



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

Your Ref: PPDA/MFSC/64
Our Ref:

2nd December 2022

The Executive Director
Microfinance Support Centre Limited
P. O. Box 33711
KAMPALA

RE: BID PREPARATORY AUDIT EXERCISE FOR THE PROVISION OF SECURITY SERVICES FOR ALL MSC PREMISES (MSC/NCONS/22-23/00020) AND SUPPLY OF MOTOR VEHICLES (14 UNITS 13 DOUBLE CABIN PICK UPS AND ONE STATION WAGON)- MSC/SUPLS/22-23/00022)

Reference is made to the above subject.

On 29th November 2022, the Public Procurement and Disposal of Public Assets Authority (PPDA) in accordance with Section 7 (j) (i) of the PPDA Act 2003 as amended conducted a bid preparatory audit for the provision of security services for all Microfinance Support Centre Limited premises and Supply of Motor Vehicles (14 Units 13 Double cabin and 1 station wagon).

The objectives of the audit were to:

1. Ensure that public procurement planning and requisitioning was 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 entailed a review of the procurement and disposal plan, procurement requisition form 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 for the attention of management.

Objective 1: To establish whether the public procurement planning and requisition process was 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 Delay in commencing the Procurement process

The audit noted the following delays in commencing the procurement process as detailed in Table 1 below:

Table 1: Delay in commencing the Procurement process

No.	Subject of Procurement	Planned Initiation Date	Actual Initiation Date	Variance(Days)
1.	Provision of security services for all Microfinance Support Centre Limited premises	5 th September 2022	5 th October 2022	22
2.	Supply of Motor Vehicles (14 Units 13 Double cabin and 1 station wagon).	5 th September 2022	22 nd November 2022	56

Furthermore, in the procurement for Supply of Motor Vehicles (14 Units 13 Double cabin and 1 station wagon), the Accounting Officer confirmed funds on 21st September 2022 and the Procurement and Disposal Unit made the submission to the Contracts Committee for the approval of procurement method, bidding document and Evaluation Committee on 8th November 2022 hence resulting in a delay of 35 days. This results in an impediment on service delivery.

The Authority recommends that the Accounting Officer should prevail over User Departments to monitor their procurement work plans so as to avoid delays in service delivery.

1.2 Unrealistic bid securities

The audit noted the following anomalies in computation of bid securities as detailed in Table 2 below:

Table 2: Unrealistic bid securities

No.	Subject of Procurement	Estimated value at initiation(UGX)	Bid Security in Bidding Document(UGX)	Percentage(%)
1.	Provision of security services for all Microfinance Support Centre Limited premises	429,072,000	10,000,000	2.33

No.	Subject of Procurement	Estimated value at initiation(UGX)	Bid Security in Bidding Document(UGX)	Percentage(%)
2.	Supply of Motor Vehicles (14 Units 13 Double cabin and 1 station wagon).	3,855,000,000	20,000,000	0.52

PPDA Guideline No.3/2014 issued on 3rd March 2014 states that the bid security will be determined by the Procuring and Disposing Entity and shall be between 1% and 2% of the estimated bid value. However, it was noted that the bid securities indicated in the bidding documents for both procurements as highlighted above were contrary to the Guideline.

The Authority recommends that the Entity adheres to PPDA Guideline, No. 3/2014 on determining bid securities and adjust the bid securities required accordingly.

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 Inconsistencies in the Bid Data Sheet

ITB 11.2 of the Bid Data Sheet stated that the pre-bid meeting shall be conducted on 29th November 2022, yet the Standard Invitation to Bidders stated that the pre-bid meeting shall be on 28th November 2022. This misinformation may mislead bidders participating in the procurement process thus leading to unnecessary complaints.

The Authority recommends that there should be consistency in the pre-bid meeting dates stated in the bidding document.

2.2 Inconsistencies in the statement of requirements.

The audit noted a discrepancy in the number of guards required on the Form 5 as 68 guards whereas Section 6(statement of requirements) of the bidding document indicated 64 guards. This deviates from the User Department's need.

The Authority recommends that in case there is no justification for change in quantity, the Procurement and Disposal Unit should adhere to the User Department's requirement in the Form 5.

2.2 Inconsistencies in Reference Number

The audit noted inconsistencies in the procurement reference numbers as highlighted below:

- i) **Provision of security services for all Microfinance Support Centre Limited premises**
 - Section 8, Special Conditions of Contract stated the procurement reference number as MSC/NCONS/22-23/00023 which was inconsistent with the procurement reference number stated in other sections of the bidding document such as on page 43 of 64.
- ii) **Supply of Motor Vehicles (14 Units 13 Double cabin and 1 station wagon).**

- The bid notice in the bidding document bears a procurement reference number; MSC/SUPLS/22-23/00020 which is inconsistent with the procurement reference number indicated in the entire document i.e. MSC/SUPLS/22-23/00022. Another error is cited on page 73 (Special Conditions of the Contract).

The Authority recommends that the errors are immediately rectified and bidders notified of the changes.

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.



Hilda K. Mwesigwa

FOR: EXECUTIVE DIRECTOR

cc: The Chairman, Contracts Committee
cc: The Head, Procurement and Disposal Unit