



PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY

**INVESTIGATION REPORT INTO ALLEGED SUPPLY OF MOTORCYCLES WITH
UNSATISFACTORY PERFORMANCE RECORD BY NILE FISHING COMPANY
LIMITED**

ENTITY: MINISTRY OF LOCAL GOVERNMENT

COMPLAINANT: THE UNION OF L.C.III CHAIRPERSONS IN UGANDA

JUNE 2021

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ACRONYMS

L.C	-	Local Council
UGX	-	Uganda Shillings

1.0 SUMMARY OF FACTS

1. On 23rd July 2020, the Ministry of Local Government initiated the procurement for supply, delivery and commissioning of 2,127 units of Motorcycles for Sub-County, Town Councils and Municipal Divisions Chairpersons at an estimated cost of UGX 20,206,500,000.
2. On 24th September 2020, the Entity published the bid notice in the New Vision Newspaper with a bid closing date of 23rd October 2020.
3. Bidding documents were issued to eight bidders as indicated in Table 1 below:

Table 1: Bidders Issued with Bidding Document

No.	Name of Bidder
1.	Honda Uganda Limited
2.	Verma Co. Limited
3.	Nile Fishing Company Limited
4.	Simba Automotive Limited
5.	Toyota Uganda Limited
6.	Yuvraj International (U) Limited
7.	Pride Trading Company Limited
8.	Mantra Motorbike East Africa Limited

4. On 8th October 2020, a pre-bid meeting was held at the Ministry of Local Government 5th Floor Main Board Room and was attended by representatives of Honda Uganda Limited, Simba Automotive Limited, Verma Co. Limited, Nile Fishing Company Limited, Toyota Uganda Limited and Yuvraj International (U) Limited.
5. On 23rd October 2020, six firms submitted bids which were opened and prices read out as indicated in Table 2 below:

Table 2: Bid Prices Read Out

No.	Name of Bidder	Price Read Out (UGX)
1.	Nile Fishing Company Limited	18,898,375,000
2.	Honda Uganda Limited	21,961,309,032
3.	Simba Automotive Limited	18,058,230,000
4.	Mantra Motorbike East Africa Limited	17,016,000,000
5.	Toyota Uganda Limited	20,567,858,157
6.	Verma Co. Limited	12,177,230,768

6. The Evaluation Report dated 18th November 2020, indicated that Verma Co. Limited, Mantra Motorbike East Africa Limited and Simba Automotive Limited failed at the preliminary evaluation stage.
7. The Evaluation Committee Report further indicated that Nile Fishing Company Limited, Honda Uganda Limited and Toyota Uganda Limited were commercially and technically

responsive to the evaluation criteria. Nile Fishing Company Limited was recommended for award of contract at UGX 18,898,395,000 as lowest technically responsive bid.

8. On 17th December 2020, the Contracts Committee approved the Evaluation Report and awarded the contract to Nile Fishing Company Limited at UGX 18,898,395,000.
9. On 18th December 2020, the notice of best evaluated bidder was displayed with a removal date of 4th January 2021.
10. On 11th January 2021, the Authority received a complaint from the Union of L.CIII Chairpersons in Uganda alleging that the Ministry was about to procure motorcycles from Nile Fishing Company which was a broker for Yamaha motor cycles and allegedly supplied motorcycles to Uganda Police for election monitoring in 2015-16 which broke down within six months after delivery and does not have any after sales services in case of break downs.

2.0 OBJECTIVES OF THE INVESTIGATION

The objective of the investigation was to establish whether the motorcycles to be supplied by Nile Fishing Company had unsatisfactory performance record.

3.0 LAW APPLICABLE

- i. The Public Procurement and Disposal of Public Assets Act, 2003;
- ii. The Public Procurement and Disposal of Public Assets Regulations, 2014;
- iii. The Public Procurement and Disposal of Public Assets Guidelines 2014; and
- iv. The bidding document issued for procurement of motorcycles.

4.0 METHODOLOGY

1. In investigating the application, the Authority reviewed the following documents:
 - i. Procurement requisition;
 - ii. Bid notice;
 - iii. Bidding document issued;
 - iv. Records of bid receipt and opening;
 - v. Bids submitted;
 - vi. Minutes of the pre-bid meeting;
 - vii. The evaluation report;
 - viii. Minutes of Contracts Committee;
 - ix. Best evaluated bidder notice; and
 - x. Contracts Committee decisions for this procurement.
2. On 11th May 2021, the Authority held a meeting with the following officials from Nile Fishing Company Limited indicated in Table 3 below:

Table 3: Persons Met

No.	Name	Designation/Role
1.	Mr. Francis Asiimwe	Procurement Manager
2.	Mr. Winston Manzi	Procurement Consultant

5.0 FINDINGS BY THE AUTHORITY

Whether the motorcycles to be supplied by Nile Fishing Company had unsatisfactory performance record

1. The complainant alleged that the Ministry was about to award the above tender to Nile Fishing Company was a broker for Yamaha motor cycles and the same company supplied motorcycles to Uganda Police for election monitoring in 2015-16 which broke down within six months after delivery and does not have any after sales services in case of break downs.
2. The Evaluation Report dated 18th November 2020, recommended Nile Fishing Company Limited for award of contract at UGX 18,898,395,000 for it was the lowest technically responsive bid.
3. The Authority reviewed the bid by Nile Fishing Company Limited, and noted that the Manufacturer's Authorisation issued by YAMAHA MOTOR CO. LTD 2500 Shingai, Iwata, Shizouoka 438-8501, Japan that had given Nile Fishing Company Limited authority to supply 2,127 units of Yamaha Motorcycles model XTZ125 and to negotiate and sign the contract with Ministry of Local Government. In addition, Nile Fishing Company Limited met all the requirements as required in the bidding document.
4. The complainant indicated that Nile Fishing Company Limited was a broker of Yamaha. The Authority found that the Manufacturer above was not a brokerage and it conferred authorization to Nile Fishing Company Limited to supply motorcycles manufactured by the company.
5. With respect to the unsatisfactory performance of the motorcycles, the Authority found evidence of performance by Nile Fishing Company Limited with the following tendelivery notes for supply of motorcycles and verifications for the motorcycles supplied between June 2016 to November 2018:

Table 4: Evidence of Performance of Contracts by Nile Fishing Company Limited

No.	Subject of supply	Client	Model	Delivery date
1.	Supply of 80 Motorcycles	Uganda Police Force	YBR125G	6/2/2017

No.	Subject supply	of	Client	Model	Delivery date
2.	Supply of Motorcycles	60	Uganda Police Force	YBR125G	7/2/2017
3.	Supply of Motorcycles	20	Uganda Police Force	YBR125G	8/2/2017
4.	Supply of Motorcycles	120	Uganda Police Force	YBR125G	15/2/2017
5.	Supply of Motorcycles	20	Uganda Police Force	YBR125G	20/2/2017
6.	Supply of Motorcycles	30	Uganda Police Force	YBR125G	21/2/2017
7.	Supply of Motorcycles	39	Uganda Police Force	YBR125G	30/11/2016
8.	Supply of Motorcycles	10	Uganda Police Force	YBR125G	11/11/2016
9.	Supply of Motorcycles	843	Ministry of Agriculture Animal Industry and Fisheries	YBR125G	28/11/2018
10.	Supply of Motorcycles	185	Ministry of Education and Sports	YBR125G	17/6/2016

6. The Authority found that Nile Fishing Company Limited had supplied Uganda Police Force eight times a total of 379 Yamaha motorcycles model YBR125G and when contacted by the Authority as regards the quality of supplies, the Entity indicated that it had no reservations on the Yamaha motor cycles supplied by Company over time.
7. The Authority found no documentary evidence to support the allegations that Nile Fishing Company Limited was a broker for Yamaha and motorcycles to be supplied by company had unsatisfactory performance record since the manufacturer duly authorized the company to negotiate and sign a contract with Ministry of Local Government for supply of 2,127 units of Yamaha Motorcycles. In addition, the company has a network of 82 agents who provide after sales services spread throughout the country.

6.0 CONCLUSION

In accordance with Section 9 (1) (a) of the PPDA Act 2003, the Authority found no merit in the allegations of unsatisfactory performance record and closed the investigation.