



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

**Our Ref: PPDA/SORO/930**

20<sup>th</sup> November 2024

The Chief Administrative Officer  
Soroti District Local Government  
P. O. Box 61

**SOROTI**

**BID PREPARATORY AUDIT EXERCISE FOR THE CONSTRUCTION OF  
ADDITIONAL FACILITIES FOR DAKABELA SEED SECONDARY SCHOOL IN  
SOROTI DISTRICT 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 additional facilities for Dakabela Seed Secondary School in Soroti District Local Government 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 made reference to the advert for tenders that appeared in the New Vision newspaper dated Friday, 25<sup>th</sup> October 2024 page 12 for the procurement of various works, supplies and services during FY 2024/25 under Open Domestic bidding and instituted a bid preparatory audit at Soroti District Local Government under Section 8 (j) (i) of the Public Procurement and Disposal of Public Assets Act Cap 205 for the procurement for construction of additional facilities at Dakabela Seed Secondary School. The entity was required to submit the solicitation document to the Authority for this by 30<sup>th</sup> October 2024 which was not done.

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**Limitation of scope:**

The solicitation documents were submitted to the Authority for the audit and until the team made an impromptu visit to the Entity on 19<sup>th</sup> November 2024 to follow up on the matter the Authority reviewed the solicitation documents and 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:

**Recommendation:**

The Accounting Officer should always ensure that the entity submits documents required by the Authority in line with Section 9 (1) (a) to avoid committing offences as stipulated in Section 129 (1) (a) of the PPDA Act ,Cap 205

**1.0 Preparation of the solicitation document**

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

No.	Requirement in the solicitation document was;	Gap identified and recommendation
1.	ITB 15.1 (i) of Bid Data sheet requires Trading for the year 2024 3.2 The documentation required to provide evidence of eligibility shall be: - ((b) A copy of the Bidder's Trading license (2021)	The solicitation document was not consistent with the required Trading license since it referred to both 2021 and 2024.  <i>The required Trading license should be made clear to read as "a valid trading license for the Year 2024"</i> .
2.	In the Bid data sheet; ITB 19.1 and 20.3 state the required bid validity period as 24 <sup>th</sup> February 2024.	The bid validity period stated in the solicitation document is overtaken by events as 24 <sup>th</sup> February 2024.  <i>The entity should state the required bid validity period for this bid accurately by calculating 120 days from the date of bid receipt. The longer the bid validity period the better for the entity. E.g. <b>20<sup>th</sup> March 2025</b></i>
3.	Evaluation Criteria Methodology and Criteria 6.2.7: General Experience required by bidder Experience under contracts in the role of contractor, subcontractor, or management contractor for at least the last <b>Three (03)</b> years prior to the bid submission deadline, and with activity in at least <b>Six (06)</b> months in each year.	Whereas the requirement of experience as contractor, subcontractor, or management contractor for the last 3 years prior to the bid submission deadline is clear, the requirement of an activity in at least six (06) months in each is over restrictive.  <i>The Entity should drop the requirement of the bidder having an activity in the last</i>

No.	Requirement in the solicitation document was;	Gap identified and recommendation
		<p><i>6 months of each of the 3 years of the general experience required.</i></p> <p><i>The Entity should also be specific on the number and value of contracts required as evidence of general experience in the last three years.</i></p>
4.	<p>6.2.6: Financial Resources The Bidder must demonstrate access to, or availability of, financial resources such as liquid assets, unencumbered real assets, lines of credit, and other financial means, other than any contractual advance payments to meet: (i) the following cash-flow requirement: <b>UGX 600,000,000 (Uganda Shillings Four Hundred Million)</b>, and (ii) the overall cash flow requirements for this contract and its concurrent commitments.</p> <p>6.2.8; Specific requirement a) Participation as contractor, management contractor, or subcontractor, in at least <b>Two (02)</b> contracts within the last <b>Five (05)</b> years, each with a value of at least <b>UGX. 600,000,000</b> that have been successfully and substantially completed (at least 70 percent complete) and that are similar to the proposed Works. The similarity shall be based on the physical size, complexity, methods/technology or other characteristics as described in Section 6, Statement of Requirements.</p>	<ul style="list-style-type: none"> <li>• The cash flow requirement and value of contracts carried out by the bidder in the last five years each of a value of at least UGX. 600,000,000 inhibits competition yet the estimated price at time of procurement initiation on 14<sup>th</sup> October 2024 was UGX. 760,000,000.</li> </ul> <p><i>This value should be made reasonable in light of this project value to at least 50% of the project value.</i></p> <ul style="list-style-type: none"> <li>• Part (a) of specific requirements requires a bidder to provide participation as contractor, management contractor, or subcontractor, in at least <b>Two (02)</b> contracts within the last <b>Five (05)</b> years, each with a value of at least <b>UGX. 600,000,000</b> yet 6.2.7: General Experience required by bidder experience under contracts in the role of contractor, subcontractor, or management contractor for at least the last <b>Three (03)</b> years prior to the bid submission deadline, and with activity in at least <b>Six (06)</b> months in each year. The different years requirement i.e. three years and five years still under specific experience are obscure.</li> </ul> <p><i>The Entity should be specific and consistent on the minimum number and value of contracts needed to be submitted by the Contractor eg. At least two contracts in the last five years with specific experience each of a value of not</i></p>

No.	Requirement in the solicitation document was;	Gap identified and recommendation
		<i>less than UGX. 300,000,000. The matter of having an activity in the last 6 months in each year is restrictive and should be deleted.</i>
5.	<b>Evaluation Criteria: Key Personnel required.</b>	<p>The criteria only stated the key personnel required their experiences and qualifications.</p> <ul style="list-style-type: none"> <li>• <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></li> </ul>


### 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 the above-mentioned recommendations are implemented and the and changes approved by Contracts Committee for issuance to bidders through an addendum.

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