

PPDA/UEGCL/47

24th August 2023

The Chief Executive Officer
Uganda Electricity Generation Company Limited
P. O. Box 75831
KAMPALA

BID PREPARATORY AUDIT INTO THE PROCUREMENT OF BLADE SEAL REPLACEMENT COMPONENTS FOR NALUBAALE HPP REF: UEGCL/SPLS/2023-24/30018.

Reference is made to the above subject.

On 15th 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 procurement of blade seal replacement components for Nalubaale HP.

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 and the Special and General Conditions of Contract.

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

1.0. 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

1.1. Restrictive Evaluation Criteria

Part 1, Section 3, 3.2 (g) Evaluation Methodology and criteria required evidence of fulfilment of obligation to pay social security contributions; NSSF Certificate for 2022. The Authority noted that given that the procurement method used was open international bidding. This criterion would be restrictive to bidders outside Uganda.

The Authority recommends that the Head, Procurement and Disposal Unit should ensure that the evaluation criteria is not restrictive in accordance with Regulation 7(4) of the PPDA (Evaluation) Regulations, 2014.

1.2. Stringent turn over requirement

The Entity required in Part 1: Section 3, Evaluation Methodology and Criteria 3.5 Financial Capacity required a minimum annual turnover of 2 billion UGX calculated as total certified payments received for contracts in progress or completed within the last three years. The estimated amount of the procurement was UGX 503,509,773.

The Authority recommends that the required annual turnover is commensurate with the estimated amount of the procurement to maximize competition in accordance with Section 46 of the PPDA Act, 2003.

1.3. Lack of a person with financial competence on the Evaluation Committee

On 3rd August 2023, the Contracts Committee approved the Evaluation Committee in table 1. The Authority noted that there was no provision made for a member with financial competence and yet Part 1 Section 3, 3.5 required evaluating the financial capacity of the bidder.

Table 1: Evaluation Committee

No	Name	Substantive Position
1.	Mr. Ronald Kasekende	Head, Mechanical Engineer NPS
2.	Mr. Shafic Dembe	Mechanical Engineer NPS
3.	Mr. James Mussapiti	Procurement Officer
4.	Ms. Winlfred Nalwanga	Health and Safety Officer NPS
5.	Mr. Emmanuel Bukenya	Mechanical Officer NPS
6.	Mr. David Othieno	Legal Officer

The Authority recommends that the Entity should consider adding a person with competence in finance as per Section 37 (4) 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.



Dr. Aloysius M. Byaruhanga (PhD)

FOR: EXECUTIVE DIRECTOR

cc: Chairperson, Contracts Committee

cc: Head, Procurement and Disposal Unit