FREQUENTLY ASKED QUESTIONS ON PROCUREMENT AND DISPOSAL

FAQs 2



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Who appoints the Secretary Contracts Committee in a Local Government?

- The Accounting Officer of Local Government Entities should appoint a Secretary to the Contracts Committee from the existing members after 5th February 2024
- Where there is a vacant position on the Committee, the Accounting Officer should nominate a staff of the Entity and seek approval of the Secretary to Treasury on the nomination.



FAOs

Does the Procurement and Disposal Unit in a Local Government still have a role with the Contracts Committee?

The Procurement and Disposal Unit is still mandated to undertake the functions and powers under Section 31 and 32 of the PPDA Act, 2003 and is responsible for preparing submissions to the Secretary Contracts Committee for presentation and consideration by the Committee.

What are the applicable procurement and disposal forms following the amendments to the PPDA Regulations of 2023?

- i. The procurement and disposal forms are provided under the respective PPDA Regulations, 2023.
- ii. Guideline No. 9 of 2024 provides for standard formats to be used by all Procuring and Disposing Entities. Copies can be accessed at <u>https://www.ppda.go.ug/download-reports/legal/ppda-regulations</u>, <u>https://www.ppda.go.ug/download-reports/legal/ppda-forms/</u> and <u>https://www.ppda.go.ug/download-reports/legal/guidelines/</u>.

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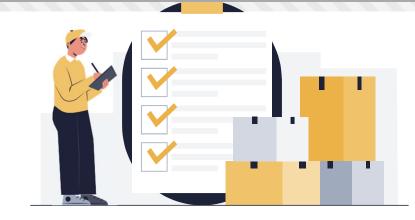
What guides the PDU in selection of Procurement Methods?

- i. The open bidding is the preferred method of procurement.
- ii. The choice of the procurement method is guided by Guideline No. 1 of 2023.
- iii. A Procuring and Disposing Entity may use the open bidding method where it has no prequalified providers to use under the quotation and restricted methods or where it wants to attract more competition through the open bidding method.
- iv. Where the value of the annual procurement requirement is within the restricted or quotation thresholds under Guideline No. 1 of 2023, a Procuring and Disposing Entity may use such methods of procurement to invite providers before signing framework agreements.

OS What Standard Bidding Documents should a Local Government Entity use after the repeal of the Local Governments (PPDA) Regulations, 2006?

Local Government Entities are advised to use the SBDs issued in 2014 and 2019 for Central Government Entities for the different categories of procurements in the interim with necessary modifications. The Authority is undertaking revisions to the current Standard Bidding Documents for use by all procuring and disposing entities to be issued in Quarter 1 of Financial Year 2024/2025.

FAQs



Where can one access the bid bond, bid performance bond and the performance securing declarations?

The forms for the bid bond, performance bond and Performance Securing Declaration can be accessed on the PPDA website at <u>https://www.ppda.go.ug/</u>.

The bid bond and performance bonds were prepared in consultation with the Insurance Regulatory Authority of Uganda. The use of these forms is guided under PPDA Guideline No. 3 /2024 on bid and performance securities.

When should the contract manager request for renewal of a contract under Schedule 3 to the PPDA (Contracts) Regulations 2023?

- i. Submissions for renewal of contracts in Schedule 3 to the PPDA (Contracts) Regulations, 2023 should be considered and approved prior to the expiry of the contracts.
- The bidding documents for procurement requirements in Schedule 3 to the PPDA (Contracts) Regulations, 2023 should make provision for *'renewal upon satisfactory performance for a period not exceeding one year* ' under the Special Conditions of Contracts.
- iii. Where the above is not provided, the contracts may be amended within the execution period to provide for the renewal.

Are all days under the PPDA Act, Regulations and Guidelines working days?

Reference to 'day' under the Act, Regulations, Guidelines and Standard Bidding Documents means a 'working day' with the exception of the 'ten days' under Section 89(7) of the PPDA Act, 2003 which are calendar days.

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When can an Entity use a Performance Guarantee or Performance Securing Declaration following a call off order?

- i. A Procuring and Disposing Entity may at its discretion require a provider to submit either a performance security in form of a bank guarantee or performance securing declaration to an issued call off order.
- ii. The discretion shall take into account the risk of non-performance by the provider and the value of the call off order among others.
- iii. Where a provider undertakes to deliver the supplies or provide the services or works under a call off order in less than a period of 28 working days, the Procuring and Disposing Entity shall not require a provider to submit Performance Security.

FAQs

What are the parameters for negotiations under the PPDA (Negotiations) Regulations, 2024?

- i. Negotiations on other parameters other than the bid price can be conducted irrespective of the procurement or disposal method used provided the best evaluated bidder price exceeds the budget of the Procuring and Disposing Entity in accordance with the PPDA (negotiations) Regulations, 2023. The negotiation on other parameters can lead to change in bid price.
- ii. Negotiations on bid price can be undertaken where the direct procurement method or the Quality Based Selection evaluation method are used.



- i. The Accounting Officer should not investigate a request for administrative review where fees have not been paid.
- ii. The Accounting Officer should advise in writing the complainant immediately after receipt of an application of the amount of administrative review fees and where and how it should be paid.

12. What is the ratio of the Environmental and Social Performance Security required of the Performance Security for works?

- i. The general Performance Security required in case of a bank guarantee under PPDA Guideline No.3/2024 should not exceed 5 % of the contract price.
- ii. Where there is a requirement to furnish the Entity with Environmental and Social Performance Security under the contract, this should not 1.5% and 3.5% for the Performance Security where a maximum of 5% of the contract price is required.



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