



Our Ref: PPDA/MOFP/008

29th August 2023

The Under Secretary
Ministry of Finance, Planning & Economic Development
P.O. Box 8147
KAMPALA

BID PREPARATORY AUDIT EXERCISE FOR SUPPLY AND DELIVERY OF 144 LAPTOP COMPUTERS FOR LOCAL GOVERNMENT UNITS REF: MoFPED/REAP/SUPLS/23-24/00003

Reference is made to the above subject.

On 15th August 2023, the Public Procurement and Disposal of Public Assets Authority (PPDA) in accordance with Section 7 (j) (i) of the PPDA Act, 2003 conducted a bid preparatory audit for the supply and delivery of 144 Laptop Computers for Local Government Units which is to be undertaken this financial year (2023/24).

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, 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, PPDA Regulations 2014 and PPDA Guidelines.

The scope of the bid preparatory audit entailed a review of the procurement requisition form, solicitation document and bid notice as well as the approvals of the Contracts Committee 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, Eligible Countries, Statement of Requirements, the Special and General Conditions of Contract.

The Authority identified the following exceptions for the attention of management:

Head Office
PPDA - URF Towers, Plot 39
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Tel: +256-414-311100
Email: info@ppda.go.ug

Western Regional Office
RDC's Building, Bishop Stretcher Road,
Opposite BOU Currency Centre, Mbarara-Kabale Road
P.O. Box 1353, Mbarara, Uganda.
Tel: +256-417-733800
Email: mbararaoffice@ppda.go.ug

Northern Regional Office
Plot 1, Lower Churchill Drive
P.O. Box 999, Gulu, Uganda
Tel: +256-417-432010
Email: guluoffice@ppda.go.ug

Eastern Regional Office
Oval Plaza, Plot 1, Court Road
P.O. Box 2173, Mbale, Uganda
Tel: +256-417-890100
Email: mbaleoffice@ppda.go.ug

Objective: To establish the level of compliance by the Procuring and Disposing Entity with the general provisions of the PPDA Act, 2003 and Regulations, 2014;

1.0 Procurement Planning and Initiation Process

1.1 Failure to adhere to planned timelines

According to the procurement plan, the bid invitation was supposed to be issued out by 15th July 2023, however, the procurement was initiated on 17th July 2023 and the invitation to bid on 8th August 2023, causing a delay of 17 working days.

Implication

Such delays create lengthy lead times which consequently impede timely service delivery to the intended beneficiaries and could also lead to low budget absorption due to non-payment by the end of the financial year.

Recommendations

- The Heads of User Departments should ensure that procurements are initiated early enough to permit the execution of the procurements within the planned timelines to in order to promote efficiency in service delivery in accordance with Section 48 of the PPDA Act, 2003.
- The Head Procurement and Disposal Unit should keep track of the procurement plan always urge User Departments to commence their procurements in time.

1.2 Contradicting clauses in the issued solicitation document

The Authority noted the following inconsistencies in the bidding document as detailed below:

- i. Whereas Section 8 under GCC 17.1 of the Special Conditions of the Contract states that; *'an advance payment shall be required; The acceptable advance payment guarantee shall be an irrevocable unconditional/on-demand guarantee, issued by a bank regulated by the Bank of Uganda.'* The period of validity of the advance payment guarantee shall be five (5) months, Section 2 in the Bid Data Sheet under ITB 45.1 states that; *'advance payment shall be limited to 0 percent of the contract price'.*
- ii. While GCC 28 of the Special Conditions of the Contract states that that; *'Liquidated damages shall not apply'* the condition further indicates that *'The liquidated damages shall be 1% of the total contract price per week. The maximum amount of liquidated damages shall be 5% of the total contract price.'*
- iii. GCC 29.3 of the Special Conditions of the Contract mentions that; *'The period of validity of the warranty shall be one (1) from acceptance of the Goods.'* without mention of the unit of measure.

Implications

- Contradictory requirements in the solicitation documents make it difficult for bidders to prepare and submit responsive bids.
- Un clear terms and conditions of contract hinder effective implementation of the contract.
- The inconsistencies may lead to disagreements which create unnecessary delays in the procurement process.

Recommendations

- The Authority recommends that the Head Procurement and Disposal Unit should harmonize the areas mentioned above to allow bidders to prepare and submit responsive bids.
- The Contracts Committee should always critically review the bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies.

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, Regulations and Guidelines, the Entity is required to implement the recommendations of the Authority contained in this letter.



Aloysius M. Byaruhanga (PhD)

For: EXECUTIVE DIRECTOR

c.c. Chairperson, Contracts Committee

c.c. Head Procurement and Disposal Unit