



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

"Procurement That Delivers"

PPDA/UEGCL/48

9th August 2024

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

KAMPALA

BID PREPARATORY AUDIT EXERCISE FOR THE DESIGN, MANUFACTURE, SUPPLY, INSTALL, TEST AND COMMISSION THE EFFLUENT/ SEWERAGE SYSTEM FOR KIIRA POWER STATION (KPS) PROC. REF.: UEGCL/SPLS/2023-2024/10431

Reference is made to the above subject.

On 1st August 2024, the Public Procurement and Disposal of Public Assets Authority (PPDA) in accordance with Section 7 1 (j) (i) of the PPDA Act Cap. 205 conducted a bid preparatory audit for the Design, Manufacture, Supply, Install, Test and Commission the Effluent/ Sewerage System for Kiira Power Station (KPS).

The objectives of the audit were to:

1. Establish whether the public procurement planning and requisitioning processes were conducted in accordance with the PPDA Act Cap. 205, PPDA Regulations 2023 and PPDA Guidelines; and;
2. Establish whether the solicitation document issued was drafted in a manner which promotes transparency, accountability and fairness to the bidders in accordance with the provisions of the PPDA Act Cap. 205, PPDA Regulations 2023 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. 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 requisition processes, and the solicitation document for the attention of management.

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HKM/En/ok

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1.0. Whether the public procurement planning and requisitioning processes were conducted in accordance with the PPDA Act Cap 205, PPDA Regulations 2023 and PPDA Guidelines

No exceptions noted

2.0. Whether the solicitation document issued to bidders was drafted in a manner which promotes transparency, accountability and fairness to the bidders in accordance with the provisions of the PPDA Act Cap 205, PPDA Regulations 2023 and PPDA Guidelines

2.1 Failure to provide for margin of preference

Section 59 A (1) (a) states that “Preference schemes shall be applied in respect of goods, works and non-consultancy services, where the open domestic or open international bidding methods are used, with a specified margin of preference being added during the financial comparison stage of the evaluation process to the evaluated price of the bid which does not qualify for preference;

However, ITB 35.1 in the solicitation issued by the Entity stated that a “margin of preference shall not apply”.

2.2 Procuring in other currencies

Reference is made to Permanent Secretary/Secretary to the Treasury Ministry of Finance, Planning and Economic Development circulars dated 15th July 2024, 4th July 2016, 21st March 2016, and 15th January 2016, communicating instructions to contract for works, goods and services in Uganda shillings. However, the bidding document stated in ITB 15.1(b) that “For Supplies and Related Services originating outside of Uganda the currency of the bid shall be: any freely convertible currency”

2.3 Failure to request for valid documentation

The Eligibility criteria under 3.2 (c) stated that bidders should submit “a copy of the bidder’s Trading license or equivalent and a copy of the Bidder’s Certificate of Registration or equivalent for bidders not currently registered with the Authority”. The Entity should state that the Trading license should be “current”.

2.4 Delivery and completion schedule

The bidding document did not indicate the place for delivery. GCC 1(o) stated that “The Site for delivery of the Supplies is: Kira Power Plant”. The delivery site should be Kiira Power Station, Jinja to avoid confusion during delivery.

2.5 Repetition in the bidding document.

There was repetition noted in the bidding document. GCC 16.3 stated “the payment period shall be....” twice in the same statement.

Recommendation

The Entity should address the issues raised in this issue letter at the pre- bid meeting/ site visit where applicable and report to the Authority on the same.

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 Cap 205, Regulations 2023 and Guidelines, the Entity is required to implement the recommendations of the Authority contained in this letter.



Simon Businge

For: EXECUTIVE DIRECTOR

cc: Chairperson, Contracts Committee

cc: Head, Procurement and Disposal Unit