

Our Ref: PPDA/COJ/101

5th May 2025

The Accounting Officer
The Judiciary
P.O. Box 7085
KAMPALA

BID PREPARATORY AUDIT EXERCISE FOR THE CONSTRUCTION OF CM COURTS IN THE AREAS OF BUBULO, RAKAI, KATINE AND A HIGH COURT IN MPIGI

Reference is made to the above subject.

In accordance with Section 8 (j) (i) of the Public Procurement and Disposal of Public Assets (PPDA) Act Cap 205, the Authority selected the procurement for the construction of CM Courts in the areas of Bubulo, Rakai, Katine and a High Court in Mpigi. The purpose of the audit is to ensure that the principles of transparency, accountability and fairness have been followed in the preparation of the above tender documents.

The Authority observed that the method of procurement for the various procurements was Open Domestic bidding method as approved by the Contracts Committee. A review of the bidding documents for each procurement identified the following exceptions with regard to bidding document preparation for the attention of management.

1. Format of Bid Security

Guideline 3/2024 on Bid and Performance Securities issued by the Authority on 5th February 2024 provides for bid security in form of bank guarantee or bid bond for procurements of Non-Consultancy Services under the Open Domestic and Open International bidding methods for supplies, works and non-consultancy services.

The Authority observed that the requirement for bid security in the bidding document under ITB 20.1 was ambiguous and not specific to the form in which it would be submitted as stipulated under Guideline No. 3 of 2024 on bid and performance securities. It was noted that for each of the procurements, a bid security amount was provided with a validity period of 15th October 2025 with no mention of the form in which the security was to be provided.

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Implication

Bidders may interpret requirements differently, leading to submission of bid securities in varied forms. This may lead to unnecessary complaints.

Recommendation

The Entity should urgently revise the requirement and state the exact format of bid security in form of bank guarantee or bid bond in accordance with the Authority's Guideline No. 3 of 2024 on bid and performance securities.

2. Use of an outdated Code of Ethical Conduct of Bidders and Providers

Guideline 4/2024 on Code of Ethical Conduct of Bidder and Providers issued on 5th February 2024 provided a new format for Code of Ethical Conduct for procurement and disposal processes in Government of Uganda. It was noted that bidders were issued a bidding document with an old format of the Code of Ethical Conduct.

Implication

Issuance of an outdated format of Code of Ethical Conduct may compromise the integrity, compliance, and effectiveness of the procurement process.

Recommendation

The bidding document for the procurement should be revised to include an updated Ethical Code of Conduct and issue the updated document to bidders before bid closure.

3. Failure to adhere to the requirement to submit Beneficial Ownership declaration form

For purposes of risk mitigation, fighting corruption, fraud and tax evasion, the Authority issued Circular No. 1 of 2021 on submission of Beneficial Ownership information for firms awarded Government contracts to submit this information along with bids at the time of bidding through a corresponding entry in the bidding form. The Authority noted that the issued bidding document did not provide for the Beneficial Ownership Form.

Recommendation

The Head, Procurement and Disposal Unit should revise and include this requirement in the bidding document and inform bidders to submit the information in line with Circular No.1 of 2021 issued by PPDA on 15th December 2021.

4. Performance securing declaration

The Permanent Secretary/Secretary to the Treasury Circular FAD/019/068/01 on management of Performance Securities and Advance Payment Guarantees provided guidance that Accounting Officers should mitigate and manage performance related issues through use of Performance Securing Declarations to commit contractors / providers to meet their contractual obligations. However, the Authority noted that the bidding document did not require submission of a Performance Securing Declaration.

Implication

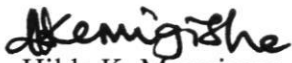
This puts the Entity at risk of no fallback position in the event of non-performance by the providers.

Recommendation

The Head, Procurement and Disposal Unit should revise the requirement and provide for submission of Performance Securing Declaration by the bidders.

The Authority recommends that the above observations are immediately rectified, necessary approvals obtained and bidders notified of the changes before bid closure. The Head, Procurement and Disposal Unit should also consider extending the bid closing date to allow bidders time to incorporate the changes to their bids.

The purpose of this letter is to forward the findings of the bid preparatory audit exercise for implementation.



Hilda K. Mwesigwa

FOR: EXECUTIVE DIRECTOR

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