



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

Our Ref: PPDA/KUMC/717

19th November 2024

The Town Clerk
Kumi Municipal Council
P.O. Box 44
KUMI

**BID PREPARATORY AUDIT EXERCISE FOR THE CONSTRUCTION OF A
MATERNITY WARD AT ATERAI HEALTH CENTRE III UNDER UGIFT FUNDING
FOR FY 2024/25**

Reference is made to the above subject.

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a bid preparatory audit for the Construction of a maternity ward at Aterai Health Centre III under UGIFT funding which is to be undertaken in the financial year (2024/25). 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, Cap 205 and the PPDA Regulations, 2023 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, Cap 205 and PPDA Regulations, 2023; and
2. Establish whether the solicitation document issued to bidders was prepared in accordance with the provisions of the PPDA Act Cap 205 and the PPDA Regulations, 2023.

The Authority identified a number of 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:

1.0 Initiation

Use of wrong reference numbers for FY 2024-2025

The bidding document had a reference number stated as KMC717/Wrks/2024-2027/00001 Lot 2 and the invitation to bid was referenced as KMC717/Wrks/2023-2024/00001 Lot 2. This affects the audit trail.

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2.0 Preparation of the solicitation document

Table 1: The following gaps were observed in Part 1: Section 3

No.	Requirement in the solicitation document	Gap identified and recommendation
1.	ITB 9.5 Site visit shall not be a mandatory requirement.	<p>The bidding document stated that site visits shall not be mandatory.</p> <p><i>This ITB.9.5 should go ahead to encourage interested bidders to do a site visit to examine the site of works and its surroundings to obtain all information that may be necessary for preparing the bid and entering into a contract for construction of the works. The costs of visiting the site shall be at bidder's own expense.</i></p>
2.	ITB 1.1 States the maximum number of lots is	<p>The project is not lotted. It's one lumpsum.</p> <p>The HPDU should amend this ITB to show that the procurement is not lotted.</p>
3.	ITB 12.1 The Procuring and Disposing Entity will respond to any request for clarification provided that such request is received no later than day of bid closing.	<p>Allowing for response to clarification until the bid closure date may affect the bidding process especially bidders submit clarification requests on the submission date and time may not be sufficient to address them.</p> <p><i>The Head PDU should clearly amend this ITB to indicate that the Entity shall only response to a request for clarification that is received not later than 3 days to bid closure date.</i></p>
4.	ITB.9.3- The PDE shall NOT be holding a pre-bid meeting.	<p>ITB. 9.3 did not provide for a pre-bid meeting yet the nature and complicity of this project would warrant one.</p> <p><i>The HPDU should amend ITB 9.3 to provide for a pre-bid meeting clearly stating the; date, time and venue.</i></p>
5.	ITB 20.1 Bid security shall be required.	<p>Type and format of bid security was not stated.</p> <p><i>This ITB should state that a bid securing declaration will be required, stating clearly its validity period and format/ template to be used should be part of the bidding forms.</i></p> <p><i>This will reduce the cost of doing business for bidders since its request for quotations method being used.</i></p>
6.	Environmental, social, Health and safety requirements	<p>The bidding document did not include the environmental, social, Health and safety factors for</p>

No.	Requirement in the solicitation document	Gap identified and recommendation
		<p>this project in the BOQs such as need for signposts planting trees, grass and landscaping among others.</p> <p><i>The District Health Officer, District Engineer, District Environmental Officer and District Community Development Officer, and Head of Procurement and Disposal Unit should ensure that ESHS issues are properly provided for in the BOQs and in the SDB.</i></p>
7.	Local content and reservation schemes	<p>Local content and reservation schemes Whereas reservation schemes apply to this procurement, they were not provided for as required under the guideline by the Authority on Local Content i.e. Guideline 1/2018 on Reservation Schemes to promote local content in public procurement. The solicitation document did not require bidders to provide proposals for subcontracting components of the works amounting to a specific percentage of the contract as per the Reservation Guidelines of 2018.</p> <p><i>The SDB should provide for local content and reservation schemes under this project.</i></p>
8.	Evaluation Criteria: Key Personnel required.	<p>The criteria only state the key personnel required and their qualifications.</p> <p><i>This criterion should be amended to clearly state the specific experience in years required of each key personnel, their academic qualifications evidenced by copies of their academic transcripts, certificates, their signed copies of Curriculum Vitae and copies of their National Identifications.</i></p>
9.	<p>Planned procurement schedule : Prebid meeting- N/A Bidding period 5 working days</p>	<p>i. The bidding document did not provide of a pre-bid meeting for this project yet it should have been ideal to the bidders to seek clarifications to the bidding documents and share experiences from the site visit.</p> <p>ii. The number of bidding days (5 working days) is too short to allow bidders prepare responsive bids for such a project the bid has a number of requirements needed.</p>

No.	Requirement in the solicitation document	Gap identified and recommendation
		<p><i>The Planned procurement schedule should be amended to allow for;</i></p> <ul style="list-style-type: none"> <i>i. A pre-bid meeting</i> <i>ii. Bidding period of at least 10 working days to enable bidders adequately prepare the requirements for the bid. Note, the law provides for a minimum of 5 working days as bidding period but this should be subjected to the nature and complexity of the procurement.</i>

Implications

- Gaps in the instructions to bidders (ITB) increase the risk of submission of non-responsive bids and disputes during contract execution.
- Lack of comprehensive evaluation criteria increases the risk of contract award to non-responsive firms.

Recommendation

The Authority recommends that the Accounting Officer and Head, Procurement and Disposal Unit should ensure that all above recommendations are implemented and the bidding document approved by the Contracts Committee before the document is issued to bidders.

The purpose of this letter is to forward to you the findings from the bid preparatory audit exercise for your implementation. In order to administer and enforce compliance with the provisions of the PPDA Act, Cap 2025 the Accounting Officer should ensure that an addendum is issued to all bidders and that the bid submission deadline be extended to allow potential bidders sufficient time to prepare responsive bids.


 Nathanson C Birungi
For: EXECUTIVE DIRECTOR

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