



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

**Our Ref: PPDA/PBU/038**

14<sup>th</sup> August 2024  
The Managing Director  
Post Bank Uganda Limited  
P.O. Box 7189  
**KAMPALA**

**BID PREPARATORY AUDIT EXERCISE FOR PROVISION OF MEDICAL INSURANCE SERVICES TO STAFF, BOARD OF DIRECTORS AND DEPENDENTS UNDER A FRAMEWORK CONTRACT FOR A PERIOD OF THREE YEARS (PB/NCONS/2024/00195) AND PROVISION OF GENERAL REPAIRS AND PREVENTIVE MAINTENANCE SERVICES FOR ELECTRICAL EQUIPMENT UNDER A FRAMEWORK CONTRACT FOR A PERIOD OF THREE YEARS (PB/NCONS/2024/00202)**

Reference is made to the above subject.

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a bid preparatory audit for two procurements in the calendar year 2024, namely; Provision of Medical Insurance Services to Staff, Board of Directors and Dependents under a framework contract for a period of three years (PB/NCONS/2024/00195) and Provision of General Repairs and Preventive Maintenance services for Electrical Equipment under a framework contract for a period of three years (PB/NCONS/2024/00202).

The objectives of the audit were to:

1. Establish whether the public procurement planning and requisitioning processes were 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 documents issued to the bidders were prepared in accordance with the provisions of the PPDA Act Cap. 205 and PPDA Regulations 2023.

The scope of the bid preparatory audit included review of the procurement requisition forms, solicitation documents, bid notices and the Contracts Committee approval of the procurement method, Evaluation Committee and solicitation documents. The areas of the solicitation document analyzed were - Instructions to Bidders, Bid Data Sheet, Evaluation

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Methodology and Criteria, Bidding Forms and the Special and General Conditions of Contract.

The Authority identified some 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 Whether the public procurement planning and requisitioning processes were conducted in a manner which promotes transparency, accountability and fairness in accordance with the PPDA Act Cap. 205 and PPDA Regulations 2023**

The audit noted that the Entity was compliant with the processes of procurement planning, requisitioning and obtaining the necessary approvals from the Contracts Committee.

**2.0 Whether the solicitation documents issued to the bidders were prepared in accordance with the provisions of the PPDA Act Cap 205, PPDA Regulations 2023 and PPDA Guidelines**

**2.1 Use of restrictive evaluation criteria**

The Authority noted that two of the evaluation criteria in the bidding document issued to bidders for the procurement for Provision of Medical Insurance Services to Staff, Board of Directors and Dependents under a framework contract for a period of three years (PB/NCONS/2024/00195) were restrictive as indicated below:

In ITB 11.1(h) (v) in Section 2: Bid Data Sheet, the Entity required bidders to provide certificates as proof of running Fixed Deposits held in Postbank (minimum of UGX 1,000,000,000) while in ITB 11.1(h) (ix) of the same section, the Entity required bidders to provide recommendation letters from at least two (2) banks they are handling with widespread networks to demonstrate their experience in handling similar contracts, thereby limiting the bidders to only those that have worked with banks.

The use of restrictive evaluation criteria limits competition, which contravenes Section 49 of the PPDA Act Cap. 205 and Regulation 47(5) of the PPDA (Rules and Methods for procurement of Supplies, Works and Non-consultancy services) Regulations 2023.

The Head, Procurement and Disposal Unit should immediately modify the bidding document issued to bidders by removing the restrictive evaluation criteria and thereafter re-issue the corrected bidding document to all bidders, after issuing an addendum for the same.

**2.2 Failure to indicate evaluation methodology to be used in evaluation**

Whereas Section 3: Evaluation methodology and criteria (A)(1) of the bidding document should indicate the evaluation methodology to be used during bid evaluation, the Authority noted that the Entity did not indicate the same in the bidding document for the

Provision of Medical Insurance Services to Staff, Board of Directors and Dependents under a framework contract for a period of three years.

The Entity instead stated that “the evaluation methodology to be used for the evaluation of bids received shall be according to the type of procurement namely; Technical Compliance Selection for Supplies and Non-Consultancy Services and Quality and Cost Based Selection for Consultancy Services”, without specifically indicating which methodology will be used during evaluation. This was contrary to Regulation 45(vii) of the PPDA (Rules and Methods for procurement of Supplies, Works and Non-consultancy services) Regulations 2023.

The Head, Procurement and Disposal Unit should modify the bidding document and indicate the evaluation methodology to be used in accordance with Regulation 45(vii) of the PPDA (Rules and Methods for procurement of Supplies, Works and Non-consultancy services) Regulations 2023, and thereafter re-issue the same to bidders.

### **2.3 Provision of unclear evaluation criteria to bidders**

The audit noted that the Entity provided unclear evaluation criteria to bidders in the bidding document for the provision of General Repairs and Preventive Maintenance services for Electrical Equipment under a framework contract for a period of three years.

Under Section 3: Evaluation Methodology and Criteria (3.2) (C), the Entity indicated that “the bidder must provide two current recommendation letters from at least 4 reputable organizations addressed to Post Bank (U) Ltd and preferably one should be a financial institution (Excluding Postbank Uganda Limited) where same, similar and related services have been provided and delivered in the last two years”. It is unclear as to whether two or four reference letters are required from four organizations, or how a bidder can obtain two reference letters from four organizations. Such unclear communication may confuse bidders during bid preparation and may lead to submission of poor-quality bids.

The Head, Procurement and Disposal Unit should modify the bidding document by clearly restating this evaluation criteria and thereafter re-issue the revised bidding documents to bidders.

### **2.4 Issuance of incomplete and misaligned bidding document to bidders**

The audit noted that the Entity erroneously excluded chapter 9: Contract Forms from the bidding document for the provision of General Repairs and Preventive Maintenance services for Electrical Equipment under a framework contract for a period of three years, thereby issuing an incomplete bidding document to bidders. The excluded section contains the draft contract agreement, call-off order, performance and advance security templates.

Similarly, the audit noted that certain documents such as the bid security and ethical code of conduct were inserted at the end of the bidding document under Section 7: General

Conditions of the Contract instead of Section 4: Bidding forms where they belong. Section 8: Special Conditions of the Contract was further inserted before Section 7.

Issuance of incomplete bidding documents to bidders results into provision of incomplete information to bidders, which may result into poor quality bids and potential future conflicts. Similarly, misalignments of sections in the bidding documents may confuse bidders when preparing their bids. The Entity should ensure that complete bidding documents containing all the relevant sections.

## **2.5 Use of INCOTERMS where it was non-applicable**

The Authority noted that whereas the subjects of procurement were services that did not require the use of INCOTERMS, the Entity provided for the use of INCOTERMS edition 2020 in the two sampled procurements. In the procurement for Provision of General Repairs and Preventive Maintenance services for Electrical Equipment under a framework contract for a period of three years, the Entity indicated the INCOTERMS to be used under ITB 14.5 (Section 2: Bid Data Sheet) and GCC 4.2(b) of the Special Conditions of the Contract, with the specific INCOTERM being Delivery Duty Paid-Various Post Bank Branches.

Similarly in the procurement for Provision of Medical Insurance Services to Staff, Board of Directors and Dependents under a framework contract for a period of three years, the Entity indicated INCOTERM 2020 as the INCOTERM to be used under GCC 4.2(b) of the Special Conditions of the Contract, thereby contradicting ITB 14.5 where the Entity indicated that INCOTERMS were “not applicable”.

The Entity should in the future apply INCOTERMS only where they are necessary.

## **2.6 Failure to insert page numbers in the bidding documents**

The Authority noted that the Entity did not insert page numbers in the bidding documents for the Provision of Medical Insurance Services to Staff, Board of Directors and Dependents under a framework contract for a period of three years that were issued to bidders. This may make it hard for bidders to easily make reference to the specific pages of interest in the bidding document.

The Entity should in future ensure that all the pages of the bidding documents are properly numbered.

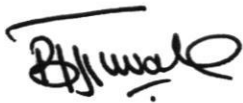
## **2.7 Erroneous indication of lots where not applicable**

Whereas the two sampled procurements were not lotted, the audit noted that the Entity indicated that both procurements contain one lot under ITB 1.1 in Section 2: Bid Data Sheet, instead of indicating that it is “not applicable”.

The Entity should in future ensure that accurate information is provided to bidders in the bidding documents.

**Conclusion:**

The purpose of this letter is to forward to you the results of the bid preparatory audit exercise. In order to administer and enforce compliance with the provisions of the PPDA Act Cap. 205 and PPDA Regulations 2023, the Entity is required to implement the recommendations of the Authority contained in this letter.



Benson Turamye

**EXECUTIVE DIRECTOR**

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