



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

*"Procurement That Delivers"*

**Our Ref: PPDA/NWSC/31**

9<sup>th</sup> August 2024

The Accounting Officer  
National Water and Sewerage Corporation  
P.O. Box 7053  
**KAMPALA**

**BID PREPARATORY AUDIT EXERCISE FOR THE PROCUREMENT OF SUPPLY OF  
BULK FUEL AND LUBRICANTS FOR OPERATIONS AND PRODUCTION UNDER  
FRAMEWORK CONTRACT**

Reference is made to the above subject.

In accordance with Section 8 (1) (j) (i) of the Public Procurement and Disposal of Public Assets (PPDA) Act, Cap 205 the Authority conducted an audit into the procurement of bulk fuel and lubricants for operations and production under framework contract (NWSC-HQ/SUPLS/23-24/180998)

The purpose of the audit is to establish whether the solicitation document issued to the bidders was prepared in accordance with the provisions of the PPDA Act, Cap 205 and PPDA Regulations, 2023.

The Authority identified the following exceptions with regard to procurement planning, requisitioning and bidding document preparation for the attention of management.

**1.0 Establish whether the solicitation document issued to the bidders was prepared in  
accordance with the provisions of the PPDA Act, CAP 205 and PPDA Regulations, 2023**

The Authority conducted an analysis of the solicitation document and observed the following exceptions;

**1.1 Specification by brand**

Section 6, under item 14.0 on quality assurance and compliance that the Entity required bidders to possess a certificate issued by Total Laboratory. The Authority observed that this requirement

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prohibits participation of any other bidder other than Total thus restricting fair competition and in breach of Regulation 38 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023 that requires that specifications shall not be issued with reference to a particular trademark, brand name, patent, design, type, specific origin, producer, manufacturer, catalogue or numbered item.

#### **Implications**

- Branding deters competition and may deny the Entity an opportunity of attaining value for money.
- The Entity may not benefit from new technologies and innovations in the market by clinging on a specific brand.

#### **Recommendation**

The Head Procurement and Disposal Unit should revise the above requirement and provide for open and fair competition in accordance with Regulation 38 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023.

#### **1.2 Omission noted in the Bid Data sheet**

The Authority noted that Part 1: Section 2, Bid Data Sheet (ITB 7) of the bidding document, of the above procurement, the Entity stated the period to which a bidder can seek clarification in days i.e 10 days contrary to Regulation 59 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023 that requires the date by which clarification can be sought.

#### **Implication**

The omissions in the bidding document may lead to disagreements which create unnecessary delays in the procurement process.

#### **Recommendation**

The Authority recommends that the errors are rectified immediately and bidders notified of the changes.

#### **1.3 Inconsistencies in the Special Conditions of contract and the Statement of Requirements**

The Authority observed that GCC 19.1 stated that performance security was not a requirement however, Part 2: Section 6 of the bidding document under item 14 of required bidders to provide a performance security based on a quarterly projection.

#### **Implication**

This may lead to subjectivity at evaluation and deny bidders to prepare responsive bids.

#### **Recommendation**

The Head Procurement and Disposal Unit should harmonise the requirement on performance security to avert unfair evaluation of bids.

The Authority recommends that the above observations are immediately rectified, necessary approvals obtained where applicable and bidders notified of the changes before bid closure.

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

A handwritten signature in black ink, appearing to be 'Simon Businge', with a stylized flourish at the end.

Simon Businge

**FOR: EXECUTIVE DIRECTOR**

- cc: The Chairman, Contracts Committee
- cc: The Head, Procurement and Disposal Unit