



**PUBLIC PROCUREMENT AND DISPOSAL  
OF PUBLIC ASSETS AUTHORITY**

*"Procurement That Delivers"*

**Our Ref: PPDA/NCC/21**

11<sup>th</sup> February 2025

The Accounting Officer  
National Drug Authority  
P.O. Box 23096  
**KAMPALA**

**BID PREPARATORY AUDIT FOR THE SUPPLY, DELIVERY, INSTALLATION AND DEPLOYMENT OF HYBRID STORAGE AREA NETWORK (SAN) APPLIANCE FOR NDA - NDA/SUPLS/24-25/00131**

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 for the supply, delivery, installation and deployment of Hybrid Storage Area Network (SAN) Appliance for National Drug Authority (NDA).

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 2, Bid Data Sheet (ITB 35.1) of the bidding document.

It was stated that a margin of preference **shall not** apply as opposed to making it mandatory which was in breach of the PPDA Act, Cap 205 Section 62 (1)(a) 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.

Head Office  
PPDA - URF Towers, Plot 39  
Nakasero Road  
P.O.Box 3925, Kampala Uganda  
Tel: +256-414-311100  
Email: info@ppda.go.ug

Western Regional Office  
RDC's Building, Bishop Stretcher Road,  
Opposite BOU Currency Centre, Mbarara-Kabale Road  
P.O. Box 1353, Mbarara, Uganda.  
Tel: +256-417-733800  
Email: mbararaoffice@ppda.go.ug

1 of 3

Northern Regional Office  
Plot 1, Lower Churchill Drive  
P.O. Box 999, Gulu, Uganda  
Tel: +256-417-432010  
Email: guluoffice@ppda.go.ug

Eastern Regional Office  
Oval Plaza, Plot 1, Court Road  
P.O. Box 2173, Mbale, Uganda  
Tel: +256-417-890100  
Email: mbaleoffice@ppda.go.ug

**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 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 amend Paragraph six of the Performance Security Form**

The Authority noted that Paragraph six of the Performance Security Form was not amended to read "This guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No. 758, except that Article 15(a) is hereby excluded" from "This guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No. 758, except that subparagraph (ii) of Sub-article 20(a) is hereby excluded" contrary to Clause 5 of the PPDA Circular No.7 of 2023 issued on 2<sup>nd</sup> November 2023.

**Implication**

This may render cashing in the guarantee impractical in cases of non-performance where the issued performance guarantee is not of the required format.

**Recommendation**

The Head Procurement and Disposal Unit should amend Paragraph six of the Performance Security in accordance with Clause 5 of the PPDA Circular No.7 of 2023 issued on 2<sup>nd</sup> November 2023.

**3. Failure to amend Clause one of the conditions in the Bid Security Form**

The Authority noted that Clause one of the conditions in the Bid Security Form was not amended to read "If the Bidder withdraws its bid during the period of bid validity specified by the Bidder in the Bid Submission Sheet, except as provided in ITB Sub-Clause 20.3;" from "If the Bidder withdraws its bid during the period of bid validity specified by the Bidder in the Bid Submission Sheet, except as provided in ITB Sub-Clause 21.2;" contrary to Clause 3 of the PPDA Circular No.7 of 2023 issued on 2<sup>nd</sup> November 2023.

**Implication**

Failure to require a bid security in the required format denies the Entity a backup position in cases where bidders including the Best Evaluated Bidder unjustifiably withdraws from bidding process leaving the Entity with little or no competition.

**Recommendation**

The Head Procurement and Disposal Unit should amend Clause one of the conditions in the Bid Security Form in accordance with Clause 3 of the PPDA Circular No.7 of 2023 issued on 2<sup>nd</sup> November 2023.

#### **4. Failure to comply with required time period of concluding evaluation of bids**

The Authority noted that in the planned procurement schedule, bid opening was slated on 20<sup>th</sup> February 2025 but conclusion of evaluation of bids was scheduled to be concluded by 21<sup>st</sup> March 2025. This implies that evaluation was planned to be concluded twenty working days after bid closure contrary to the required ten working days from the date of opening bids for the procurement of supplies or non-consultancy services as per Regulation 4 (1) (a) of the PPDA (Evaluation) Regulations, 2023.

#### **Implication**

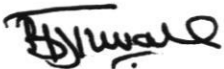
Failure to comply with required ten working days of evaluation of bids exposes the Entity to delays in the procurement process hindering timely service delivery.

#### **Recommendation**

The planned procurement schedule should be revised to provide for ten working days to conclude the evaluation process to avoid procurement process delays.

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.



Benson Turamyé

**EXECUTIVE DIRECTOR**

cc: The Chairman, Contracts Committee  
cc: The Head, Procurement and Disposal Unit