



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

"Procurement That Delivers"

PPDA/RGF/011

14th November 2023

The Head Teacher
Kaddugala Secondary School
P. O. Box 892
MASAKA

**RE: BID PREPARATORY AUDIT EXERCISE FOR THE CONSTRUCTION OF
SCHOOL FACILITIES AT KADDUGALA SECONDARY SCHOOL.**

Reference is made to the above subject.

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a Bid Preparatory Audit at Kaddugala Secondary School.

The audit exercise involved a review of the procurement planning, requisition/initiation and solicitation documents issued to bidders following the Public Procurement and Disposal of Assets Act, 2003, PPDA guidelines for Schools in Uganda 2014.

Table 1: Details of the construction of the school facilities for the Bid Preparatory Audit

No	Reference Number	Subject of procurement	Amount (UGX)
1	KAD892/WRKS/23 -24/00001	Construction of school facilities of; i. Multipurpose Block ii. Library/ICT Block iii. Two units five stance VIP lined pit latrines for boys and girls iv. Two-unit laboratory	1,500,000,000

The objectives of the audit were to:

- i. To establish whether there are procurement structures in place
- ii. Ensure that public procurement planning and requisition was conducted in a manner which promotes transparency, accountability and fairness in accordance with the PPDA Act, 2003 and PPDA guidelines for Schools in Uganda 2014.
- iii. Establish whether the solicitation document issued to bidders was prepared in accordance with the provisions of the PPDA Act 2003, and PPDA guidelines FOR Schools in Uganda 2014.

The scope of the bid preparatory audit entailed review of the procurement and disposal plan, procurement requisition forms and solicitation documents. The areas of the solicitation document

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analyzed were; Instruction to Bidders, Bid Data Sheet, Evaluation Methodology and Criteria, Bidding Forms and Special and General Conditions of the Contract.

The Authority identified the following exceptions with regard to the procurement process from planning to issue of solicitation document for the attention of Management:

1. TO ESTABLISH WHETHER THERE ARE PROCUREMENT STRUCTURES IN PLACE.

i. Procurement structures

The key players in the procurement structure at Kaddugala Secondary School included the Head Teacher as Accounting Officer, the Contracts Committee (CC), the Procurement and Disposal Unit (PDU) and the User Departments. The Authority found that the Entity's procurement structures were fully staffed and functional at the time of Audit.

ii. Accounting Officer

Section 26 of the PPDA Act 2003 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. The Head Teacher; Mr. Ssengabi Yahaya was designated as the Accounting Officer of the Entity during the Financial Year 2023-2024.

iii. Composition of the Contracts Committee

The Guideline 5.7.1 of the PPDA guidelines for schools, 2014 requires the Accounting Officer to nominate members of the Contracts Committee and forward them to the governing body for approval.

During the audit period the Entity's Contracts Committee was fully constituted with the following members as indicated in the table 2 below.

Table 2: Composition of Contracts Committee

S/N	Name	Position	Job Title	Date of appointment
1.	Ms. Sauda Nakiyemba	Chairperson	Deputy Head teacher	5 th October, 2023
2.	Godfrey Jolloba	Member	Teacher	5 th October, 2023
3.	Fredrick Ssembusi	Member	Teacher	5 th October, 2023
4.	Valeria Namayanja	Member	Teacher	5 th October, 2023
5.	Hassan Kakooza	Member	Teacher	5 th October, 2023

The Authority also noted that the Contracts Committee was never inducted into their roles and responsibility.

iv. Establishment of a Procurement Committee

The School's Accounting Officer setup a procurement committee as indicated 3 to manage this particular procurement. The Committee is composed of mainly school teachers and a Procurement Office of Kyotera District coopted as a procurement technical person.

Table 3: Staff in the Procurement and Disposal Unit

No.	Name	Position	Job Title
1.	Brian Tumusiime	Chairperson	Teacher

No.	Name	Position	Job Title
2.	Samuel Owora	Member	Teacher
3.	Janet Nebaza	Member	Teacher
4.	Immaculate Nalugo	Member	Teacher
5.	Musa Mbalagadde	Member	Teacher
6.	David Musakira	Technical support	Procurement Officer, Kyotera DLG

The Authority also noted that the procurement and disposal team was never inducted into their roles and responsibility.

Composition of the Evaluation committee for the construction

The Procurement Committee nominated the members of the Evaluation Committee who were approved by the Contracts Committee. The Evaluation Committee members is indicated in table 4 below.

Table 4: Indicated the Evaluation committee members

No	Name	Title	Entity	Position
1.	Stephen Kakeeto	City Education Officer	Masaka City	Chairperson
2.	David Musakira	Procurement Officer	Kyotera District	Secretary
3.	Eng. Jennifer Biira	Ministry Engineer	Ministry of Education and Sports	Member
4.	Kizito Anwar	Senior Accountant Ma	Masaka City	Member
5.	Matovu Mugagga	Division Engineer	Masaka City	Member
6.	Zulaikah Naiga	Desk Officer MoES in charge of Central Region	Ministry of Education	Member

2. TO ESTABLISH WHETHER PROCUREMENT PLANNING AND REQUISITION WAS CONDUCTED IN A MANNER WHICH PROMOTES TRANSPARENCY, ACCOUNTABILITY AND FAIRNESS IN ACCORDANCE WITH THE PPDA ACT, 2003, PROCUREMENT AND DISPOSAL GUIDELINES FOR SCHOOLS 2014

i. Inadequate bidding period

A review of the bid notice noted that the bid is running for 12 working days from 1st November 2023 with a bid submission date of 21st November, 2023. This is less than the minimum bidding period of 15 working days.

This inhibits potential bidders sufficient time to prepare competitive bids.

The Authority recommends that the Accounting Officer should always adhere to the minimum bidding period as stipulated under section 64 of the PPDA Act, 2003 and further recommends extension of two weeks.

3. TO ESTABLISH WHETHER THE SOLICITATION DOCUMENT ISSUED TO BIDDERS WAS PREPARED IN ACCORDANCE WITH THE PROVISIONS OF THE PPDA ACT 2003, PROCUREMENT AND DISPOSAL GUIDELINES FOR SCHOOLS 2014

I. Errors in the bid document

- ITB 9.3 of the Bid Data sheet states that Site visit shall be a MUST requirement however no specific date and time was indicated for the activity. The Authority recommends that the Entity sets a specific date for the site visit to assist bidders understand and appreciate the scope of the works.
- ITB 12 of the Bid Data sheet states that the for-clarification purposes only, the Procuring and Disposing Entity's address is: Attention: Kaddugala Secondary School without stating the last date of receiving clarifications by the Entity. The Authority recommends that the clarifications deadline should be indicated to avoid late clarification.
- ITB 15.1 of the Bid Data Sheet stated that the Bidder shall submit with its bid the following additional documents: Tax Clearance issued by URA addressed to the Kaddugala Secondary School instead of requesting for a valid tax clearance.
- ITB 15.1 of the Bid Data Sheet stated that the Bidder shall submit with its bid the following additional documents: Powers of Attorney while ITB 22.2 the required A Power of Attorney (Specific to the procurement) if drawn and signed in Uganda shall be Registered by Uganda Registration Services Bureau (URSB), or a notarized Power of Attorney if drawn and signed outside Uganda. Which confuses bidders on the required format of Power of Attorney required. The Authority recommends for harmonization of the above requirement.
- ITB 19.1 of the Bid Data Sheet stated that the bids must be valid for 180 days from the date of bid issue. This may lead to disagreements between the Entity and the bidders in the start and end date of the bid validity period. The Authority recommends that the Entity states a specific date.
- ITB 20.3 of the Bid Data Sheet stated that the Bid Security shall be valid for 180 working days from the date of bid issue. This may lead to disagreements between the Entity and the bidders on the start and end date of the bid security period. The Authority recommends that the Entity states a specific date.
- ITB 27.1 of the Bid Data Sheet is silent on the bid opening date and time. This may mislead bidders on the actual date and time for bid opening. The Authority recommends that the Entity indicates the date and time for bid opening.
- ITB 38.1 of the Bid Data Sheet provides that the margin of preference shall not apply contrary to section 59A (1) (a) which requires that whenever open domestic or open international bidding methods are used, margin of preference shall apply.
- Section 3 of the bidding document (Evaluation Methodology and Criteria), Post Qualification 6.1 personnel and equipment (B) states that bidder must demonstrate that it

shall have access to the key equipment listed hereafter (either by ownership, lease, hire): Attach documentary evidence of ownership, lease, hire such as registration books, agreements or memoranda or purchase order). Necessary approvals should be obtained to use particular equipment, where necessary, from the Ministry of Gender, Labor and Social Development/Occupational Safety and Health as indicated table 5 below;

Table 5: Indicating inconsistencies on the list of required equipment

A	B	C	D
No.	Equipment Type and Description/ Capacity	Minimum Number required	Approvals/Certifications
1.	Dump Trucks (10-20 Ton Capacity)	1	1.
2.	Concrete Packer Vibrators – 40mm diameter	2	2.
3.	Concrete Mixers (1-2 cub. m)	1	3.
4.	Concrete Power Floating Machine	1	4.
5.	Vibratory Drum Roller (6-10 Ton)	1	5.
6.	Plate Compactor	1	6.
7.	Welding Set	1	7.
8.	Carpentry Set	1	8.
9.	Re-Bar Bending/Cutting Machine	1	9.
10.	Formwork Plates	1	10.
11.	15KVA Generator	1	11.
12.	Wheel Loader – 105HP & 1.8 cubic meters Bucket Capacity	1	12.
13.	Vibratory Hand Rammer	1	13.

The Authority upon reviewing found Colum D above of approvals/certification is likely confuse prospective bidders on the needed equipment for the project thus should be deleted.

- Under Section 3 of the bidding document (Evaluation Methodology and Criteria), requested for stringent evaluation criteria as showed below;
 - i. 6.2.5 Average Annual Turnover requires a minimum average annual turnover **1,500,000,000** (One billion five hundred million) calculated from total certified payments received for contracts in progress (**70%**) or completed, within the last **Three (03)** years i.e. **2023, 2022 & 2021** is stringent and might hinder competition in the process.
 - ii. 6.26 Financial Resources states that the bidder must demonstrate access to or availability of, financial resources such as liquid assets, unencumbered real assets, lines of credit, and other financial means, other than any contractual advance

payments to meet: the following cash-flow requirement: **UGX 1,000,000,000**. (One Billion) is stringent and might hinder competition in the process.

- iii. 6.2.8 Specific Experience states that Participation as contractor, management contractor, or subcontractor, in at least **Two (02)** contracts within the last **Five (05)** years, each with a value of at least **UGX 1,500,000,000**, that have been successfully and substantially completed (at least 70 percent complete) and that are similar to the proposed Works. The similarity shall be based on the physical size, complexity is stringent and might hinder competition in the process. The Authority recommends that the minimum average annual turnover and financial resources requirement should be revised downwards in an effort to promote fairness and competition.
- GCC 3.7 This contract is a lump sum instead of an admeasurement contract.
 - GCC 1(gg) and GCC 26 are silent on the period or date for site handover and site possession by the contractor. The Authority recommends that a tentative date or period is provided during contract formation.
 - Under ITB 46 Performance Security and ES Performance Security states that Within twenty-one (21) calendar days after signing of the contract, the successful bidder shall where applicable, furnish to the PDE a Performance Security and the Environmental and Social (ES) Performance Security in the amount stipulated in the SCC and the form of an on-demand Bank Guarantee as stipulated in Section 9, denominated in the type and proportions of the currencies of the Contract. The Performance Security and ES Performance Security shall be issued by a Bank located in Uganda or a foreign Bank through correspondence with a Bank located in Uganda. However, under GCC 61.1 apportionment of the 10% will be allotted to performance and ES (Environmental and Social) concerns.

The Authority therefore recommends that the Entity should review the bidding document, make the necessary adjustments to correct the errors and communicate those adjustments to all bidders participating in the process.

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 should review the solicitation documents, include all the relevant information and issue an addendum to the bidders.


Nathanson Chen Birungi
For: EXECUTIVE DIRECTOR

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