: Section 8 of the Special Conditions of Contract (GCC 18.1), did not provide for bidders to submit a performance security yet the Entity had experienced challenges of non performance in its previous contract with Centrack Systems Ltd that expired in July 2022. The provider failed to meet their contractual obligations during the time of contract and the Entity had no form of redress. This is existing challenge, the Entity was required to request for a performance security in accordance with Regulation 12 (1) & (4) of the of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2014).

Inconsistencies in the Special Conditions of Contract (SCC) increase the risk of disputes during contract execution.

The Authority recommends that the Head Procurement and Disposal Unit rectifies the inconsistencies in the Special Conditions of Contract (SCC) and notifies the bidders to avoid causing disputes during contract execution and ensure that bidders are required to submit a performance security of 10% per call off order to protect the Entity against non performance of the contract.

The purpose of this letter is to forward the findings of the bid preparatory audit exercise. In order to administer and enforce compliance with the provisions of the PPDA Act 2003, Regulations and Guidelines, the Entity is required to implement the recommendations of the Authority contained in this letter.



Dr. Aloysius M. Byaruhanga (PhD)

For: EXECUTIVE DIRECTOR

cc: Chairperson, Contracts Committee

cc: Head, Procurement and Disposal Unit