



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

"Procurement That Delivers"

Our Ref: PPDA/DPF/03/72

13th September 2023

The Chief Executive Officer
Deposit Protection Fund of Uganda
P. O Box 37228
KAMPALA

**BID PREPARATORY AUDIT EXERCISE FOR SUPPLY AND INSTALLATION OF
AN INTERNAL SEGMENTATION FIREWALL**

Reference is made to the above subject.

On 12th September, 2023, the Public Procurement and Disposal of Public Assets Authority (PPDA) in accordance with Section 7 (j) (i) of the PPDA Act conducted a bid preparatory audit for supply and installation of an internal segmentation firewall.

The objectives of the audit were to:

1. Establish whether the public procurement planning and requisitioning processes were conducted in accordance with the PPDA Act, 2003; and PPDA Regulations 2014; and
2. Establish whether the solicitation document issued to the bidders was prepared in a manner which promotes transparency, accountability and fairness in accordance with the provisions of the PPDA Act, 2003, PPDA Regulations 2014 and PPDA Guidelines 2014.

The scope of the bid preparatory audit included a review of the procurement plan, requisition form, solicitation document, bid notice and the Contracts Committee approval of the procurement method, Evaluation Committee and solicitation document. The areas of the solicitation document analysed were - Instructions to Bidders, Bid Data Sheet, Evaluation Methodology and Criteria, Bidding Forms and the Special and General Conditions of Contract.

The Authority identified the following exceptions with regard to the procurement planning and requisition processes, and the solicitation document for the attention of management:

- 1.0. To establish whether the public procurement planning and requisitioning processes were conducted in a manner which promotes transparency, accountability and fairness in accordance with the Public Procurement and Disposal of Public Assets Act 2003, the PPDA Regulations 2014 and the Guidelines, 2014.**

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1.1 Publication of two bid notices with contradicting bid submission dates

The Authority noted that the Entity published a bid notice in the daily Monitor Newspaper of 5th September 2023 for supply and installation of an internal segmentation firewall with a bid submission date of 5th October 2023. Another advert for the same procurement was run in the New Vision Newspaper of 7th September 2023 with bid submission date of 29th September 2023.

Implication

This is likely to confuse potential bidders on the correct submission date.

Recommendation

The Accounting Officer should harmonise the dates and issue an addendum to that effect.

2.0. To establish whether the solicitation document issued to bidders was prepared in accordance with the provisions of the Public Procurement and Disposal of Public Assets Act, 2003, the PPDA Regulations 2014 and Guidelines 2014.

2.1 Failure to require a performance security

The solicitation document under Special Conditions of Contract GCC 19.1 stated that a performance security shall not be required.

Implication

Failure to require a performance security exposes the Entity to the risk of non-performance by the provider.

Recommendation

The Entity should consider including a minimal performance security of say 5% to guard against risk of non-performance by the provider and issue clarification to all bidders.

2.2 Failure to apply Preference Schemes

Section 59 (1) (A) of the PPDA Act, 2003 provides that preference schemes shall be applied in respect of goods, works and non-consultancy services, where the open domestic or open international bidding methods are used, with a specified margin of preference being added during the financial comparison stage of the evaluation process to the evaluated price of the bid which does not qualify for preference.

A review of the bidding document under instructions to bidders ITB 35.1 and Special Conditions of Contract GCC 19.1 indicated that margin of preference shall not apply.

Implication

This may lead to local suppliers being out competed by foreign suppliers due to lack guidance on how to benefit from the margin of preference.

Recommendation

The Entity should ensure compliance with the requirement of margin of preference in accordance with Section 59 (1) (A) of the PPDA Act, 2003.

2.3 Inconsistence in the warranty period on parts and labour

Special conditions of contract GCC 29.3 provided for a warranty on parts and labour of one year contrary to specification number IFW-REQ-172 which required warranty of three years.

Implication

The bidders may offer a shorter warranty period to the disadvantage of the entity.

Recommendation

The Head Procurement and Disposal Unit should harmonise the requirement on warranty period and issue clarification to all bidders.

The purpose of this letter is to forward to you the findings from the bid preparatory audit exercise for your implementation to allow potential bidders sufficient time to prepare responsive bids.



Dr. Aloysius M. Byaruhanga (PhD)

FOR: EXECUTIVE DIRECTOR

cc: Chairperson, Contracts Committee

cc: Head, Procurement and Disposal Unit