



PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY

**INVESTIGATION REPORT INTO THE COMPLAINT REGARDING PROCUREMENT
DECISION FOR THE CONSTRUCTION OF A BOUNDARY WALL PHASE II FOR
BUTABIKA NATIONAL REFERRAL MENTAL HOSPITAL; PROCUREMENT
REFERENCE NUMBER: BH/WRKS/20-21/00012**

ENTITY: BUTABIKA NATIONAL REFERRAL MENTAL HOSPITAL

COMPLAINANT: WHISTLE BLOWER

MARCH 2021

Table of Contents

1.0 SUMMARY OF FACTS 1

2.0 LAW APPLICABLE 2

3.0 OBJECTIVES 2

4.0 METHODOLOGY 2

5.0 FINDINGS OF THE AUTHORITY 3

6.0 CONCLUSION AND RECOMMENDATIONS 5

ACRONYMS

PPDA	:	Public Procurement and Disposal of Public Assets Authority
PPDA Act	:	Public Procurement and Disposal of Public Assets Authority Act 2003
UGX	:	Uganda Shillings

1.0 SUMMARY OF FACTS:

1. On 26th October 2020, Butabika National Referral Mental Hospital initiated the procurement for the construction of a boundary wall Phase II at an estimated cost of UGX 876.2 Million all taxes inclusive.
2. On 6th November 2020, the Contracts Committee approved the open domestic bidding method, bidding document and the Evaluation Committee as shown below in Table 1:

Table 1: Evaluation Committee

No	Name	Designation
1.	Mr. Kibedi William	Senior Procurement Officer
2.	Mr. Joel Muyinda	Senior Hospital Administrator
3.	Mr. Andrew Gankuba	Senior Architect; Ministry of Works and Transport

3. On 9th November 2020, the Entity published bid notice in the New Vision Newspaper with a deadline of bid submission of 7th December 2020.
4. On 7th December 2020, the Entity received and opened 6 bids as indicated in Table 2 below:

Table 2: Record of Bid Opening

No	Bidder	Price Read Out (UGX)
1.	Alliance Technical Services Limited	135,437,208
2.	Bulmark Associates Limited	154,152,884.4
3.	InfraBuild Services Ltd	165,814,467
4.	Dansem Construction Company Ltd	203,759,990
5.	Geomax Engineering ltd	298,693,282
6.	Electec Sol Technologies Limited	458,088,449

5. The Evaluation Report dated 9th December 2020 indicated that the Evaluation Committee recommended award of contract to Alliance Technical Services Limited at a total contract price of UGX 868,986,208 (computed at $CL = L/100 * CM$). Where, L- Length of the boundary wall to be built (450m) , CM- Cost of 100m and CL- Cost of length of boundary wall to be built.
6. On 30th December 2020, the Contracts awarded the contract to Alliance Technical Services Limited at a total contract price of UGX 868,986,208 all taxes inclusive.
7. On 31st December 2020, the Entity displayed the best evaluated bidder notice with the removal date of 14th January 2020.
8. On 5th February 2021, the Solicitor General cleared the contract for signature by the parties.

9. On 9th February 2021, the Entity signed a contract with Alliance Technical Services Limited at a total contract price of UGX 868,986,208 for the Construction of a boundary wall phase II for Butabika National Referral Mental Hospital.

10. On 12th February 2021, the Entity appointed Ms. Olivia Kakooza as the Contract Manager.

2.0 LAW APPLICABLE

- i. The Public Procurement and Disposal of Public Assets Act, 2003;
- ii. The PPDA Regulations, 2014; and
- iii. The Bidding document issued.

3.0 OBJECTIVES

The objectives of this investigation were to establish whether:

1. The bid for Alliance Technical Services Limited was properly evaluated.
2. Mr. William Kibedi (Senior Procurement Officer) irregularly participated in the procurement process after he had been transferred from the Entity.

4.0 METHODOLOGY

The Authority adopted the following methodology:

1. Reviewed the following documentation:
 - i. The procurement requisition;
 - ii. The bid notice inviting bids;
 - iii. The bidding document issued;
 - iv. Records of bid receipt and opening;
 - v. The Evaluation report;
 - vi. The minutes of Contracts Committee meetings;
 - vii. The Contract document; and
 - viii. All correspondences on the action file related to this matter.
2. On 9th February 2021, the Authority held a meeting with the following persons from Butabika National Referral Mental Hospital as shown below in Table 3:

Table 3: Persons met

	Name	Designation
1.	Dr. Juliet Nakku	Ag. Executive Director
2.	Mr. Mwanje Joseph	Senior Procurement Officer
3.	Mr. Herbert Oriokot	Senior Human Resource Officer

5.0 FINDINGS OF THE AUTHORITY

5.1 Whether the bid for Alliance Technical Services Limited was properly evaluated

1. The complainant alleged that the Entity irregularly awarded the contract to Alliance Technical Services Limited at an evaluated price of UGX 868,986,208 which was higher than the price read out at bid opening of UGX 135,437,208.
2. The bidding document required bidders under page 4 of 5 of the bills of quantities to quote their bid price per unit cost of 100m and further stated that the final contract price shall be computed using the formular: $CL = L/100 * CM$). Where, L- Length of the boundary wall to be built, CM- Cost of 100m and CL- Cost of length of boundary wall to be built.
3. The Authority noted that the bills of quantities under page 4 of 5 stated that the cost of the whole lengths of the boundary wall shall be got by the above formula.
4. The Authority reviewed the bid submitted by Alliance Technical Services Limited and the evaluation report and noted that the bidder submitted a unit price per 100m read out at bid opening of UGX 135,437,208. Further that the Evaluation Committee corrected the following arithmetic errors of UGX 47,681,600 and thereby increased the bid price quoted to UGX193,107,923.35 and consequently to an evaluated price of UGX 868,986,208 for the actual length of 450m of the wall to be constructed as shown below in Table 4:

Table 4: Arithmetic Errors Corrected and Evaluated Price

No.	Description	Quoted price (UGX)	Corrected amount (UGX)	Arithmetic error (UGX)	Evaluated price (UGX)
1.	At page 12 of 13, Subtotal for Bill No. 2 understated as UGX 108,477,700 instead of UGX 152,159,300	108,477,700	152,159,300	47,681,600	156,159,300
2.	Add subtotal for Bill No. 1	3,500,000	3,500,000	0	3,500,000
3.	Corrected evaluated total for 100m VAT Exclusive				159,659,300
4.	Add contingency at 2.5%				3,991,482.5
5.	Evaluated subtotal				163,650,782.5
6.	Add VAT at 18%				29,457,140.85
7.	Evaluated total for 100M length VAT Inclusive				193,107,923.35

	Evaluated total for 450m after application of the formula, $CL = \frac{450}{100} * 193,107,923.35$		868,985,208
--	--	--	--------------------

5. The Evaluation Committee recommended award of contract to Alliance Technical Services Limited at an evaluated price of UGX 868,986, 208 VAT Inclusive.
6. The Authority found that the difference in the bid price quoted and read out at bid opening and the awarded price was due to the arithmetic correction and the conversion of the unit cost into the total contract sum using the formula $CL = L/100 * CM$) which was disclosed to all bidders in the un priced bills of quantities.
7. The Evaluation Committee converted the unit price per 100 meters by 450m to arrive at UGX868,986,208 using the formula $CL = L/100 * CM$). Where, L- Length of the boundary wall to be built, CM- Cost of 100m and CL- Cost of length of boundary wall to be built. The length of the boundary wall was 450m.
8. The Authority found that the Evaluation Committee properly evaluated the bid by Alliance Technical Services Limited since the adjustments in bid price was due to correction of arithmetic errors of UGX 47,681,600 and the application of the formula in the bills of quantities which changed the read out price to UGX 868,986, 208. The Authority hence found no merit in the allegation.

5.2 Whether Mr. William Kibedi (Senior Procurement Officer) participated in the procurement process during the transfer period

1. The complainant alleged that Mr. William Kibedi (Senior Procurement Officer) participated in the procurement process yet he had been transferred by the Accountant General in a letter dated 23rd October 2020 and was to leave office not later than 13th November 2021.
2. The Authority noted that Mr. William Kibedi the Senior Procurement Officer was the substantive Head of Procurement and Disposal Unit at Butabika National Mental Referral Hospital.
3. The Authority further noted that on 23rd October 2020, Mr. William Kibedi (Senior Procurement Officer) was issued with a deployment letter from the Ministry of Finance, Planning & Economic Development Accountant General's Office informing him of his transfer to Ministry of Education and Sports not later than 13th November 2020.
4. The Authority found that the hand over report by Mr. William Kibedi was dated 31st December 2020 and received by the Executive Director's Office on 13th January 2021.

5. The Authority further found that Mr. William Kibedi continued working on procurement activities at the Entity which was evidenced by his attendance of the Contracts Committee meeting that sat on 30th December 2020.
6. Section F-D of the Uganda Public Service Standing Orders provides that before the arrival of the incoming officer, the outgoing officer must make a conscientious effort to clear his or her 'IN' and 'PENDING' trays. If there is any backlog of work to hand over, it must be done, through the supervisor to the Responsible Officer with a copy to the incoming officer.
7. In a meeting with the Ag. Executive Director, the Authority was informed that Mr. Kibedi William handed over his backlog of work to Mr. Mwanje Joseph the incoming officer in the presence of the Accounting Officer however; the above meeting was not documented.
8. The Authority found that while Mr. William Kibedi was in attendance of the Contracts Committee sitting that approved the award of contract to Alliance Technical Services Limited, the award of contract was not based on his presence or opinion rather the award of contract was based on the bidder's compliance to the requirements in the bidding document.
9. There was no documentary evidence to justify the delay of Mr. William Kibedi to hand over officer to the incoming officer.
9. Whereas the Authority found merit in the allegation that Mr. Williams Kibedi's participated in the procurement process during the period he had been transferred, his participation would not jeopardise the outcome of any of the proceeding as these were based on the bidders compliance to the requirements and unanimously agreed and approved by all members of the Contracts Committee with Section 28(1) (a) of the PPDA, 2003 and Regulation 13 (5) of the PPDA (PDE) Regulations 2014.

6.0 CONCLUSION AND RECOMMENDATION

In accordance with Section 9 of PPDA Act, 2003 and in light of the above finding, Authority recommends that the Entity proceed to implement the contracts with the contracted service provider to their logical conclusions.

This is to bring to your attention the above information and closure of the investigation.