



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

"Procurement That Delivers"

PPDA/UNRA/113

23rd February 2024

The Accounting Officer
Uganda National Roads Authority
P.O. Box 28487
KAMPALA

RE: BID PREPARATORY AUDIT EXERCISE FOR THE SUPPLY AND DELIVERY OF CRITICAL SPARE PARTS AND ONBOARD EQUIPMENT FOR UNRA FERRIES UNDER FRAMEWORK CONTRACT FOR THREE (03) YEARS (LOTS 1 – 3). REF NO.: UNRA/SUPLS/2023-2024/00041.

Reference is made to the above subject.

The Public Procurement and Disposal of Public Assets Authority (PPDA) on 19th February 2024 conducted a bid preparatory audit into the supply and delivery of critical spare parts and onboard equipment for UNRA ferries under framework contract for three years (Lots 1–3).

The audit exercise involved a review of the procurement planning, requisition/initiation and solicitation document issued to bidders following the Public Procurement and Disposal of Assets Act, 2003, the PPDA Regulations and relevant guidelines.

The objectives of the audit were to:

1. 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, the PPDA Regulations, 2023 and attendant guidelines; and
2. Establish whether the solicitation document issued to bidders was prepared in accordance with the provisions of the PPDA Act, 2003, the PPDA Regulations, 2023 and attendant guidelines.

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.

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Objective One: To establish whether the public procurement planning and requisition process was conducted in a manner which promotes transparency, accountability and fairness in accordance with the Public Procurement and Disposal of Public Assets Act 2003, the PPDA Regulations 2014 and relevant guidelines

The Authority reviewed the procurement plan, Form 5 initiating the procurement and the respective correspondences and found no notable lapses. The processes were undertaken in accordance with Public Procurement and Disposal of Public Assets Act, 2003, the PPDA Regulations, 2023 and relevant guidelines.

Objective Two: To establish whether the solicitation document issued to bidders was prepared in accordance with the provisions of the PPDA Act, 2003, the PPDA Regulations, 2023 and attendant guidelines.

1. Discrepancy between the solicitation document and the bid invitation

The Authority reviewed the solicitation document and noted that the deadline for receipt of bids was provided as 3rd April 2024 while the bid invitation advertised in the NewVision newspaper on 15th February 2024 provided that the deadline for receipt of bids would be 15th October 2024.

Risk

This may cause incertitude among bidders as to what the correct deadline for submission of bids actually is.

Recommendation

The Entity should urgently issue an addendum or clarification to potential bidders correcting the discrepancy between the bid invitation and the solicitation document.

2. Use of superannuated evaluation criteria

The Authority reviewed the solicitation document and noted that Clause 3.2 (i) of Section 3 (Evaluation Methodology and Criteria) provides that among the documentation required to provide evidence of eligibility shall be obligation of social security contributions in Uganda for the year 2022-23 where applicable. The Authority however found that social security contributions are meant to be catered for on a monthly basis with payments made at the close of each respective month. Therefore, the requirement for evidence of having met social security contributions for the year 2022-23 is superannuated as bidders may not at the time of submitting bids i.e. April 2024, be in compliance with the requirement.

Risk

The Entity may award the contracts to bidders who may not meet the requirements of having fulfilled social security obligations.

Recommendation

The Entity should urgently issue an addendum or clarification to potential bidders correcting the period for meeting social security contributions to February 2024.

3. Ambiguous post-qualification criteria

The Authority reviewed the solicitation document and noted that Section 3 provided that post-qualification would be undertaken in accordance with ITB 28 and that the criteria would be as follows:

- i. Independent verification of authenticity of documentation submitted from all the relevant certifying authorities or bodies;
- ii. Determine the bidder's capacity and financial resources to execute the procurement;
- iii. Inspection of all the items mentioned under the list of supplies;
- iv. Assessing the availability of suppliers, and readiness to supply as may be required; and
- v. Confirmation of other factors or any other things thought and deemed important to safeguard UNRA from risk of financial loss and failure to obtain value for money from this procurement.

The Authority found that the criteria provided for under post-qualification is actually criteria for due-diligence and not post-qualification.

Recommendation

The Entity should urgently issue an addendum or clarification to potential bidders indicating that the criteria provided as post-qualification criteria are actually due diligence criteria in accordance with Regulation 26 of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

4. Use of brand names

The Authority reviewed the solicitation document issued to bidders and found that brand names were used as indicated below:

- i. Haxing in the description of the navigation lights (bulbs) DC 24V;
- ii. Mcgeoch in the description of the passenger deck lights DC 24V;
- iii. Gambit Retro in the description of the 17X150 binoculars;
- iv. Motorola in the description of the hand hold mobile VHF radio calls;
- v. Den Haana Rotterdam in the description of the search lights; and
- vi. Toshiba in the description of the marine clock batteries (rechargeable).


Risk

The use of brand names affects competition and the achievement of value for money.

Recommendations

The Entity should urgently issue an addendum or clarification to potential bidders withdrawing the specific brand names from the requirements.

This is to communicate to you the findings and recommendations of the Authority. You are requested to submit to the Authority a status of implementation of the recommendations within two weeks from the date of this letter.



Dr. Aloysius M. Byaruhanga (PhD)

For: EXECUTIVE DIRECTOR

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