

Our Ref: PPDA/ MOICT/020

17th October 2024

The Accounting Officer
Ministry of Information, Communications Technology and National Guidance
P.O. Box 7817
KAMPALA

**BID PREPARATORY AUDIT REPORT FOR THE PROCUREMENT OF
PROVISION OF REPAIRS, MAINTENANCE OF MOTOR VEHICLE/CYCLE,
SUPPLY OF TYRES, BATTERIES UNDER FRAMEWORK CONTRACT
(MOICT/SUPLS/2024-2025/00009 & 00010)**

Reference is made to the above subject.

The Public Procurement and Disposal of Public Assets Authority (PPDA) in accordance with Section 7 (j) (i) of the PPDA Act Cap.205 conducted a bid preparatory audit for the above named procurement.

The scope of the audit entailed a review of the procurement plan, procurement requisition form, solicitation document and bid notice as well as approvals of the Contracts Committee of the procurement method, Evaluation Committee and solicitation document. The areas of the solicitation document analyzed were Instructions to Bidders, Bid Data Sheet, Evaluation Methodology and Criteria, Bidding Forms, the Special and General Conditions of Contract.

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

Objective 1: Whether the public procurement planning and requisitioning processes were conducted in a manner which promotes transparency, accountability and fairness in accordance with the PPDA Act Cap.205, PPDA Regulations 2023 and PPDA Guidelines 2024

1.1 Incomplete initiation form

The Authority observed that the funds availability section on the procurement initiation (Form 5) was not fully filled. Information on the Vote head, Programme, Sub-programme and remaining balance were not indicated.

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Implication

This exposes the Entity to a risk of conducting procurement transactions for which funds are not available thus causing domestic arrears.

Recommendation

The User department should fill all the details in the initiation form in accordance with Regulation 3 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023.

Objective 2: Whether the solicitation document issued to the bidders was prepared in accordance with the provisions of the PPDA Act Cap.205, PPDA Regulations 2023 and PPDA Guidelines 2024.**2.1 Failure to adhere to the format of stating the bid validity period**

Regulation 62(1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 states that the bidding documents shall state the date up to which a bid shall be valid. The audit noted that in Bid Data Sheet (ITB 20.1) of the bidding document, the Entity indicated the bid validity period as 120 working days instead of indicating the specific bid validity date.

Recommendation

The Entity should ensure that the bidding documents states the date up to which a bid shall be valid in accordance with Regulation 62(1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.2 Failure to indicate the time of bid opening

ITB 27.1 in the bidding document indicated that the bid opening shall take place at Ministry of Information, Communications Technology and National Guidance and that the deadline for bid submission is 31st October, 2024. However, the time of bid opening was not indicated both in the bidding document and the bid notice

Implication

This may create uncertainty and is potential for unfair practices.

Recommendation

The Head, Procurement and Disposal Unit should indicate the time of bid opening in the bidding document.

2.3 Inclusion of VAT Registration in the evaluation criteria

Circular No.1 of 2015 states that VAT registration should not be part of the requirements for any bidding process. The Uganda Revenue Authority (URA) is not under any obligation to register any person who does not qualify for VAT registration as provided for under the VAT Act, Cap 349. For purposes of bidding, a TIN registration certificate and Tax SB/gk

Clearance are sufficient proof for compliance. The Authority noted that the Procurement and Disposal Unit included the requirement for VAT registration under Section 3, Evaluation Methodology of the bidding document contrary to the requirements in Circular No.1 of 2015.

Implication

Bidders may be unfairly eliminated for the failure to comply with the requirement.

Recommendation

The Head, Procurement and Disposal Unit should adhere to Circular No.1 of 2015 and remove the provision for VAT Certificate of Registration under ITB 11.1.

The Accounting Officer remain responsible for ensuring value for money and for the conduct of the procurement process to completion in accordance with the provisions of the PPDA Act Cap.205.

The Head, Procurement and Disposal Unit should address the issues noted and share with the Authority the revised bidding document.



Dr. Aloysius M. Byaruhanga
FOR: EXECUTIVE DIRECTOR

c.c. Chairperson, Contracts Committee
c.c. Head Procurement and Disposal Unit