



PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY

**INVESTIGATION REPORT INTO THE ALLEGED AWARD OF CONTRACT TO
MANAGE KAJAMBULA CENTRAL MARKET TO TWO COMPANIES**

ENTITY: BUNDIBUGYO DISTRICT LOCAL GOVERNMENT

COMPLAINANT: INSPECTORATE OF GOVERNMENT

MARCH 2021

TABLE OF CONTENTS

1.0	SUMMARY OF FACTS	1
2.0	LAW APPLICABLE	2
3.0	OBJECTIVE OF THE INVESTIGATION.....	2
4.0	METHODOLOGY	2
5.0	FINDINGS OF THE AUTHORITY	3
6.0	CONCLUSION.....	4

ACRONYMS

Authority	-	Public Procurement and Disposal of Public Assets Authority
PPDA Act	-	Public Procurement and Disposal of Public Assets Act No. 1 of 2003
PPDA	-	Public Procurement and Disposal of Public Assets Authority
UGX	-	Uganda Shillings

1.0 SUMMARY OF FACTS

1. On 30th April 2019, Bundibugyo District Local Government initiated the procurement for collection and management of revenue from Kajambura Central Market at a reserve price of UGX 62,000,000.
2. On 6th May 2019, the Contracts Committee approved the open national bidding method, solicitation document and Evaluation Committee indicated in Table 1 below:

Table 1: Evaluation Committee

No	Name	Designation
1.	Ms. Agnes Katusiime	Community Development Officer
2.	Mr. Aron B. Bataringaya	Examiner of Accounts
3.	Mr. Mathew Joseph Byaruhanga	Commercial Officer
4.	Mr. Tom Musoke	Inventory Officer

3. On 7th May 2019, the Entity published a bid notice in the New Vision Newspaper for collection and management of revenue from Kajambura Central Market with a bid closing deadline of 4th June 2019.
4. On 4th June 2019, the Entity received and opened the two bids indicated in Table 2:

Table 2: Record of Bid Opening

No.	Name of Bidder	Price Read Out (UGX)
1.	Bundibugyo Market Vendors Association	72,000,000
2.	Cemo Market Vendors Association	43,200,000

5. On 21th April 2019, the Evaluation Committee recommended award of contract for collection and management of revenue from Kajambura Central Market to Bundibugyo Market Vendors Association at UGX 72,000,000. Cemo Market Vendors Association was failed at financial comparison stage quoting below the reserve price.
6. On 8th August 2019, the Contracts Committee awarded the tender for collection and management of revenue from Kajambura Central Market to Bundibugyo Market Vendors Association at UGX 72,000,000.

7. On 8th August 2019, the Notice of Best Evaluated Bidder was displayed with a removal date of 22nd August 2019.
8. On 26th August 2019, Bundibugyo District Local Government and Bundibugyo Market Vendors Association signed a contract for management and collection of market dues from Kajambura Central Market at UGX 72,000,000 for the Financial Year 2019/2020.

2.0 LAW APPLICABLE

- i. The Public Procurement and Disposal of Public Assets Act 2003;
- ii. The Local Governments (Public Procurement and Disposal of Public Assets) Regulations, 2006 and;
- iii. The bidding document issued.

3.0 OBJECTIVE OF THE INVESTIGATION

The objective of the investigation was to establish whether Bundibugyo District awarded the contract to manage and collect revenue from Kajambura Central Market to two providers.

4.0 METHODOLOGY

The Authority adopted the following methodology:

1. Review of the following documents:
 - i. The invitation to bid;
 - ii. Solicitation document issued;
 - iii. Bids received;
 - iv. Record of bid closing and bid opening;
 - v. Evaluation report;
 - vi. Notice of Best Evaluated Bidder;
 - vii. Contracts Committee decision for this procurement;
 - viii. Contract signed; and
 - ix. All correspondences on file related to this matter.
2. The Authority held a meeting with the following persons on 17th March 2020 as shown in Table 3:

Table 3: Persons Met

No.	NAME	DESIGNATION
1.	Mr. Richard Bukone Sajjabi	Chief Administrative Officer
2.	Mr. Christopher Kiyita	Chairman Contracts Committee
3.	Ms. Birungi Betty	Senior Procurement Officer
4.	Mr. Byaruhanga Joseph	Commercial Officer / Evaluation

No.	NAME	DESIGNATION
	Matthew	Committee Chairperson

5.0 FINDINGS OF THE AUTHORITY

5.1 Whether Bundibugyo District awarded the contract to manage and collect revenue from Kajambura Central Market to two providers

1. The complainant alleged that during the Financial Year 2019/2020 Bundibugyo District Local Government awarded a contract to manage and collect revenue from Kajambura Central Market to both Cemo Market Vendors Association and Bundibugyo Market Vendors Association at UGX 43,800,000 and UGX 72,000,000 respectively.
2. The Authority reviewed the procurement action file and found the following:
 - i. The advertisement for procurement for collection and management of revenue from Kajambura Central Market attracted two bidders i.e. Cemo Market Vendors Association and Bundibugyo Market Vendors Association.
 - ii. The Evaluation Report dated 21th April 2019 indicated that Cemo Market Vendors Association was failed at financial comparison stage for quoting a price of UGX 42,300,000 that was below the Entity's reserve price of UGX 62,000,000 Million. Subsequently the Evaluation Committee recommended award of contract to Bundibugyo Market Vendors Association that had quoted UGX 72,000,000.
 - iii. The Contracts Committee under minute number 27/BDCC/2019-2020 awarded the contract for revenue collection from Kajambura Market in Bundibugyo Town Council to Bundibugyo Market Vendors Association.
 - iv. The Notice of Best Evaluated Bidder dated 8th August 2019 indicated that Bundibugyo Market Vendors Association was the best evaluated bidder at UGX 72,000,000.
 - v. The Bundibugyo Town Council and the Chairperson, Bundibugyo Market Vendors Association on 26th August 2019 signed the contract for collection and management of revenue from Kajambura Central Market.
3. Regulation 84 (1) of the Local Governments (PPDA) Regulations, 2006 states that *"a Procurement and Disposal Unit shall submit a recommendation for award of a contract to the Contracts Committee after completion of the evaluation process and any post-qualification and negotiation process"*.
4. In a meeting the Chairman Contracts Committee Mr. Christopher Kiyita submitted that on 8th August 2019, the Contracts Committee awarded the contract for collection and management of revenue from Kajambura Central Market to Bundibugyo Market Vendors Association at UGX 72,000,000 in accordance with Regulation 84 of the Local Governments (PPDA) Regulations, 2006.
5. The Authority found that the contract to manage and collect revenue from Kajambura Central Market was awarded to only Bundibugyo Market Vendors Association by the Contracts Committee on 8th August 2019 and a contract subsequently signed on 26th August 2019.

6. The Authority hence finds no merit in the allegation that the contract was awarded to two providers..

6.0 CONCLUSION

In light of the above finding the Authority found no merit in the allegation and closed the investigation into the matter.