

PPDA/NGOR/909

13th December 2024

The Chief Administrative Officer
Ngora District Local Government
P. O. Box 31
NGORA

**BID PREPARATORY AUDIT EXERCISE FOR CONSTRUCTION OF A MINI SOLAR
PIPED WATER SYSTEM PHASE 3 AND CONSTRUCTION OF A LOW-COST
SEALING OF MUKURA-NGORA ROAD**

Reference is made to the above subject.

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a bid preparatory audit for Construction of a mini solar piped water system phase 3 and low-cost sealing of Mukura-Ngora. The audit exercise involved a review of the procurement planning, requisition/initiation and solicitation documents issued to bidders following the Public Procurement and Disposal of Public Assets Act, Cap 205 and the attendant PPDA Regulations 2023.

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 the attendant PPDA Regulations 2023; and
2. Establish whether the solicitation documents issued to bidders were prepared in accordance with the provisions of the PPDA Act Cap 205 and the attendant 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:

**A. CONSTRUCTION, SUPPLY, AND INSTALLATION OF KODIKE SOLAR WATER
SUPPLY SYSTEM.**

1.0 Procurement Planning and Initiation process

1.1 Delayed initiation of the procurement

There was delay at procurement initiation. Whereas the planned initiation date was 5th July 2023, the actual initiation was 24th October 2024, causing an 80 working days delay

Implication

These initial delays may affect the timely delivery of the services to the intended beneficiaries.

Recommendation

The Accounting Officer should going forward ensure that the procurements are executed in accordance with the timelines indicated in the procurement plan to avoid delayed service delivery in line with Section 51 of the PPDA Act Cap 205.

2.0 Preparation of the solicitation document

2.1 Incoherent procurement Reference numbers

The reference number is mis captured as MoES-NGO/UGIFT/WORKS/22-23/00001 under section 5-Eligible countries, yet the reference number should be Ngor909/Works/2024 - 2025/00052 as indicated on the cover page of the bidding document.

Implications

- This may lead to failure to provide uniform information to bidders.
- Failure to allocate specific reference numbers makes it impossible to track specific procurement transactions using numbers and may be misleading to Users of procurement data.

Recommendation

The Head Procurement and Disposal Unit should ensure that specific and unique reference numbers are given to each procurement transaction in accordance with clause 2.1 of the PPDA guideline 2/24 on Reference numbers for Procurement and Disposal Transactions.

2.2 Display and communication of best evaluated bidder notice

Under the planned procurement schedule, the display and communication of best evaluated bidder notice should be within 5 working days from Contracts Committee award and not 10 working days as per the dates indicated, i.e 28th November to 11th December

Implication

This may lead to unnecessary delays in the procurement process.

Recommendation

The Head Procurement and Disposal Unit should adjust the procurement schedule to capture five working days instead of ten working days within which to display the Best Evaluated Bidder Notice from Contracts Committee approval in accordance with Regulation 3 (1) PPDA (Contracts) Regulations, 2023.

2.3 Failure to provide for a pre-bid meeting and site visit in the bidding document and bid notice

Regulation 60 (1) of the PPDA (Rules and Methods for Procurement of Supplies Works and Non-Consultancy Services) Regulations 2023 provide that a Procuring and Disposing Entity may hold pre-bid meetings to allow potential bidders to seek clarification or access to project sites where applicable. It further provides that the arrangements for a pre bid meeting shall be included in the bidding documents and where they are not included in the bid documents, information on a pre-bid meeting shall be sent to all bidders who purchased or were issued the bidding documents There was no provision for a pre-bid meeting in the bidding document for the procurement of Construction, supply, and installation of Kodike solar water supply system yet it is a phase three procurement. It is important for bidders to get insight about the works done in the previous phases.

Implications

- This denies bidders a chance to express their concerns about the solicitation documents and scope of works which might affect contract implementation.
- This may lead to failure to provide uniform information to bidders.
- This may lead to submission of non-responsive bids by the bidders.

Recommendation

The Head Procurement and Disposal Unit should ensure that an addendum to the bidding document for procurement of Construction, supply, and installation of Kodike solar water supply system is issued to provide for a pre-bid meeting and also ensure that the meeting is held and minutes sent to all bidders participating in the procurement process and in the event that bidders do not show up for the pre bid meeting, a record is made to that effect in accordance with Regulation 60 (1) of the PPDA (Rules and Methods for Procurement of Supplies Works and Non-Consultancy Services) Regulations 2023.

2.4 Absence of Environment, Social, Health and Safety (ESHS) issues in the Bills of Quantities

The Bills of Quantities for supply, and installation of Kodike solar water supply system do not make reference to ESHS issues such as Environmental protection measures, PPE for workers, sensitisation of the local communities among others.

Implication

This may lead to critical ESHS issues left unattended to during project execution which may negatively impact on the planned objectives of the procurement.

Recommendation

Head Procurement and Disposal Unit together with the Environmental Officer and the District Community Development Officer should ensure that ESHS issues are well articulated and captured in the Bills of Quantities in accordance with Section 66 of the PPDA Act Cap 205.

2.5 Inadequate bills of Quantities

The Authority noted that there were inadequate bills of quantities. The Bills of Quantities for the Pump House and the Guard House should be separated to clearly indicate what is required under the pump house and what is required under the Guard house. The requirement for the guard house should be included in the description of works to be done.

Implication

Inadequate bills of quantities could lead to failure by bidders to price the works appropriately and further lead to contract variations and unnecessary delays.

Recommendation

The Accounting Officer should task the District Water Engineer to conduct a thorough review of Bills of Quantities to ensure that they are complete and accurate. The responsible user department should also be tasked to include the provision for the guard house and its respective bills of quantities thereunder.

2.6 The Bid Data Sheet

The Authority noted that there were inadequacies in the Instructions to Bidders as shown in Table 1 below:

Table 1: Inadequacies in the Instruction to bidders.

Subject of Procurement	Issue	Recommendation
Construction, supply, and installation of Kodike solar water supply system	<ul style="list-style-type: none"> • Inadequate period within which to make request for clarifications. ITB 12: Request for clarification; states that Ngora District Local Government will respond to any request for clarification provided that such request is received no later than Ten (10) days prior to the date of bid opening, yet the bidding period was ten days. • Whereas, the method used was RFQ. ITB 15.1 (b) and ITB 34.3 (d) required a Bid Security as one of the documents comprising the bid, instead of a bid securing declaration as per the PPDA Guideline No. 3 on bid and performance securities. • Under ITB 15.1 (i)-additional documents. The requirement for Passport photos to be attached to CVs was inadequate, since there was no requirement for corresponding IDs from the contractor’s personnel. 	<ul style="list-style-type: none"> • ITB 12: The period of clarification provided should be adjusted to at least 5 days prior to the date of bid submission. • Under ITB 15.1 (b) and ITB 34.3 (d), the Entity should request for a bid securing declaration instead of a bid security in accordance with regulation 63(9) of the PPDA Regulations, 2023 which states that ‘a procuring and disposing entity shall require a bid securing declaration where the restricted domestic bidding and quotation procurement methods are used. • Under ITB 15.1 (i)-additional documents, the requirement for passport photos should be enhanced with a corresponding requirement for Copies of National IDs.

Implication

Gaps in the Special Conditions of Contract (SCC) increase the risk of potential disputes during contract execution.

2.7 Evaluation Methodology and criteria

Unclear evaluation criteria

The Authority found the following criteria in Table 2 below to be unclear:

Table 2: Unclear evaluation criteria.

No	Subject	Criteria	Recommendation
1.	Construction, supply, and installation of Kodike solar water supply system	<ul style="list-style-type: none"> Inadequate eligibility requirement. Clause 3.2 (g) states that; National providers must provide evidence that the provider is registered in Uganda and fully owned by Ugandans but does not elaborate the documentation to be provided by the bidders such as beneficial ownership form and the National IDs for the directors. Item 6.2.5 (Average Annual Turnover). The amount in words and figures are incoherent, whereas the requirement in figures is UGX. 50,000,000, the same amount in words is stated as Uganda Shillings Seven Hundred Fifty Million. Item 6.2.6 (The cash flow requirement). The amount in words and figures are incoherent, whereas the cashflow requirement in figures is UGX. 50,000,000, the same amount in words is stated as Uganda Shillings Seven Hundred Fifty Million. 	<ul style="list-style-type: none"> Clause 3.2 (g) should be enhanced to include requirements for submitting a beneficial ownership form and a national ID for each of the members/owners of the company. Item 6.2.5. The value in words should be clearly stated as Uganda Shillings Fifty Million to reflect the value in figures. Item 6.2.6. The value in words should be corrected to Uganda Shillings Fifty million to reflect the same amount in figures.

Implication

Gaps in the evaluation criteria may mislead bidders, cause challenges during evaluation and lead to submission of non-responsive bids.

2.8 The Special Conditions of Contract

The Authority noted that the special conditions of contract were inadequate, contradicting and unclear as shown in Table 3 below:

Table 3: Inadequate, contradicting and unclear special conditions of contract

No	Subject	Criterion	
1.	Supply, and installation of Kodike solar water supply system	<ul style="list-style-type: none"> • GCC9 wrongly states that ‘The Works consist of: Low-cost sealing of Mukura – Ngora Road Section instead of Supply, and installation of Kodike solar water supply system. • Contradictory requirements. GCC 22 provides that the Intended Completion Date for the whole of the Works shall be 3 Calendar Months from the date stated in SCC, whereas the same document indicates that works are to be done within 12 Calendar Months. • Unclear requirements. GCC 26 provides that the Site Possession Date shall be after site Handover without defining the period within which the site should be handed over to the contractor. • Inadequate Environmental requirements. GCC 29 provides for Protection of the Environment without elaborating what this entails. • Whereas, the method used is RFQ. GCC 61.1 erroneously requires bidders to furnish a Performance Security and the ES Performance Security instead of a performance securing declaration in accordance with Bid and Performance Securities Guideline 3/2024. 	<ul style="list-style-type: none"> • GCC 9 should be adjusted to reflect the right subject of procurement. • The Intended Completion dates should be reconciled to reflect three calendar months. • The Site Possession Date should define the duration within which the site shall be handed over after contract signing. e.g within a week or within two weeks after contract signing. • GCC 29 should clearly state what is required of bidders in regard to Environmental protection.

Implication

Gaps in the special conditions may cause disputes and confusion during contract implementation.

B. LOW-COST SEALING OF MUKURU NGORA ROAD

1.0 Procurement Planning and Initiation process

1.1 Delayed initiation of the procurement

There was delay at procurement initiation. Whereas the planned initiation date was 5th July 2023, the actual initiation was 5th November 2024, causing a 92 working days delay.

Implication

These initial delays may affect the timely delivery of the services to the intended beneficiaries.

Recommendation

The Accounting Officer should going forward ensure that the procurements are executed in accordance with the timelines indicated in the procurement plan to avoid delayed service delivery in line with Section 51 of the PPDA Act Cap 205.

2.0 Preparation of the solicitation document

2.1 Incoherent procurement Reference numbers

The procurement reference number is mis-captured as MoES-NGO/UGIFT/WORKS/22-23/00001 under section 5 yet the reference number should be Ngor909/Works/2024-2025/00051 as indicated on the cover page of the bidding document.

Implications

- This may lead to failure to provide uniform information to bidders.
- Failure to allocate specific reference numbers makes it impossible to track specific procurement transactions using numbers and may be misleading to Users of procurement data.

Recommendations

The Head Procurement and Disposal Unit should ensure that specific and unique reference numbers are given to each procurement transaction in accordance with clause 2.1 of the PPDA guideline 2/24 on Reference numbers for Procurement and Disposal Transactions.

2.2 Display and communication of best evaluated bidder notice

Under the planned procurement schedule, the display and communication of best evaluated bidder notice should be within 5 working days from Contracts Committee award and not 10 working days as per the dates indicated, i.e 28th November to 11th December.

Implication

This may lead to unnecessary delays in the procurement process.

Recommendation

The Head Procurement and Disposal Unit should adjust the procurement schedule to capture five working days instead of ten working days within which to display the Best Evaluated Bidder Notice from Contracts Committee approval in accordance with Regulation 3 (1) PPDA (Contracts) Regulations, 2023.

2.3 Missing and inadequate bills of Quantities

The Authority noted that there were no bills of quantities in the procurement of Construction of a low-cost sealing of Mukura-Ngora road.

Implication

Missing bills of quantities could lead to failure by bidders to price the works appropriately and further lead to contract variations and unnecessary delays.

Recommendation

The Accounting Officer should task the responsible user department to immediately provide bills of quantities for the construction of a low-cost sealing of Mukuru-Ngora road.

2.4 The Bid Data Sheet

The Authority noted that there were inadequacies in the Instructions to Bidders as shown in Table 4 below:

Table 4: Inadequacies in the Instructions to bidders

Subject of Procurement	Issues	Recommendations
Construction of a low-cost sealing of Mukura-Ngora	<ul style="list-style-type: none">• Inadequate period within which to make requests for clarifications. ITB 12: Request for clarification; states that Ngora District Local Government will respond to any request for clarification provided that such request is received no later than Ten (10) days prior to the date of bid opening, yet the bidding period was ten days.• Whereas, the method used was RFQ. ITB 15.1 (b) and ITB 34.3 (d) required a Bid Security as one of the documents comprising the bid, instead of a bid securing declaration as per the PPDA Guideline No. 3 on bid and performance securities.• Under ITB 15.1 (i)-additional documents. The requirement for Passport photos to be attached to CVs was inadequate, since there was no requirement for corresponding IDs from the contractor's personnel.	<ul style="list-style-type: none">• ITB 12: The period of clarification provided should be adjusted to at least 5 days prior to the date of bid submission.• Under ITB 15.1 (b) and ITB 34.3 (d), the Entity should request for a bid securing declaration instead of a bid security in accordance with regulation 63(9) of the PPDA Regulations, 2023 which states that 'a procuring and disposing entity shall require a bid securing declaration where the restricted domestic bidding and quotation procurement methods are used.• Under ITB 15.1 (i)-additional documents. The requirement for passport photos should be enhanced with a corresponding requirement for Copies of National IDs.

Implication

Gaps in the Special Conditions of Contract (SCC) increase the risk of potential disputes during contract execution.

2.5 Evaluation Methodology and criteria

Unclear evaluation criteria

The Authority found the following criteria to be inadequate. Under eligibility criteria, Clause 3.2 (g) states that; National providers must provide evidence that the provider is registered in Uganda and fully owned by Ugandans but does not elaborate the documentation to be provided by the bidders such as beneficial ownership form and the National IDs for the directors.

Implication

Gaps in the evaluation criteria may mislead bidders, cause challenges during evaluation and lead to submission of non-responsive bids.

Recommendation

Clause 3.2 (g) should be enhanced to include requirements for submitting a beneficial ownership form and a national ID for each of the members/owners of the company.

2.6 The Special Conditions of Contract

The Authority noted that the special conditions of contract were inadequate, contradicting and unclear as shown in Table 5 below:

Table 5: Inadequate, contradicting and unclear special conditions of contract

No	Subject	Criterion	Recommendations
1.	Construction of a low-cost sealing of Mukura-Ngora	<ul style="list-style-type: none">• Unclear contract completion period. GCC 22 provides that the Intended Completion Date for the whole of the Works shall be 3 Calendar Months from the date stated in SCC, instead of referring to the site possession date.• Unclear requirements. GCC 26 provides that the Site Possession Date shall be after site Handover without defining the period within which the site should be handed over to the contractor.• Inadequate Environmental requirements. GCC 29 provides for Protection of the Environment without elaborating what this entails.	<ul style="list-style-type: none">• GCC 22 and 26 should be reconciled. The Site Possession date should define the duration within which the site shall be handed over after contract signing. e.g within a week or within two weeks after contract signing. The contract duration should indicate that the contract shall start after site handover.• GCC 29 should clearly state what is required of bidders in regard to Environmental protection.• Under GCC 61.1, the Entity should request for a performance securing declaration instead of a

		<ul style="list-style-type: none"> Whereas, the method used is RFQ. GCC 61.1 erroneously requires bidders to furnish a Performance Security and the ES Performance Security instead of a performance securing declaration in accordance with Bid and Performance Securities Guideline 3/2024. 	<p>performance security in accordance with Bid and Performance Securities Guideline 3/2024.</p>
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Implication

Gaps in the special conditions may cause disputes and confusion during contract implementation.

2.7 Approval of bidding documents without bills of quantities

Whereas, the bidding documents for construction of a low-cost seal was approved, the document lacked bills of quantities.

Implication

Failure to review bidding documents without review undermines the quality of bidding documents and may lead to low bidder participation in the bidding process.

Recommendations

- The Accounting Officer should task the Secretary Contracts Committee to ensure that Contracts Committee minutes are shared with the Head Procurement and Disposal Unit in real time and a copy shared with the Authority in the Entity’s monthly submissions.
- The Head, Procurement and Disposal Unit should ensure that bills of quantities are included in bidding documents before submission to Contracts Committee for review.



Moses Ojambo

For, EXECUTIVE DIRECTOR

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