



**PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY**
"Procurement That Delivers"

PPDA/MU/111

Your Ref:

Our Ref:

22th February 2023

The University Secretary,
Mountains of the Moon University
P. O. Box 837
FORT PORTAL

RE: BID PREPARATORY AUDIT EXERCISE FOR THE CONSTRUCTION OF PRE-FABRICATED BLOCK AND OTHER ASSOCIATED WORKS AT MOUNTAINS OF THE MOON UNIVERSITY, FORT- PORTAL - FY 2022/23

Reference is made to the above subject.

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a bid preparatory audit for the Construction of Pre-Fabricated Block and Other Associated Works at Mountains of the Moon University, Fort- Portal which is to be undertaken over a period of nine months starting this financial year (2022/23). The audit exercise involved a review of the procurement planning, requisition/initiation and solicitation document issued to bidders following the Public Procurement and Disposal of Assets Act, 2003 as amended, the PPDA Regulations 2014 and relevant guidelines.

The objectives of the audit were to:

1. Ensure that public procurement planning and requisition was conducted in a manner which promotes transparency, accountability and fairness in accordance with the PPDA Act, 2003 as amended, the Central Governments (PPDA) Regulations, 2014 and attendant guidelines; and
2. Establish whether the solicitation document issued to bidders was prepared in accordance with the provisions of the PPDA Act 2003 as amended, the Central Governments (PPDA) Regulations, 2014 and attendant guidelines.

The Authority identified a number of exceptions for the attention of management. The purpose of this letter therefore is to communicate the following findings and recommendations for your attention and action:

Head Office
PPDA - URF Towers, Plot 39
Nakasero Road
P.O.Box 3925, Kampala Uganda
Tel: +256-414-311100
Email: info@ppda.go.ug

Western Regional Office
RDC's Building, Bishop Stretcher Road **1 of 6**
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

1.0 Procurement Plan for Financial Year 2022/23

The Authority noted that the Entity did not have the right format for a procurement plan for FY 2022/2023 issued by the Authority as required under Section 58 (3) of the PPDA Act, 2003 as amended. The items in the plan were generic and this particular procurement was not stated but rather, a generic item was stated in the plan as Construction management, Non-residential buildings- Acquisition with an estimated cost of UGX 3,437,574,658.

Failure to plan for a procurement compromises the efficiency of the procurement process and may result in domestic arrears and litigation issues to the Entity.

The Accounting Officer should task the Head Procurement and Disposal Unit together with the responsible User Departments to ensure that going forward, the Entity's procurement plan follows the issued format by the Authority in accordance with Section 58 (3) of the PPDA Act, 2003 as amended.

1.1 Disclosure in the procurement plan

Clause 7 of the (PPDA) Guideline No.1/2018 on reservation schemes to promote local content requires Procuring and Disposing Entities to disclose in their procurement plans all procurements that shall be subjected to reservation schemes.

The Authority observed that the procurement plan for Mountains of the Moon University, Fort-Portal did not indicate that the construction of pre-fabricated block and other associated works at was reserved contrary to the above guideline.

This limits national and resident providers' opportunity to prepare adequately for procurements reserved for them and frustrates Government efforts to promote Local Content.

The Procurement and Disposal Unit should indicate in its procurement plan all procurements that shall be subjected to reservation schemes as per Clause 7 of the (PPDA) Guideline No.1/2018 on reservation schemes to promote local content.

1.2 Late initiation of the procurement process

The Authority noted that the Entity initiated this procurement on 10th October 2022 estimated at UGX1,290,687,022as per the PP Form 5 raised. The Authority however noted that according to the procurement plan, the procurement process was planned to commence on 30th March 2022 with contract signing on 28th July 2022.

Furthermore, the Accounting Officer delayed to sign the PP Form 5 to confirm funding and approval to procure. Although the requisition form was raised by the Chief Custodian Mr. Bwambale Kiketta on 10thOctober 2022 and request confirmed by the Civil Engineer Eng. Julius Kasaija on the same day, the Accounting Officer signed the PP Form 5 to confirm funding on 23rd November 2022, thirty-three (33) working days after the user department had initiated the procurement.

There was no confirmation from the PS/ST that funds would be made available in the subsequent years. This may result in to domestic arrears and litigation issues to the Entity.

The Accounting Officer is advised to ensure that procurement processes are conducted in a manner that promotes efficiency. The Entity should also update its procurement plan whenever need arises.

2.0 Preparation of the solicitation document

The following gaps were observed in the Bid Data Sheet:

No.	Requirement in the solicitation document	Gap identified
1.	ITB 22.1 states that in addition to the original of the Bid, the number of copies required is: Five Hard Copies and One Original (05 + 01). A flash disk containing soft copies of the Bills of Quantities in an excel spread sheet shall be required and in the event of any discrepancy between the original and the copies, the original shall prevail. (any other electronic submissions are not allowed).	ITB 22.1 should be rephrased to state that in addition to the original of the Bid, the number of copies required is: Five. A flash disk containing soft copies of the Bills of Quantities in an excel spread sheet shall be required and in the event of any discrepancy between the original and the copies, the original shall prevail. (any other electronic submissions are not allowed)
2.	ITB 12.1 For clarification purposes only, the Procuring and Disposing Entity's address is: Attention: The Head Procurement & Disposal Unit Street Address: Mountains of the Moon University Floor/Room number: Procurement & Disposal Unit Offices Town/City: Fort Portal, P. O. Box: 837 Country: Uganda Telephone: Electronic mail address: pdu@mmu.ac.ug; us@mmu.ac.ug	No telephone number was provided for prospective bidders seeking clarification. The entity should provide the telephone numbers of the contact person in the entity
3.	ITB 9.3 indicates that a pre-bid meeting / site visit is to be held, it shall take place at Mountains of the Moon University, Main Hall, Administration Building, block C ITB 23.1 indicates that for bid-submission purposes only, the Procuring and Disposing Entity's address is: Mountains of the Moon University Saaka Campus ITB 27.1 indicates that the bid opening shall take place at the Kasindikwa street, Mountains of the Moon University Main Mall on Administration Building, Block C.	<ul style="list-style-type: none"> • There is need to harmonize the location and name of the University in order to appropriately guide providers.. Some instances Saaka Campus is included while in other cases it's not included. • ITB 9.3 and ITB 27.1 refer to the same location yet in ITB 9.3 its indicated as Mountains of the Moon University, Main Hall, Administration Building, block C whereas in ITB 27.1 its referred to as Kasindikwa street, Mountains of the Moon University Main Mall on Administration Building, Block C.
4.	ITB 15.1(i) states that the bidder shall submit with its bid the following additional documents:	<ul style="list-style-type: none"> • Although ITB 15.1(i) also stated any other documents requested in the evaluation criteria not stated here, all the records stated in the evaluation

	<ul style="list-style-type: none"> • Site inspection certificate is mandatory • Submit three (3) current recommendation letters/completion certificates from at least (3) organizations / clients for construction works done of similar magnitude and complexity within the last 5 years (Attach copy of contracts for all the three recommendation letters) • All pages to be serially numbered and initialed with a clear table of contents • ITB 15.1(i) also stated any other documents requested in the evaluation criteria not stated here. 	<p>criteria were also stated under ITB 15.</p> <ul style="list-style-type: none"> • ITB15.1 should be specific and state the additional documents required without making reference to the evaluation criteria .e.g. ITB 15.1(i) Bidder shall submit with its bid the following additional documents: Site inspection certificate
5.	<p>Evaluation Criterion 3.3 stated that for Joint Venture or Consortiums or Associations (a) A registered Power of Attorney from each member or partner if drawn and signed in Uganda; or a notarized Power of Attorney if drawn and signed outside Uganda, nominating a representative to conduct all business on its behalf during the bid preparation, bidding process and contract execution in case of award of the contract. This should be specific to this contract and not general.</p>	<p>However, the procurement was reserved for local and resident companies. The Public Procurement and Disposal of Public Assets Guideline No.1/2018 requires the individual partners of Joint ventures to be national or resident providers therefore the notarized power of attorney requirement is redundant as all firms to participate would have been registered in Uganda.</p> <p>The entity should therefore leave out the requirement for notarized powers of attorney.</p>
6.	<p>Under the detailed evaluation criteria, bidders were required to submit acceptable completion schedule of 9 months from the date of site handover. However GCC 22.1 the intended completion date for the whole of the Works shall be: Within 3 months.</p>	<p>There is need to harmonize the acceptable completion schedule of 9 months under the detailed evaluation criteria with the intended completion date of 3 months in GCC 22.1</p>
7.	<p>Under the detailed evaluation criteria, bidders were required to submit three (3) current recommendation letters/completion certificates from at least (3) organizations/clients for construction works done of similar magnitude and complexity within the last 5 years (Attach copy of contracts for all the three recommendation letters)</p>	<ul style="list-style-type: none"> • There is no clarity on the requirement for both recommendation letters and completion certificate or either of them. • There is need to state that: Submit three (3) current recommendation letters or completion certificates from at least (3) organizations/clients for construction works done of similar magnitude.
8.	<p>Inconsistencies between Sub factor 5.1 (i) on previous experience in works of similar nature and Sub-factor 6.2.8 on specific</p>	<p>The contradiction is that the value for all the four projects submitted should be at least UGX 3 Billion under Sub-factor 6.2.8</p>

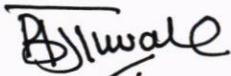
<p>experience. The former requires a bidder to submit evidence of Previous experience in works of similar nature by attaching four (4) copies of contracts in the last 5 years with attendant completion certificates each not less than UGX. 3 Billion (Uganda Shillings 3 Billion). This is inconsistent with Sub-factor 6.2.8 on specific experience which requires the bidder to submit completion certificates as evidence of specific experience, in the last five years of at least four projects with a value of at least UGX 3 Billion.</p>	<p>which is contrary to sub factor 5.1 (i) where each of the submitted certificate should not be less than UGX 3 Billion.</p> <p>The entity should come up clearly on the required experience in terms of contracts executed in the last 5 years and the value required for either each of the contracts or total value of the projects.</p>
<p>9. Scope of Works The Works consist of Construction of Pre-Fabricated Block and Other Associated Works at Mountains of the Moon University, Fort- Portal as well as support facilities as follows:</p> <ul style="list-style-type: none"> • The works comprise of the construction of Laboratory and lecture block to shell level including door and window fittings, external plastering as well as M&E for second, third and fourth floors. Ditto but excluding shall structure for ground and first floors. • The building is 5 levels including roof terrace and has approximate floor area of 1,140 square meters with reinforced concrete frame, concrete block walling, steel hollow section in the roof structure; IT4 sheets. The ground floor and first floors are already built up to shell structure level. • Windows; doors are mainly steel casement with clear glass and mahogany solid core flush doors painted and the windows are glazed steel casement windows. • External walls are rendered and painted in weather guard paint • Internal partitions; Internal walls are in block work finished with cement sand plaster and finally painted with Vinyl wall paint • The Internal floor finishes comprise of; power finished concrete, porcelain floor tiles and terrazzo; plaster paint and wall tiles to the walls and concrete ceiling soffits are to 	<p>This was a copy and paste error from the bid for the construction of lecture complex at the Faculty of Agriculture. It should be edited to match the works to be executed under the Construction of Pre-Fabricated Block and Other Associated Works at Mountains of the Moon University, Fort-Portal.</p>

	<p>be plastered and painted.</p> <ul style="list-style-type: none"> • Fittings comprise wardrobes, concrete workshops, laboratory tables and chairs, shelves and timber cabinets • Electrical and mechanical services include sanitary fittings, firefighting equipment and Installation; solar installations • External works comprising of site clearance, parking areas, paved walk ways, landscaping and storm water drainage. 	
10.	GCC 3.8 Sectional completion shall be permitted because it is a multi-year project of four years.	<p>The construction of pre-fabricated block and other associated works at Mountains of the Moon University, Fort- Portal is not a multiyear project. The acceptable completion schedule for the works under the detailed evaluation criteria was nine (9) months.</p> <p>The entity should come out clearly on GCC 3.8</p>
11.	GCC 44.1 The Defects Liability Period is 365 days from date of contract completion by the contractor for phase or section.	<p>The DLP of 365 days was too long and would disadvantage the providers. Since the project period is 9 months, the entity should consider the DLP of 180 days.</p>

Gaps in the instructions to bidders (ITB) and Special Conditions of Contract (SCC) increase the risk of submission of non-responsive bids and disputes during contract execution. Lack of comprehensive evaluation criteria increases the risk of contract award to non-responsive firms.

The Authority recommends that the Head, Procurement and Disposal Unit harmonizes the areas mentioned above in the procurement plan, bid data sheet, statement of requirements, evaluation criteria, and the special conditions of contract to avoid causing ambiguity and lack of clarity to potential bidders, disputes during contract execution.

The purpose of this letter is to forward to you the findings from the bid preparatory audit exercise for your implementation. In order to administer and enforce compliance with the provisions of the PPDA Act 2003, the Accounting Officer should ensure that an addendum is issued to all bidders and that the bid submission deadline be extended to allow potential bidders sufficient time to prepare responsive bids.



Benson Turamye

EXECUTIVE DIRECTOR

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