



Our Ref: PPDA/UCC/44

26th July 2024

The Executive Director
Uganda Communications Commission
P.O Box 7376
KAMPALA

RE: BID PREPARATORY AUDIT EXERCISE FOR CONSULTANCY SERVICES FOR ASSESSMENT OF OPPORTUNITIES AND BARRIERS TO INVESTMENT IN THE COMMUNICATIONS SECTOR IN UGANDA REF: UCC/SRVCS/22-23/00008

Reference is made to the above subject.

The Public Procurement and Disposal of Public Assets Authority (PPDA) on 23rd July 2024 conducted a bid preparatory audit for consultancy services for assessment of opportunities and barriers to investment in the communications sector which is to be undertaken this Financial Year 2024/2025. The audit exercise involved a review of procurement planning, requisition/initiation and solicitation document issued to bidders following the Public Procurement and Disposal of Assets Act Cap 205, the Regulations, 2024 and Guidelines 2024.

The objectives of the audit were to:

1. Ensure that procurement planning and requisition was conducted in a manner which promotes transparency, accountability and fairness in accordance with the PPDA Act Cap 205, the Regulations, 2024 and Guidelines 2024; and
2. Establish whether the solicitation document issued to bidders was prepared in accordance with the provisions of the PPDA Act Cap 205, the Regulations, 2024 and Guidelines 2024.

The Authority identified some exceptions for the attention of management as detailed below:

1.0. Procurement delays and inefficiencies

The entity initiated the procurement process outside the financial year in which the service was planned. According to the procurement plan for FY 2022/2023, the Entity budgeted UGX 350 million for the above procurement which funds were to be utilised in the 2nd quarter of the financial year. However, the procurement was initiated on 3rd July 2023 (in the financial year 2023-2024) and the process was cancelled on 4th June 2024 and retendered in the FY 2024-2025. This affected absorption of funds in the Financial Year the items were planned for and money will instead be spent in the FY 2024-2025.

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Implication

This is an indicator of poor planning and budgeting. Furthermore, delayed implementation of planned activities leads to delayed service delivery to the intended beneficiaries.

2.0. Failure to provide for performance security

Regulation 11 (2) of the PPDA (Contracts) Regulations states that the value of the performance security shall be specified in guidelines issued by the Authority. Guideline No.3 of 2024 issued on 5th February 2024 provides that performance security in form of a bank guarantee shall be required for procurement of consultancy services under the open domestic bidding method.

The Authority found that the Special Conditions of Contract in the bidding document issued to bidders did not provide for performance security of 5% as required in the Guideline.

Implication

The entity will not be protected against non-performance.

Recommendation

The Head Procurement and Disposal Unit should amend the bidding document to provide for performance security as provided in Guideline No.3 of 2024.

3.0. Unspecified period for the income tax clearance certificate

The preliminary evaluation criteria in the bidding document required bidders to submit an income tax clearance certificate. However, the tax period required was not explicitly stated.

Implication

The evaluation committee will not be guided on the period to evaluate which may lead to subjectivity on the matter during the process of evaluation.

Recommendation

The Head Procurement and Disposal Unit should amend the bidding document and specify the required tax period.

The purpose of this letter is to forward to you the findings from the bid preparatory audit exercise for your implementation.



Aloysius M. Byaruhanga (PhD)

For: EXECUTIVE DIRECTOR

c.c. Chairperson, Contracts Committee

c.c. Head Procurement and Disposal Unit