



Your Ref:  
Our Ref:

PPDA/MWE/019

26<sup>th</sup> September 2022

The Permanent Secretary  
Ministry of Water and Environment  
P. O. Box 20026  
**KAMPALA**

**BID PREPARATORY AUDIT EXERCISE FOR CONSTRUCTION OF WATER SUPPLY AND SANITATION SYSTEMS IN SMALL TOWNS IN EASTERN UGANDA – PACKAGED IN TWO (2) LOTS UNDER INTEGRATED WATER MANAGEMENT AND DEVELOPMENT PROJECT (IWMDP)**

Reference is made to the above subject.

On 30<sup>th</sup> August 2022, the Public Procurement and Disposal of Public Assets Authority (PPDA) in accordance with Section 7 (j) (i) of the PPDA Act conducted a bid preparatory audit for construction of water supply and sanitation systems in small towns in Eastern Uganda – Packaged in two (2) lots under integrated water management and development project.

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 2003 as amended, PPDA Regulations 2014 and PPDA Guidelines; and
2. Establish whether the solicitation document issued to the bidders was prepared in accordance with the provisions of the PPDA Act 2003 as amended, PPDA Regulations 2014 and PPDA Guidelines.

The scope of the bid preparatory audit included a review of the procurement requisition form, solicitation document, bid notice and the Contracts Committee approval of the procurement method, Evaluation Committee and solicitation document. The areas of the solicitation document analyzed were - Instructions to Bidders, Bid Data Sheet, Evaluation Methodology and Criteria, Bidding Forms and the Special and General Conditions of Contract.

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The Authority identified the following exceptions with regard to the procurement planning and requisition processes, and the solicitation document for the attention of management:

**1.0. *To establish whether the public procurement planning and requisitioning processes were conducted in a manner which promotes transparency, accountability and fairness in accordance with the Public Procurement and Disposal of Public Assets Act 2003 as amended, the PPDA Regulations 2014 and relevant guidelines***

**1.1 Failure to adhere to the Project Appraisal Document**

The Project Appraisal document for the procurement of construction of water supply and sanitation system in Eastern Uganda indicated small towns of Budaka, Busolwe, Butaleja, Kadama and Tirinyi. The issued bid notice however in addition to the approved towns included Kibuku. It was not clear what parameters were used to include Kibuku to that list and how the extra funding would be realized.

**Implication**

This is likely to compromise the quality of services delivered on the project if additional funding is not acquired for the added district

**Recommendation**

The Procurement and Disposal Unit should plan and prepare for a project in adherence to the project appraisal document

**2.0. *To establish whether the solicitation document issued to bidders was prepared in accordance with the provisions of the Public Procurement and Disposal of Public Assets Act, 2003 as amended, the PPDA Regulations 2014 and relevant guidelines***

**2.1 Contradicting clauses in the solicitation document**

Contradicting clauses in the solicitation document which could result in bidders submitting non-responsive bids for the procurement due to unclear clauses stated in the issued document.

i. While Section I Instruction to Bidders ITB19.3 states that: *If a Bid Security is specified pursuant to ITB 19.1, the Bid Security shall be a demand guarantee in any of the following forms at the Bidder's option:*

- (a) *an unconditional guarantee issued by a bank or non-bank financial institution (such as an insurance, bonding or surety company);*
- (b) *an irrevocable letter of credit;*
- (c) *a cashier's or certified check; or*
- (d) *another security specified in the BDS,*

This contradicted with Section 2 Bid Data sheet ITB 19.1 which indicates that *The bid security shall be in the form of an Unconditional Bank Guarantee from a recognized financial institution.*

**Implication**

This leaves bidders confused as to which bid security to furnish

### Recommendation

The Procurement and Disposal Unit should prepare solicitation documents with clear Instructions To Bidders and leave no room for doubt or assumption in accordance with Regulation 32 of the PPDA Rules and Methods Regulations 2014

## 2.2 Restrictive Evaluation Criteria

### (i) Contractor's Representative and Key Personnel

The solicitation document under Section III Evaluation and Qualification criteria all the key-personnel listed below shall demonstrate to be fluent in English language, both written and spoken. Personnel who are not able to speak or write English will not be allowed on site as tabulated

Table 1 showing the key personnel required for each lot

No.	Position	Relevant minimum academic qualifications	Quantity	
			Lot 1	Lot 2
1	Contractor's Representative	Bachelor's Degree in Civil Engineering	1	1
2	Project Manager (Site Engineer – Civil works)	Bachelor's Degree in Civil Engineering	1	1
3	Site Engineer – Sanitation Works)	Bachelor's Degree in Civil/Sanitary/Environmental Engineering with experience in sanitation works.	1	1
4	Superintendent - Pipe laying	Higher Diploma in Civil Engineering	2	1
5	Superintendent - Civil Works	Higher Diploma in Civil Engineering	2	1
6	Superintendent - Electrical and Mechanical Works	Higher diploma in Electrical/Mechanical Engineering	1	1
7	Site Surveyor	Bachelor's Degree in surveying	2	1
8	Environmental Safeguards Officer	Bachelor's Degree in Environmental Sciences or equivalent	1	1
9	Social Expert	Bachelor's Degree in Social Sciences or Social Works and Social Administration or equivalent	1	1
10	Health & Safety Officer	Bachelor's Degree in	1	1

No.	Position	Relevant minimum academic qualifications	Quantity	
			Lot 1	Lot 2
		Health & Safety or Social Sciences with a Certificate in Health & Safety or equivalent		
11	Sexual Exploitation, Abuse and Harassment Expert	A minimum of a Bachelor's Degree in any of Anthropology, Sociology, Social Work and Social Administration, Public Health or Development Studies	1	1

**Implication**

Lot 1 requires fourteen (14) individuals while Lot 2 thirteen (13) to qualify for key personnel and all these having to speak English could result in discouragement of International Bidders seeking to bring expertise from their countries of origin

**Recommendation**

The set Evaluation Criteria in the solicitation document should not limit competition in accordance with Regulation 37 (4) of the PPDA Rules and Methods Regulations 2014

The purpose of this letter is to forward the findings of the bid preparatory audit exercise. In order to administer and enforce compliance with the provisions of the PPDA Act 2003 as amended, Regulations and Guidelines, the Entity is required to implement the recommendations of the Authority contained in this letter.



Dr. Aloysius M. Byaruhanga (PhD)

**For: EXECUTIVE DIRECTOR**

cc: Chairperson, Contracts Committee  
cc: Head, Procurement and Disposal Unit