



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

**INVESTIGATION REPORT INTO ALLEGED FRAUDULENT  
PROCUREMENT PROCESS IN THE PROCUREMENT OF SWAMP  
FILLING OF OCOMBOLI SWAMP IN AMOLATAR DISTRICT  
LOCAL GOVERNMENT**

**ENTITY: AMOLATAR DISTRICT LOCAL GOVERNMENT**

**COMPLAINANT: TIC LOKERE ENTERPRISES LIMITED**

**MAY 2019**

**TABLE OF CONTENTS**

1.0 SUMMARY OF FACTS..... 3

2.0 OBJECTIVES OF THE INVESTIGATION..... 5

3.0 LAW APPLICABLE..... 5

4.0 METHODOLOGY..... 5

5.0 FINDINGS BY THE AUTHORITY..... 5

6.0 OTHER FINDINGS..... 5

7.0 RECOMMENDATION..... 6

## **ACRONYMS**

CC	Contracts Committee
DLG	District Local Government
PPDA	Public Procurement and Disposal of Public Assets Authority
UGX	Uganda Shillings

## 1.0 SUMMARY OF FACTS

1. On 8<sup>th</sup> June 2018, the Entity initiated the procurement of swamp filling of Ocomboli Swamp 0.8km estimated at UGX 81,489.
2. On 16<sup>th</sup> August 2018, the Contracts Committee approved the procurement method, bidding document and notice of invitation.
3. On 20<sup>th</sup> August 2018, the bid notice was published in the New Vision Newspaper with a bid submission deadline of 7<sup>th</sup> September 2018.
4. The following firms were issued with solicitation documents:

**Table 1: Firms Issued with Bidding Documents**

No.	Bidder
1.	Tic Lokere Enterprise Ltd
2.	IME Engineering Services
3.	Anakin Technical Services (U) Ltd

5. On 28<sup>th</sup> August 2018, the Contracts Committee approved an addendum extending the bid closing from 7<sup>th</sup> September 2018 to 10<sup>th</sup> September 2018.
6. On 7<sup>th</sup> September 2018, the Contracts Committee approved Addendum extending the date of bid closing from 10<sup>th</sup> September 2018 to 17<sup>th</sup> September 2018 at 10:00 a.m. and bid opening at 10:30a.m.
7. The record of receipt of bids information is indicated in Table 2 below:

**Table 2: Record of Receipt of Bids**

No.	Bidder	Date of Receipt
1.	Tic Lokere Enterprise Ltd	10 <sup>th</sup> September 2018
2.	Anakin Technical Services (U) Ltd	17 <sup>th</sup> September 2018
3.	IME Engineering Services	17 <sup>th</sup> September 2018

8. On 17<sup>th</sup> September 2018, the Bids were opened with prices indicated in Table 3.

**Table 3: Record of Bid Opening**

No.	Bidder	Price Read Out (UGX)
1.	Tic Lokere Enterprise Ltd	148,637,520
2.	IME Engineering Services	70,000,000
3.	Anakin Technical Services (U) Ltd	79,727,880

9. On 25<sup>th</sup> September 2018, the Contracts Committee approved the following Evaluation Committee.

**Table 4: Evaluation Committee**

No.	Name of Bidder	Designation
1.	Mr. Robert Okidi	Assistant Engineering Officer- Works Department
2.	Ms. Acio Susan Okello	Senior Assistant Secretary-Muntu Sub-County
3.	Mr. James Olut	Senior Assistant Accountant-Administration

10. On 26<sup>th</sup> September 2018, the Evaluation Committee requested IME Engineering Services to accept arithmetic correction that changed the bid price from UGX 70,000,000 to UGX 76,426,045. A copy was communicated to the bidder and copied to other bidders.
11. On 27<sup>th</sup> September 2018 IME Engineering Services accepted the correction.
12. The Evaluation Report dated 28<sup>th</sup> September 2018 indicated that 2 bidders were compliant at preliminary and technical evaluation and qualified for financial comparison as indicated in Table 5:

**Table 5: Financial Comparison**

No.	Name of Bidder	Bid Price (UGX)	Corrected Bid Price (UGX)	Remark
1.	IME Engineering Services	70,000,000	76,426,045	Best Evaluated Bidder
2.	Tic Lokere Enterprises Ltd	148,637,520	148,637,520	Quoted above the reserve price of UGX 81,489,389

13. On 1<sup>st</sup> October 2018, the Contracts Committee awarded the contract for the procurement of swamp filling of Ocomboli Swamp 0.8km to IME Engineering Services at a contract price of UGX 76,426,045 VAT Inclusive. The Notice of Best Evaluated Bidder was issued and displayed from 2<sup>nd</sup> October 2018 to 16<sup>th</sup> October 2018.
14. On 22<sup>nd</sup> October 2018, a contract was signed between Amolatar District Local Government and IME Engineering Services in the procurement of swamp filling of Ocomboli Swamp 0.8km at a contract price of UGX 76,426,045 VAT Inclusive.
- i. On 23<sup>rd</sup> October 2018, Amolatar District Local Government received a letter dated 16<sup>th</sup> October 2018 from the Authority requesting the Entity to submit the procurement action file for the procurement of swamp filling of Ocomboli Swamp 0.8km.
  - ii. On 25<sup>th</sup> October 2018, Amolatar District Local Government submitted the procurement action file for the procurement of swamp filling of Ocomboli Swamp 0.8km.
  - iii. On 18<sup>th</sup> January 2019, Amolatar District Local Government further submitted additional documentation for the procurement of swamp filling of Ocomboli Swamp 0.8km.

## **2.0 OBJECTIVES OF THE INVESTIGATION**

The objective of the investigation was to establish whether changes in the bid closing and opening dates were undertaken in accordance with the law.

## **3.0 LAW APPLICABLE**

- i. The Public Procurement and Disposal of Public Assets Act No. 1 of 2003
- ii. The Local Governments (PPDA) Regulations, 2006

## **4.0 METHODOLOGY**

### **4.1 Review of the following documentation:**

- i. Requisition forms;
- ii. Bid invitation letters;
- iii. Record of issue, receipt and opening of bids;
- iv. Bids submitted;
- v. The evaluation report;
- vi. Notice of the Best Evaluated Bidder;
- vii. Contract documents;
- viii. Correspondences between the Entity and the bidder; and
- ix. The complaint submitted by the complainant.

## **5.0 FINDINGS BY THE AUTHORITY**

**Whether changes in the bid closing and opening dates were undertaken in accordance with the law.**

- i. The complainant alleged that there was fraud in bid closing for the procurement of swamp filling of Ocomboli Swamp 0.8km. It submitted that the closing was postponed from 7<sup>th</sup> September 2018 to 10<sup>th</sup> September 2018 and 10<sup>th</sup> September 2018 to 17<sup>th</sup> September 2018 without adhering to the procurement procedure.
- ii. Regulation 67 (7) of the Local Governments (PPDA) Regulations, 2006 state that: *“the addendum, including any extensions to the bidding period shall be issued in writing and the same information shall be provided to all bidders”*.
- iii. The Authority reviewed the Contracts Committee minutes and found that on 28<sup>th</sup> August 2018 and 7<sup>th</sup> September 2018, the Contracts Committee approved two Addenda extending bid closing date from 7<sup>th</sup> September 2018 to 10<sup>th</sup> September 2018 and from 10<sup>th</sup> September 2018 to 17<sup>th</sup> September 2018 respectively.
- iv. The Authority found that the Entity did not issue the addenda approved by the Contracts Committee extending the bid closing to the bidders as required under Regulation 67 (7) of the Local Governments (PPDA) Regulations, 2006.

## **6.0 OTHER FINDINGS**

The Authority also found that the PPDA ROP Certificate submitted by IME Engineering Services in its bid was forged. The Evaluation Committee did not verify the documents submitted contrary to Regulation 59 of the Local Governments (PPDA) Regulations,

2006. The unauthentic document should have led to the elimination of the provider at preliminary evaluation stage.

## **7.0 RECOMMENDATION**

The Authority recommends that since the contract is already executed:

- i. The Head Procurement and Disposal Unit should always ensure that all addenda are issued in writing to all bidders who were issued bidding documents in accordance with Regulation 67 (7) of the Local Governments (PPDA) Regulations, 2006.
- ii. Sufficient bidding period should be provided to the bidders to enable preparation of bids in accordance with Regulation 55 of the Local Governments (PPDA) Regulations, 2006.
- iii. The Evaluation Committee should always verify the documents submitted by bidders in accordance with Regulation 59 of the Local Governments (PPDA) Regulations, 2006.