

Our Ref: PPDA/OP/001

20th August 2024

The Accounting Officer
Office of the President
P.O. Box 7168
KAMPALA

BID PREPARATORY AUDIT EXERCISE FOR THE PROCUREMENT OF OFFICE ACCOMMODATION (500 SQUARE METERS), LOCATED WITHIN 3KMS FROM THE CENTRAL BUSINESS DISTRICT OF KAMPALA

Reference is made to the above subject.

In accordance with Section 8 (1) (j) of the Public Procurement and Disposal of Public Assets (PPDA) Act Cap 205 the Authority selected the procurement of office accommodation (500 square meters), located within 3Kms from the Central Business District of Kampala for a bid preparatory audit. The purpose of the audit is to ensure that the solicitation document issued to the bidders was prepared in accordance with the provisions of the PPDA Act Cap 205 and PPDA Regulations, 2023 have been followed in the preparation of the above tender documents.

The Authority observed that the planned procurement was estimated at UGX 480,000,000 which placed it under Open Domestic bidding method as approved by Contracts Committee. A review of the bidding document identified the following gaps for the attention of management.

1. Ethical code of conduct

The Authority in PPDA Guideline 4/2024 on Code of Ethical Conduct of Bidder and Providers issued on 5th February 2024 issued a new format for Code of Ethical Conduct for procurement and disposal processes in Government of Uganda and notes in the bidding document issued for the procurement, the PDU used the old format of the Code of Ethical Conduct.

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Recommendation

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

2. 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 a circular on submission of Beneficial Owner information for firms awarded government contracts i.e Circular 1 of 2021. It is a requirement for this information to be submitted at the time of bidding through a corresponding entry in the bidding form.

The Authority noted that the issued bidding document did not include this requirement.

Recommendation

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

3. Omission of a bidding form

The Authority in the authored standard bidding document for procurement of non-consultancy services under open bidding under Part 1 Section 4 Bidding forms included Form 5 which is a Qualification Form to be filled by the bidder for purposes on Post – Qualification if provided for by the PDE, however, the bidding document issued included post qualification for this procurement and this bidding form was omitted by the Entity.

Recommendation

The Head Procurement and Disposal Unit should issue a complete solicitation document by including all bidding forms and inform bidders of the current changes immediately.

4. Contradicting evaluation criteria.

The Authority notes that the time when the premises will be available for use is a key evaluation criterion for the procurement, however, the issued solicitation document was not clear on the minimum requirement for when the premises are required to be available for use.

This was observed under ITB 1.1 of the issued solicitation document which states “Commencement: The assignment is expected to commence on: Two weeks after contract

signing” and GCC 19.1 states “*Commencement: The Period within which Services shall have commenced following the date of the Agreement is: two (2) Weeks*” however the evaluation criteria states “*Commencement date: The office premise is required immediately. However, bidders whose premises will not be available by this date should state the availability date but this will be a bid evaluation criterion.*”

Implication

Inconsistent clauses could result in bidders submitting non-responsive bids and subsequently cause unfair elimination of bidders during evaluation.

Recommendation

The Entity should revise the evaluation criterion to be clear on the minimum requirement for time for availability of premises for use in order to enable bidders prepare responsive bids.

6. Performance security

Guideline 3/2024 on Bid and Performance Securities issued by the Authority on 5th February 2024 provides that Performance Security in form of bank guarantee be required for procurement of Non-Consultancy Services under the Open Domestic and International bidding methods, however, the Authority noted that under GCC 36.1 of the Special Conditions of Contract did not require submission of Performance Security.

Implication

This puts the Entity at risk of no fall back position in the event of non-performance by the provider.

Recommendation

The Head Procurement and Disposal Unit should revise the requirement and provide for submission of bid security and indicate the form, amount and bid security validity period in accordance with the Authority’s Guideline 3/2024 under the special conditions of contract.

The Authority recommends that the above observations are immediately rectified, necessary approvals obtained 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.



Dr. Aloysius M. Byaruhanga

FOR: EXECUTIVE DIRECTOR

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