



PPDA/PBU/038

18<sup>th</sup> August 2023

The Managing Director  
Post Bank Uganda Limited  
P. O. Box 7189  
**KAMPALA**

**BID PREPARATORY AUDIT EXERCISE FOR THE PROCUREMENT OF CATERING-STAFF LUNCH AND CANTEEN MANAGEMENT SERVICES FOR A PERIOD OF TWO YEARS (PB/NCONS/2023/00151), PROVISION OF STAFF GROUP LIFE INSURANCE SERVICES FOR A PERIOD OF THREE YEARS (PB/NCONS/2023/00136) PROVISION OF GROUP PERSONAL ACCIDENT INSURANCE COVER FOR ALL STAFF FOR THREE YEARS (PB/NCONS/2023/00137)**

Reference is made to the above subject.

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a bid preparatory audit for three procurements in the calendar year 2023, namely; procurement of catering-staff lunch and canteen management services for a period of two years (PB/NCONS/2023/00151), provision of staff group life insurance services for a period of three years (PB/NCONS/2023/00136), provision of group personal accident insurance cover for all staff for three years (PB/NCONS/2023/00137).

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 documents issued to the bidders were prepared in accordance with the provisions of the PPDA Act 2003, PPDA Regulations 2014 and PPDA Guidelines.

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

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Head Office  
PPDA - URF Towers, Plot 39  
Nakasero Road  
P.O.Box 3925, Kampala Uganda  
Tel: +256-414-311100  
Email: info@ppda.go.ug

Western Regional Office  
RDC's Building, Bishop Stretcher Road,  
Opposite BOU Currency Centre, Mbarara-Kabale Road  
P.O. Box 1353, Mbarara, Uganda.  
Tel: +256-417-733800  
Email: mbararaoffice@ppda.go.ug

Northern Regional Office  
Plot 1, Lower Churchill Drive  
P.O. Box 999, Gulu, Uganda  
Tel: +256-417-432010  
Email: guluoffice@ppda.go.ug

Eastern Regional Office  
Oval Plaza, Plot 1, Court Road  
P.O. Box 2173, Mbale, Uganda  
Tel: +256-417-890100  
Email: mbaleoffice@ppda.go.ug

The Authority identified some exceptions for the attention of management. The purpose of this letter therefore is to communicate the following findings and recommendations for your attention and action:

**1.0 Whether the solicitation documents issued to the bidders were prepared in accordance with the provisions of the PPDA Act 2003, PPDA Regulations 2014 and PPDA Guidelines.**

**1.1 Use of INCOTERMS where it was non-applicable**

The Authority noted that in the Instruction to Bidders (ITB 14.5 & ITB 14.6(a) (i)) and the Special Conditions of Contract (GCC 25.1) of the three sampled procurements, the Entity provided for the use of INCOTERMS edition 2020, with the specific INCOTERM being Delivery Duty Paid-Postbank Uganda Limited, Kampala or any branch premise across the network respectively.

Considering that these procurements were domestic procurements that did not require cross border movements, customs clearance, insurance; and that these are services to whom INCOTERMS do not apply, the Entity should not have made it applicable. Incorrect application of INCOTERMS may result into potential conflicts during contract implementation.

The Entity should in the future apply INCOTERMS only where they are necessary.

**1.2 Provision for separate submission of technical and financial proposals**

The Authority noted that in the Instruction to Bidders (ITB 22.1) in all the three sampled procurements, the Entity requested the bidders to submit their technical and financial bids independently. This is contrary to Regulation 56 (2) of the (Rules and Methods for Procurement of Services, Works and Non-Consultancy Services) of the PPDA Regulations 2014 which states states; *The one stage-single envelope method shall be used for the procurement of goods, works and Non-Consultancy services.*

The Entity should immediately issue clarification to all the bidders on the submission of bids in line with Regulation 56 (2) of the (Rules and Methods for Procurement of Services, Works and Non-Consultancy Services) of the PPDA Regulations 2014. The Entity should also in future adhere to the PPDA Regulations 2014 pertaining to the submission of bids for the different categories of procurement.

**1.3 Misalignment of sections in the bidding documents**

The audit noted misalignment of sections in all the three sampled procurements, as indicated below:

- i. In the procurement of catering, staff lunch and canteen management services for a period of two years, the header Section 2, bid data sheet appears under Instruction to bidders in Section 1 from page 9 onwards.
- ii. In the procurement of provision of Staff Group Life Insurance Services for 3 years, the header 'Section 5, Eligible Countries' appears under Statement of requirements in Section 6.
- iii. In the procurement of Group Personal Accident Insurance Cover, the header 'section 8, Special Conditions of Contract' appears under Statement of Requirements in Section 6.

Misalignments of sections in the bidding documents may confuse bidders when preparing their bids. The Entity should in the future ensure that all the sections of the bidding documents are properly aligned.

**1.4 Omission of key additional document to be submitted by bidders**

Whereas the KCCA health clearance certificate was required from bidders under Part 2 Section 6: Statement of requirements for the procurement of catering, staff lunch and canteen management services, the Entity was noted to have excluded the same in their Instructions to Bidders (ITB 11.1). The Entity stated that submission of additional documents was “not applicable.”

The Entity should include the KCCA health certificate as a required additional document.

**Conclusion:**

The purpose of this letter is to forward to you the results of the bid preparatory audit exercise. In order to administer and enforce compliance with the provisions of the PPDA Act 2003 and PPDA Regulations 2014, the Entity is required to implement the recommendations of the Authority contained in this letter.

  
Hilda K. Mwesigwa

**FOR: EXECUTIVE DIRECTOR**

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