

PPDA/NJMC/792

8thOctober 2019

The Manager
Jinja Taxi Operators Transporters, Cooperative Society Ltd
P.O. Box 5060
JINJA

RE: INVESTIGATION ON PROCUREMENT REFERENCE NO. NJERU/792/NON-CONS SRVCS/19-20/00006 CENTRAL DIVISION

Reference is made to the above subject.

The Authority received your complaint dated 12thAugust 2019 alleging that the Town Clerk Njeru Municipal Council fraudulently cancelled the contract for Jinja Taxi Operators, Transporters cooperative Society (JITOTCOS) for management of revenue collection for Central Division.

In accordance with Section 8 (1) (c) of PPDA Act, 2003, the Authority instituted an investigation into the matter and found that:

Brief facts:

1. On 23rd April 2019, the Entity initiated the procurement for procurement for revenue collection for loading and offloading fees from vehicles in the Central Division at an estimated revenue of UGX. 6.25Million per month amounting to UGX.75Million per annum.
2. On 2nd May 2019, the Entity published in the New Vision Newspaper the procurement for revenue collection for loading and offloading fees from vehicles in the Central Division with the deadline for bid submission on 24thMay 2019.
3. On 24thMay 2019, the Entity received and opened 2 bids with the following bid prices:

Table 1: Record of Bid Opening

No.	Bidder	Bid Price Per Month(UGX.)
1.	Jinja Taxi Operators, Transporters cooperative Society (JITOTCOS)	6,259,400
2.	Njeru Taxi Park Cooperative Saving and Credit Societies	6,250,000

4. The Evaluation Report dated 7th June 2019 indicated that Njeru Taxi Park Cooperative Saving and Credit Societies failed at the preliminary because it did not submit an Income Tax Clearance Certificate and a Bid Submission Sheet in the format provided. The Evaluation Committee recommended award of contract to Jinja Taxi Operators, Transporters cooperative Society (JITOTCOS) at UGX. 6,259,400 per month.
5. On 17th June 2019, the Contracts Committee considered the evaluation report and awarded the contract to Jinja Taxi Operators, Transporters Cooperative Society (JITOTCOS) at UGX. 6,259,400 per month.
6. On 17th June 2019, the Entity displayed the Notice of Best Evaluated Bidder with the removal date of 28th June 2019.
7. On 27th June 2019, Njeru Taxi Park Cooperative Saving and Credit Societies applied for administrative review before the Accounting Officer on ground that the President waived taxes on cooperative societies and therefore their bid should not have been eliminated for failure to submit an Income Tax Clearance Certificate.
8. On 15th July 2019, the Entity communicated the findings of the administrative review which recommended a re-tender of the procurement on ground that all bidders had failed at the preliminary stage for the following reasons:

Table 2: Administrative Review Decision

No.	Bidder	Reasons for Disqualification
1.	Jinja Taxi Operators, Transporters cooperative Society (JITOTCOS)	<ol style="list-style-type: none"> i. The Power of Attorney specified that it was to be used for bidding in Jinja Municipal Council only. ii. The bank statement did not show active transactions and hence the bidder is not financially stable
2.	Njeru Taxi Park Cooperative Saving and Credit Societies	<ol style="list-style-type: none"> i. Did not submit an income tax clearance certificate. ii. Did not submit a bid submission sheet in the format provided

9. On 28th August 2019, the Entity re-advertised the procurement in the New vision Newspaper with the deadline for bid submission on 20th August 2019.
10. On 20th August 2019, the Entity received no bids in response to the advert and has not yet re-tendered the procurement.

Issue:

Whether the Town Clerk Njeru Municipal Council irregularly cancelled the contract for Jinja Taxi Operators, Transporters cooperative Society (JITOTCOS) for management of revenue collection for Central Division.

- i. The complainant alleged that the Town Clerk Njeru Municipal Council fraudulently cancelled the contract for Jinja Taxi Operators, Transporters Cooperative Society (JITOTCOS) for management of revenue collection for Central Division.
- ii. The Authority noted that the bidding document required bidders to submit a Power of Attorney for the signatory to the bid. It also required bidders to state the name, address of bankers, account number and bank statement for the last six months.
- iii. The Evaluation Report indicated that Jinja Taxi Operators, Transporters Cooperative Society (JITOTCOS) passed all these requirements.
- iv. The Authority established Jinja Taxi Operators, Transporters Cooperative Society (JITOTCOS) submitted a Power of Attorney in favour of Hajji Musingo Kalid which empowered the attorney to act for and on behalf of the bidder and submit bids and execute contracts with Jinja Municipal Council. It also empowered the attorney to do any other act transaction and or make any decision in accordance with the byelaws of the Society.
- v. The Authority found that the Power of Attorney submitted by Jinja Taxi Operators, Transporters Cooperative Society (JITOTCOS) empowered the donee to undertake any other transaction on its behalf other than bidding in Jinja Municipal Council and therefore the signatory to its bid was duly authorized to sign its bid.
- vi. The Authority found that the Evaluation Committee did not properly interpret the provision in the Power of Attorney submitted by JITOTCOS and hence irregularly disqualified it.
- vii. The Authority further found that the bidding document only required the bidders to state the name, address of bankers, account number and bank statement for the last six months and hence Entity irregularly disqualified the bid submitted by JITOTCOS on the basis that it was not financially stable since the bank statement did not have active transactions in the last six months prior to bid submission.

The Authority observed that bid submitted by JITOTCOS had a bid validity period of 90 days from the date of bid opening on 24th May 2019 which expired on 23rd August 2019.

Recommendation:

In accordance with Section 9(1) (a) of the PPDA Act, 2003 and the findings above, the Authority recommends that the Entity re-tenders the procurement.

Moses Ojambo

FOR: EXECUTIVE DIRECTOR

c.c.: Town Clerk Njeru Municipal Council