

FREQUENTLY ASKED QUESTIONS FOR PROCURING AND DISPOSING ENTITIES AND PROVIDERS FAQs



PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY

"Procurement That Delivers"



 PPDA Uganda  @PPDAUganda  PPDA Uganda

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The PPDA, from time to time, receives queries from stakeholders, on a range of issues related to the public procurement and disposal function in the country. Here below are some of the queries and responses:

What is Public Procurement?

Public Procurement means acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise, or any type of works, services or supplies or any combination' up to the time a user consumes or utilises a service as per the requirement and in line with the PPDA Act and other legal frameworks





Section 34 (2) of the Public Procurement and Disposal of Public Assets Act, 2003 and Regulation 60 require a user department to prepare a work plan for procurement based on the approved budget.

- A Procurement Plan is a comprehensive statement of requirements to be procured over the life of the plan – usually one year.
- Procurement Planning is a systematic process of setting achievable procurement objectives.
- It entails setting the strategies and defining the timeframe within which the objectives have to be achieved
- It is consultative in such a way that users are supposed to develop their individual(departmental/sectional) procurement plans & eventually amalgamated into a master procurement plan for the entire organization/ministry.

The law sets thresholds for procurements which fall in the micro procurement category. Under Micro procurement, there is no bid period, no evaluation done by the evaluation committee no need for approval by the contracts committee. The law empowers the Accounting Officer (AO) to appoint any person or persons in the entity to handle micro procurement and may upon their discretion reduce the value. However the AO remains accountable.

Are Post-Primary Procurement PLAN Institutions required to follow the PPDA law



Yes, Post-Primary Institutions are covered under the PPDA law. These Institutions are far ends of the Ministry of Education and Sports as a PDE. While they are user units in one way, in another way they are public institutions entrusted with public funds. This entails conducting procurement and disposal through the structures and procedures that are prescribed by the PPDA Act.

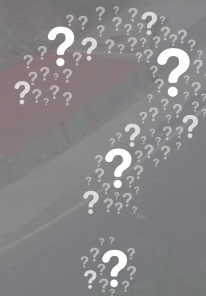
However, a Guideline for procurement and disposal in Schools/ Post-Primary Institutions (Guideline Reference; 1/2004) is in place and this lays down procurement and disposal rules and regulations for goods, works and services. It customises the PPDA Act, Regulations to the school setting. However it is not intended to replace the Act or the Regulations and therefore users must consult the PPDA Act, Regulations frequently so as not to miss the detailed provisions required.

Who is the Accounting Officer in Post Primary Institutions?

The school Head teacher or Principal is the Accounting Officer



06 Contracts Committee; Who are the members of the Contracts Committee (CC)?



- It is composed of 3- 5 members nominated by the Accounting Officer

- Approval of the members is by the Secretary to the Treasury

After approval the members are formally appointed by the Accounting Officer

They include:

- Chairperson

- Secretary

- A maximum of three other members – one of whom shall be a lawyer

- (3 members to form quorum)

- Members of the CC are appointed from among serving public officers employed on a full time basis with the PDE or appropriate external body

- A person shall be a member of the contracts committee in his or her individual capacity as distinct from his/her position or designation

07 What are the roles of the Evaluation Committee in the public procurement and disposal process

An Evaluation committee is adhoc, not permanent and is based on the procurement transaction being evaluated based on the competency, skills and knowledge. The names are forwarded by the PDU to the contracts committee for approval as the case may require. They are responsible for:

- Evaluating the bids using the criteria stated in the solicitation documents.

- Preparing an evaluation report;

- Recommending in the report which bidder should be awarded the contract; and

- Maintaining confidentiality throughout the process.

08 What is a preference scheme?



A Preference scheme is an arrangement where advantage is given to local bidders at the financial evaluation of bids for works, goods and services in a public procurement process.

09 When is a preference scheme used?

- Where the open domestic or open international bidding methods are used during financial evaluation of works, supplies and non-consultancy services ;
- In respect of consultancy services, where proposals are invited from both national and foreign consultants and the quality and cost based selection method or the least cost selection methods are used during financial evaluation.

10 How is the margin of preference applied to a bid?

It is applied by adding a specified percentage margin to a financial bid or proposal price of those bidders who do not qualify for preference (a foreign bid/ proposal) thereby raising their bid or proposal price.

- When procuring goods, works or services under open bidding the following shall apply:
- Margin of preference shall be 15% in respect of goods and 7% in respect of works or services.

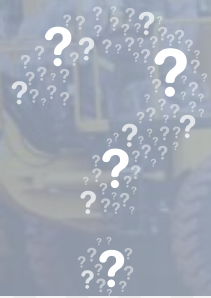
11 Do all locally made and imported goods qualify for preference schemes?

Only locally made goods qualify for preference schemes where:

- The labor or the value addition to the goods is more than 30%;and
- The production facility in which the goods are manufactured, assembled or processed is in Uganda and is engaged in the manufacturing, assembling or processing of the goods at the time of submission of the bid.

12

Under what circumstance do providers qualify for preference schemes?



A contractor and a consultant qualify for preference scheme where:

- The contractor or consultant is an individual, is a Ugandan citizen;
- where the Company is registered in Uganda and more than 50% is owned by Ugandan citizens (share allotment Form A3); and
- Where a bidder is a legal entity and more than 50% of the share capital is owned by the Government of Uganda

13

What is a reservation scheme?

A reservation scheme serves to set aside procurement opportunities to benefit a target group of providers depending on the objectives of the scheme.

The PPDA in consultation with a competent Authority and relevant stakeholders is mandated to specify the public procurement contracts to be subjected to a reservation scheme and the PPDA designates the particular sectors, within a specified geographical area, that are eligible to participate in the reservation scheme.

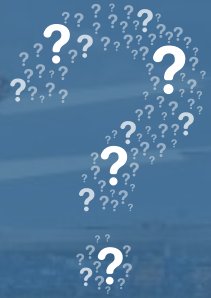
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What purpose does a reservation scheme serve?

- To promote the use of local expertise and materials;
- To promote the participation of local communities or local organizations; or promote the application of specific technologies.

15

What can Procuring Entities do to promote use of reservation scheme?



- Encourage providers that are not registered to register their businesses with Uganda Registration Services Bureau ;
- Build capacity of the local providers.
- Approach the PPDA on potential areas for reservation

What is a bid securing declaration?

- A bid securing declaration is an undertaking in writing that a bidder will not withdraw the bid or reject to sign the contract.

17

Does PPDA continue to issue waivers and deviations under the amended law?

The Authority no longer grants waivers/ deviations. The Authority may only consider applications by PDEs to deviate from the use of standard bidding documents, procedural forms or any other attendant documents which are not suitable for a procurement and disposal process.

18 **Doesn't the display of the procurement plan on the PDEs' notice board affect the confidentiality of the procurement process?**



The display of the procurement plan does not affect the procurement process since the award of contract is not only based on price but follows the evaluation criteria stated in the bidding document. The bidders will still be subjected to competition to determine the best offer.

19 **Do the 10 days display period of best evaluated bidders apply in cases of emergency procurement where the Accounting Officer has constituted himself into the Contracts Committee?**

The circumstances of an emergency procurement are such that the entity cannot wait for lapse of the stand still period. The regulations provide that the BEB notice does not apply to micro and direct procurements as well as emergencies procurement.

20 **In the case of disposal by Donation, does the Act & Regulations define who should be donated to?**

The law does not specify who to donate to. However, donation(s) should be done to private entities to benefit the community.

21 How are expired bid security and bid validity handled for procurements which are initiated before release of funds?



There is a provision for extension of bid security and bid validity period in case of delays. It's null and void to enter into a contract where the bid validity or bid security has expired.

22 Is it prudent to communicate reserve prices for revenue centers to the bidders?

Reserve prices for revenue centers should be communicated both in the adverts and bidding documents for transparency purposes and as a best practice.

23 Is it allowed to request for eligibility documents that were not submitted.

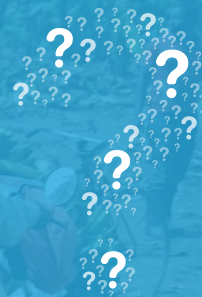
It is allowed to ask for clarification from bidders either to clarify or submit eligibility documents. This will increase competition and enhance performance and result in value for money. Only documents that the bidder had at the time of bidding will be accepted. Bidders will not be allowed to submit new documents which were not available at the time of bidding.

24 Are members of PDU allowed to evaluate bids?

Yes, the law provides that an evaluation committee shall, among its members, have a member of the Procurement and Disposal Unit.

25

What is the Register of Providers?



The register of providers (ROP) is an online database of providers of works, services and goods to government. The register is maintained by the PPDA. However since July 2021, the ROP is progressively being replaced by the e-GP and all providers will ultimately be accessed on the e-GP portal

26

Are the Districts Officials allowed to compete in the procurement opportunities within their respective District?

No. The PPDA law prohibits Contracts Committee members, staff and employees of council or employees of any PDE from being bidders in the entities where they work.

27

Should PDEs use the PPDA Act and Regulations when procuring donor funded projects?

The PPDA law is applicable, especially where it does not conflict with the conditions of the donor. Otherwise, in case of conflict between the condition of the donor and the PPDA law, the donor conditions prevail as per Section 4 of the PPDA Act 2003.

28

Does repetitive awarding of contracts to one bidder limits competition, especially where the prequalification list has more than one provider?



The PDEs should rotate their prequalified bidders and also use the PPDA register of providers or providers from other PDEs to increase on the competitiveness, as this will promote fairness and competition.

29

Do PDEs need to ask for eligibility documents from pre-qualified providers under restricted bidding.

PDEs should not ask pre-qualified providers to re-submit all the eligibility requirements, unless the documents vary from those requested for during pre-qualification especially annual documents like a trading license.

30

Providers are threatened to be blacklisted whenever they make complaints to the entities. Do PDEs have power to blacklist providers?

Entities are advised to accommodate and respond to the complaints made by the providers. PDEs have no powers to blacklist providers it's only the PPDA which has powers to blacklist providers after giving them a fair hearing in line with Section 94 of the PPDA Act.

31

Where should Procuring and disposing entities (PDEs) keep the original procurement documents?



All procurement records should be kept by PDU as per Sec. 31 (o) of the PPDA Act.

32

Software providers have their standard agreements that entities are compelled to use contrary to the one issued by PPDA

It's okay for entities to use standard agreements of software providers after clearance by PPDA as per Sec. 7 (e) of the Act and also cleared by the Solicitor General where applicable as per Reg 7 (f) of PPDA contracts Regulations 2014.

33

What is Sale to Public Officers?

This is a disposal method and the conditions for its application are as indicated below:

- Where there is no likely benefit or financial advantage to a PDE, in using any other method
- Where assets for disposal are a small number of low value items which are unlikely to attract public interest
- Where the personal use of disposal assets would directly benefit the performance of a public officer in the execution of his or her duties within a PDE
- In remote locations
- Public officer initiating disposal shall not participate as a bidder
- Bids shall be solicited by the publication of a non-public invitation
- Advertising period shall be at least 4 working days and bidding period shall be 10 working days
- Written sealed bids
- Evaluation based on price only
- PDE to send PPDA copies of all bids received, evaluation report and contract awarded



34 What are the key issues to consider as a check on compliance with the law?

- Is the Procurement & Disposal Unit, staffed, facilitated & performing its role?
- Are relevant forms being filled in the PDE?
- Are Standard Bidding Docs being used in the PDE?
- Are Procurement and disposal files for all contracts awarded being prepared and securely kept?
- Are Reference numbers being used & are they using the right format?
- Are procurement plans both departmental level and the Master plan in existence?
- Are Micro-procurements records available?
- Are the Monthly reports made & submitted to the PPDA?
- Is delegation, if any, in writing?
- Does the entity have copies of the PPDA Act, Regulations and Guidelines?
- Does the entity have a Providers' list (pre-qualification)?
- Is the information on procurement methods vis-avis the thresholds available?
- Does the PDE has a notice board and is it being utilised?
- Is the independence of roles and responsibilities of all persons involved in the procurement process being upheld?
- What about the application of the ethical code of conduct as stipulated in the regulations and guidelines for both the staff & providers

35 What should PDEs do when providers require more than 30% advance payment before providing service?

PDEs are required to follow Reg. 44(3) of PPDA contracts Regulations 2014. However, entities are advised to apply for accreditation to the Authority in specific areas/industries where the above regulation cannot apply. Procuring entities are expected to ensure that the terms of payment as stipulated in the contract are understood by Providers before contracting

36

What kind of information does the Accounting Officer (AO) need to look at when assessing market price?



The AO can use all appropriate sources of information including:

- Prices obtained on previous similar bids or contracts taking into account any difference in the quantities purchased, inflation and location of delivery among others;
- Prices published or advised by potential providers; (e.g supplier catalogues, average prices and list of common user items) or;
- a buildup of estimates of prices of components of the cost of BOQs established by the user department, or rates obtain from professional associations.

37

What will happen where the price of the best evaluated bidder is higher than the market price established at the commencement of the procurement?

The Accounting Officer shall re-assess the market price, and if the price is still valid, the procurement should be cancelled. If it has changed, the AO will go ahead and sign the contract if the entity has funds.

38

What is the role of councillors and other political leaders?



Councillors perform the following roles in the public procurement and disposal process:

- Approval of short term and long term budgets and development plans as well as implementation/work plans;
- Play a key role at the strategic level of procurement and disposal planning;
- Set financial thresholds. Here, the Council is able to influence procurement budgets;
- On a quarterly basis, the Standing Committee on Finance review all the minutes and awards of contracts committee to ensure care is exercised so as to safe guard the interests of the council
- Monitor the implementation of government programs in line with approved budgets

39

Who is the Accounting Officer in Districts or Municipalities?

The Accounting Officer at District level is the Chief Administrative Officer (CAO), while at the Municipal level is the Town Clerk



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FAQS ABOUT THE ELECTRONIC GOVERNMENT PROCUREMENT SYSTEM , e-GP

Public procurement offers the largest business opportunities in Uganda. The Government of Uganda adopted a national e-Government framework for the implementation of e-governance in various Sectors including public procurement. This document, therefore, addresses questions and comments covering the various aspects of the electronic government procurement (e-GP) system .

The e-GP (Electronic Government Procurement) is the use of information and communication technology (ICT) to conduct an end-to end government procurement and disposal process online. It include planning, advertising, initiation, bidding, evaluation, contract award, contract management, invoicing, payment and reporting of public supplies, works and services.

What are the core objectives of the e-GP system?

The e-GP system has been developed to cater for the problems inherent in the current semi-automated, (largely paper-based), procurement system such as inefficient procedures and high compliance costs for providers and the procuring and disposing entities.

What are the benefits of the e-GP system?

The following benefits will be realized when the e-GP system is fully rolled out to all government ministries, departments and agencies plus local governments, or the procuring and disposing entities (PDEs).

- Increased accessibility of information and tendering opportunities in government both to potential national and international providers. All tender opportunities will be posted on the system which requires one to use the internet to access the system anywhere any time.
- The e-GP information is in soft copy, and this culminates in the reduction of archival and storage costs, paper consumption and reduced need to use hard copies because of the online systems. This will provide environmental and financial benefits in form of reduced transaction costs.
- Increased promotion of domestic businesses in government buying and therefore a chance for hitherto mar-

ginalized groups like women and SMEs to participate in government business since e-advertisement, invitation for tenders, REOIs (Request for expression of interests), RFPs (Request for proposals), downloading of tender documents, submission of bids, bid opening, evaluation, draft contract review, and publishing the award of contract are performed electronically. Additionally, contractors will be able to submit their bids electronically from their own premises.

- The e-GP system is majorly template-driven and all the templates are available on the system. This makes all transactions standardized and traceable. Additionally, there are reduced errors in processing and documentation for buyers which will improve on their capacity to prepare competitive bids.
- The e-GP system will strengthen Accountability by enhancing transparency and improved access to management and audit information from a central source on different aspects. The data collected in the e-GP system will assist with mandatory reporting obligations, plus audit and accountability requirements.
- Implementation of e-procurement automates the internal and external processes associated with the procurement process including supplier selection for some types of procurement, and opens the way for new efficient procurement methodologies that can increase market access and competition.

04 Is the e-GP system accessible to the public?

Yes, this is a public system and will be accessed by the public and whoever is interested in government procurement and disposal. The e-GP system is an internet-based system that requires all users to have access to internet services.

05 Who will be using the e-GP system?

Government of Uganda is adopting an incremental approach to the implementation of the e-GP system. To-date (December 2022), 37 PDEs are rolled out on the system and 8,000 providers have been registered. The target is have all PDEs on the system in the next three years and to have all government providers on the system.

06 What functions does the e-GP system automate?

The e-GP system will automate the internal and external processes associated with the procurement process. All approvals and sign offs required have been catered for in the system; -

- Procurement planning
- Initiation / Requisitioning
- Confirmation of funding
- Solicitation / Bidding
- Evaluation of submitted bids
- Publishing of the Notice of the best evaluated bidder
- Contract award and signing
- Contract execution and Management
- Creation of Framework agreements and issuing of call off orders
- Disposal plans, requisitions and all methods

07 How have the roles and responsibilities of the various key stakeholders in the procurement process be incorporated in the system?

The roles and responsibilities of the stakeholders will remain the same in line with the existing legal framework; only that this time, they will be online

What information does the General public have access to on the system?

The general public has access to all the public information such as:

- Annual procurement plans;
- Invitation to Bids;
- Best Evaluated Bids;
- Contract award details;
- Contract completion reports;
- Debarment/blacklisting/suspension lists;
- Procurement performance statistical and analytical reports;

And any other information of public interests, published by PPDA and PDEs

Does the e-GP system integrate with other existing government systems?

The e-GP system seamlessly integrates with existing e-Government systems such as the Integrated Financial Management System (IFMS) for, amongst others, requisition process, registration of suppliers and the payment of suppliers. The e-GP system integrates with other National systems such as URSB for Business registration and company validation, as well as URA for TIN validation. The system is implemented in accordance with the provision of the National Information Security Framework of Uganda. It will be inter-operable with existing and future systems in compliance with the Interoperability Framework issued by NITA. To facilitate interoperability with other legacy systems, an e-Government Interoperability Framework (e-GIF) will be adopted.

10

How can users get help in case they encounter problems when using the e-GP system?

The system has an inbuilt user self-help help desk tool of quick reference guides for both providers and PDEs to download. Simply visit www.egpuganda.go.ug Users can also email us at info@ppda.go.ug or contact us on our social media platforms.

11

How does the e-GP system guarantee confidentiality of user information?

The e-GP system does:

- Ensure that only authorized users will be allowed to access given data and information;
- Provide for implement application access controls like passwords, idle sessions timeout, an elaborate regularly reviewed security policies where users are encouraged to enforce periodic change of user password, password history and password complexity;
- Enforce role-based access levels depending on responsibility assignments;
- Ensure structured, audited access and authorization procedures.

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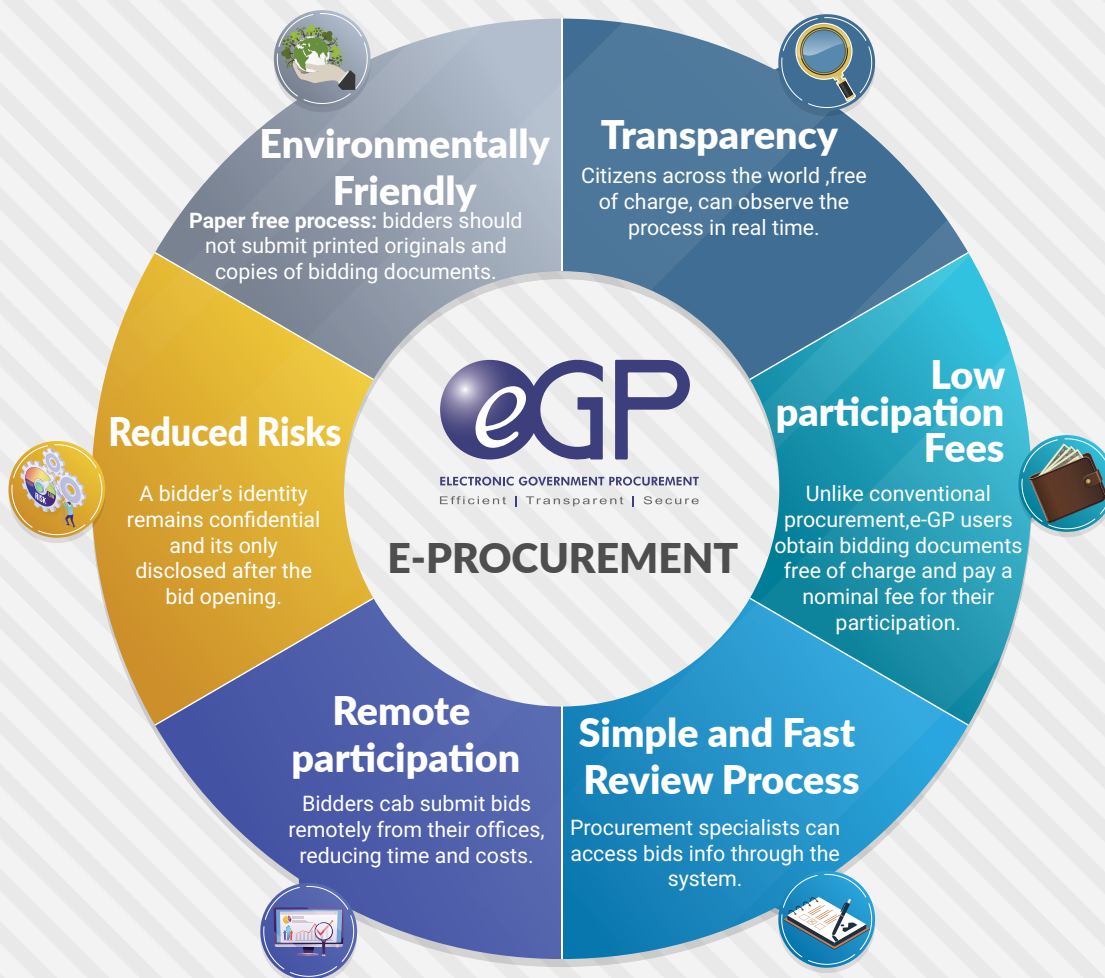
Can the e-GP system be securely accessed outside the PDE's office?

The e-GP system is web based and can be accessed from anywhere as long as a user has a stable internet connection.

The system was developed based on the National Information Technology Authority(NITA-U) ICT security framework that covers various security features related to information systems. Some of these features have been embedded into the e-GP system and they include firewalls, backups, password controls, security certificates, and encryptions. This not only guarantees secure access of the e-GP outside or within your office premises but also ensures that all the information and documents uploaded on the system are safe from any malicious cyber-attacks.

How do bidders benefit from enrolling on the e-GP system?

The benefits are compelling in terms of transactional efficiency savings, standardization of the procurement practices, and price reductions, increased market access, ease of bidding, document transfers, process re-engineering, promotion of domestic businesses in government buying, and many downstream effects in improving the investment climate. Summary of benefits is below;



14

The current procurement systems are working, why are they being replaced with the e-GP system?

The current procurement systems for example GPP, IFMS, ROP are semi- automated, largely paper based with no control and majorly stand alone. They only handle a few components of the procurement process and don't provide sufficient information for decision making, management and control. The e-GP system has been designed to include these other sub-systems and is meant to improve the current systems to enhance efficiency in business processes and will integrate with existing procurement systems.

15

Does the e-GP system replace all existing procurement systems?

The existing procurement systems for example GPP, IFMS, ROP are specific, and only handle few components of the procurement process. In fact, the e-GP system interfaces with a number of systems existing at PDEs as well as other government systems such as IFMS, for budgeting, releases and financial information, GPP for reporting functionality and ROP for registration of providers.

16

Do the time frame for the procurement processes change or they remain the same according to the law since we are going electronic?

The e-GP system is intended to enhance efficiency and will enforce compliance with the set timelines in accordance with the PPDA, Act 2003 and other existing laws, guidelines and regulations.

17

How does the system determine the procurement method?

The system is designed with set thresholds and timelines in accordance with the PPDA Act, 2003. When a user raises a requisition with an estimated amount, the system automatically populates a suitable procurement method which can be changed during solicitation processing but with a mandatory justification. The method can only be changed during bid preparation but upon submission to contracts committee for approval. The method cannot be changed after this stage.

18

How does the e-GP system handle the donor funded procurements?

The provision for obtaining "no objection" from foreign funders is provided for on the system

19

How is the EGP System going to link the procurement plan with the budget?

The EGP system will be intergrated with Programme Budgeting Ssystem(PBS) and this helps users to come up with procurement plans using the budget on the system.

20

What happens if there is internet downtime or other disruption?

The Entities will be in position to communicate to the providers using any available alternative means.

How does a business person or prospective contractor register on the e-GP

On your computer or phone you open the e-GP portal, www.egpuganda.go.ug , and follow the prompts on the Register as Supplier menu, www.egpuganda.go.ug/register

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