



**PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY**
"Procurement That Delivers"

Our Ref: PPDA/KYU/304

23rd August 2024

The University Secretary
Kyambogo University
P.O Box 1
KYAMBOGO

BID PREPARATORY AUDIT FOR THE PROVISION OF SECURITY/GUARDING SERVICES FOR SOROTI AND BUSHENYI CAMPUSES-KYU/NCONS/2024-2025/00001

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 security/guarding services for Soroti and Bushenyi campuses.

The purpose of the audit was 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 the bidding document preparation for the attention of management.

1. Failure to include the margin of preference

The Authority noted that margin of preference was not provided for under Section II, Bid Data Sheet (ITB 33.1) of the bidding document which stated that "*a margin of preference shall not apply*" as opposed to making it mandatory since there was no mention of whether the procurement was reserved to only local providers. This was in breach of Section 62(1)(a) of the PPDA Act Cap 205 that provides 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.

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Implication

Local firms are denied a chance of attaining a competitive advantage in the event that foreign firms participate hence affecting national development.

Recommendation

The Head Procurement and Disposal Unit should revise the requirement by making margin of preference applicable in the bidding document in order to attain a competitive advantage to local firms in the event that foreign firms participate in accordance with Section 62 (1)(a) of the PPDA Act Cap 205.

2. Failure to state the date within which a bidder can seek clarification

The Authority noted that Part 1: Section 2, Bid Data Sheet (ITB 7.1) of the above procurement, the Entity did not specify the date within which a bidder may seek clarification on the bidding documents contrary to Regulation 59 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 that requires stating the date by which clarification can be sought.

Implication

The omission in the bidding document denies bidders opportunity to seek clarifications leading to preparation of unresponsive bids

Recommendation

The Head Procurement and Disposal Unit should make a clarification on the actual date by which clarifications can be sought and issue it to all bidders immediately.

3. Requiring a bid security from bidders exceeding ranges in the issued Guidelines

The Authority noted that Part 1: Section 2, Bid Data Sheet (ITB 19.2) of the above procurement, the Entity required a Bid Security of UGX. 5,000,000 per lot yet the estimated value of the procurement requirement was UGX.153,300,000 for Soroti under Lot 1 and UGX. 175,200,000 for Bushenyi under Lot 2. The Bid Securities in this case were 3.2% and 2.8% respectively contrary to clause 1.1 (ii) of the (PPDA) Guideline 3/2024 that requires a Bid Security not exceeding 1% of the estimated value of the procurement requirement in case of a Bank guarantee and clause 1.2 (ii) of the (PPDA) Guideline 3/2024 that requires a bid security between the range of 1-2% of the estimated value of procurement requirement in case of a Bid bond.

Implication

Requiring a bid security exceeding the ranges issued in the Guidelines deters bidders from participating in the procurement process which limits competition.

Recommendation

The Authority recommends the Entity to revise the Bid Security amounts in accordance with clauses 1.1 (i1) and 1.2(ii) of the (PPDA) Guideline 3/2024 and bidders be notified.

4. Failure to seek a requirement of a signed copy of Beneficial Ownership declaration form

The Authority noted that Section 3, Evaluation methodology and criteria under eligibility documents, the Entity did not seek from bidders to provide a copy of Beneficial Ownership declaration form contrary to Circular No.4 of 2022 issued by the Authority on 25th April 2022 that requires submission of Beneficial Ownership information.

Implication

Failure to require submission of a copy of signed Beneficial Ownership declaration form exposes the Entity to fraud and hinders transparency in executing procurement functions.

Recommendation

The Authority recommends that submission of a Beneficial Ownership declaration form be required under eligibility documents and bidders be notified.

5. Use of inappropriate bidding document

The Authority noted that under Part 2: Section 6 (Statement of Requirements), the Entity indicated that payments shall be based on a framework contract approved rate per guard. Review of the bidding documents revealed that a Standard Bidding Document for Non-Consultancy Services under Open bidding was used instead of Standard Bidding Document for framework contracts for supplies and services issued by the Authority.

Implication

Use of inappropriate bidding documents misguides both the bidders and the Entity which results into inadequacies in bid preparation, evaluation, contracting and contract management thus hindering effective execution of the contract.

Recommendation

The Head Procurement and Disposal Unit should immediately withdraw the issued bidding document and issue the appropriate bidding document for framework contracts to bidders that suits the requirements of the Entity.

6. Discrepancies in the information stated in the bidding documents

The Authority noted that whereas the procurement was for provision of Security/ Guarding services for Soroti and Bushenyi Campuses, the bidding document under Invitation to bid indicated that the University was allocated funds for Procurement of Medical Insurance for its Staff.

Implication

This misleads bidders during preparation of bids on the exact requirement of the Entity.

Recommendation.

The Head Procurement and Disposal Unit should correct the anomaly and ensure that the information in the bidding document is accurate and consistent.

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.



Dr. Aloysius M. Byaruhanga

FOR: EXECUTIVE DIRECTOR

cc: The Chairman, Contracts Committee

cc: The Head, Procurement and Disposal Unit