

Our Ref: PPDA/UETCL/49

5th September 2023

The Managing Director/Chief Executive Officer
Uganda Electricity Transmission Company Ltd
P.O. Box 7625
KAMPALA

**BID PREPARATORY AUDIT EXERCISE FOR SUPPLY OF MATERIALS FOR FIBER
INSTALLATION ALONG MUTUNDWE - KABULASOKE LINE AND PROVISION OF
WORKS FOR UPGRADE OF CHAIN-LINK FENCE WITH PALISADE FENCE AT
NAMANVE NORTH SUB-STATION**

Reference is made to the above subject.

On 14th August 2023, the Public Procurement and Disposal of Public Assets Authority (PPDA) in accordance with Section 7 (j) (i) of the PPDA Act, 2003 conducted a bid preparatory audit for supply of materials for fiber installation along Mutundwe - Kabulasoke line and provision of works for the upgrade of chain-link fence with palisade fence at Namanve North Sub-Station.

The objectives of the audit were to:

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

The scope of the bid preparatory audit entailed a review of the procurement requisition form, solicitation document, and bid notice as well as the approvals of the Contracts Committee of the procurement method, Evaluation Committee, and solicitation document. The areas of the solicitation document analyzed were - Instructions to Bidders, Bid Data Sheet, Evaluation

Methodology and Criteria, Bidding Forms, Eligible Countries, Statement of Requirements, the Special and General Conditions of Contract.

The Authority identified the following exceptions for the attention of management:

1.0 *To establish whether the public procurement planning and requisitioning processes were conducted in a manner that promotes transparency, accountability, and fairness in accordance with the PPDA Act 2003, PPDA Regulations 2014, and PPDA Guidelines.*

1.1 Failure to submit the procurement plan to the Authority

Section 58 (1) of the PPDA Act, 2003 requires the Entity to prepare and submit to the Secretary to the Treasury and to the Authority its annual procurement plan each financial year. Whereas the Entity had an approved procurement plan with the above procurements on it, the Authority noted that this plan was not submitted to the Public Procurement and Disposal of Public Assets Authority (PPDA).

Implication

It is an indicator of lack of transparency and accountability contrary to Section 45 of the PPDA Act, 2003.

Recommendation

The Accounting Officer should ensure that the approved Entity's procurement plan is always submitted to the Authority in accordance with Section 58 (1) of the PPDA Act, 2003.

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 as amended, the PPDA Regulations 2014, and relevant guidelines*

2.1 Failure to incorporate the Environmental, Social, Health, and Safety (ESHS) requirements in the bidding document

Section 2 in the bid data sheet under ITB 15.1 (i) of the Standard Bidding Document for the Procurement of Works under Open or Restricted Bidding that was issued by PPDA in September 2019 requires a bidder to submit with its bid the following additional documents;

1. ESHS Code of Conduct for Contractor's Personnel
2. Environment and Social Management Plan (ESMP)

The Authority noted that under the same clause (ITB 15.1 (i)) of the bidding document issued by the Entity for provision of works for the upgrade of the chain-link fence with palisade fence at the Namanve North substation, the ESHS requirements were not included.

Implications

- The potential environmental and social impacts of the project will not be addressed by bidders during the execution of the works.
- Failure to incorporate the ESHS requirements in the bidding document compromises the health, safety, and security of the workers, the community, and materials.

Recommendation

The Head Procurement and Disposal Unit should incorporate environmental, social, health, and safety requirements in the bid data sheet in accordance with ITB 15.1 (i) of the Standard Bidding Document.

3.0 Other observation

3.1 Delay by the Procurement and Disposal Unit to make a submission to the Contracts Committee

The Authority also noted a delay by the Procurement and Disposal Unit to submit to the Contracts Committee the request to approve the method of procurement, bidding document, and Evaluation Committee in the supply of materials for fiber installation along the Mutundwe - Kabulasoke line, the Procurement, and Disposal Unit delayed to submit to the Contracts Committee the request to approve the method of procurement, bidding document, and Evaluation Committee. Whereas the Accounting Officer confirmed funding on 19th May 2023 the submission to the Contracts committee was made on 3rd July 2023, causing a delay of 30 working days.

Implication

Delays in the procurement process create a lengthy lead time which consequently impedes timely service delivery.

Recommendation

The Accounting Officer should ensure that all procurements are conducted in a manner that promotes economy, efficiency, and value for money in accordance with Section 48 of the PPDA Act, 2003.

The purpose of this letter is to forward the findings of the bid preparatory audit exercise. In order to administer and enforce compliance with the provisions of the PPDA Act 2003, Regulations and Guidelines, the Entity is required to implement the recommendations of the Authority contained in this letter.

The Authority requires the Entity to submit the status of implementation of the above recommendations within a month from the date of receipt of this report.



Aloysius Byaruhanga Mwesigwa (PhD)

For: EXECUTIVE DIRECTOR

cc: Chairperson, Contracts Committee
cc: Head, Procurement and Disposal Unit