



**PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY**

"Procurement That Delivers"

Our Ref: PPDA/NCDC/111

5th September 2023

The Director
National Curriculum Development Centre
P.O. Box 7002
KAMPALA

**BID PREPARATORY AUDIT EXERCISE FOR THE SUPPLY, DELIVERY
INSTALLATION, TESTING AND COMMISSIONING OF PRINT PRODUCTION
ACCESSORIES TO EXISTING NCDC SX52 PRINTING FOUR COLOR
MACHINE FOR A PERIOD OF 18 MONTHS UNDER FRAMEWORK
CONTRACT**

Reference is made to the above subject.

The Public Procurement and Disposal of Public Assets Authority (PPDA) on 4th September 2023 conducted a bid preparatory audit on the procurement of supply, delivery installation, testing and commissioning of print production accessories to existing NCDC SX52 printing four color machines under framework to be undertaken this Financial Year 2023/24.

The audit exercise involved a review of procurement planning, requisition/initiation and solicitation document issued to bidders following the Public Procurement and Disposal of Assets Act, 2003, the Regulations, 2014 and Guidelines 2014.

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

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The Authority identified some exceptions for the attention of management as detailed below:

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, the Regulations, 2014 and Guidelines 2014

1.0 Procurement Planning and Initiation Process

1.1 Incomplete initiation form

Regulation 3 (5) of the PPDA (Rules and Methods for Procurement of Supplies, Non-consultancy Services and Works) Regulations, 2014 states that a procurement requirement shall be initiated using Part 1 of Form 5 in the schedule. Form 5 has a section titled *availability of funds to be confirmed prior to approval by Accounting Officer* where key information from the budget has to be filled before the Accounting Officer approves the procurement.

The Authority observed that the funds availability section was not fully filled. Information on the Vote head, Programme, Sub-programme were not indicated to guide the Accounting Officer before commitment of funds. Whereas the *balance remaining* was filled, this figure could not be attached to a particular item code in the budget.

Implication

The Accounting Officer committed that funds were available without adequate information to guide her decision.

Recommendation

The User Departments should fill all the details in the initiation form to guide decision making.

Objective 2: Whether the solicitation document issued to bidders was prepared in accordance with the provisions of the PPDA Act 2003, the Regulations, 2014 and Guidelines 2014

2.0 Special Conditions of Contract

The Authority observed that the Entity was non-committal on the issue of taxes and replacement of defective goods in the bidding document. The following gaps were observed in the Special Conditions of Contract:

- i. GCC 18.1 stated that *'the provider shall be responsible for all taxes, import duties and levies imposed on the provider except for the following: NA'*. However, ITB 14.6 (a) (ii), indicated that the provider will be responsible for payment of taxes as shown in the Price Schedule for Supplies and Related Services.

- ii. GCC 18.2 stated that: *'the procuring and disposing entity shall be responsible for all taxes, import duties and levies imposed by law in Uganda on the supplies except for the following: NA'*. However, Government is not responsible for payment of taxes on behalf of the provider for this procurement.
- iii. GCC 29.5 stated that *'the period within which the provider shall repair or replace defective supplies was indicated as: NA, while GCC 29.3 indicated the period of validity of the warrant shall be 12 consecutive calendar months from date of acceptable of commissioning of the individual call-off order deliverable'*. This was contradictory.

The Authority recommends that the Head Procurement and Disposal Unit should harmonise the tax issue in the Special Conditions of Contract. The Head Procurement should include the period within which the provider has to repair or replace defective goods in the Special Conditions of the Contract.

2.1. Contradictions in the bidding document issued

The Authority noted the following contradictions in the bidding document:

- i. Section 3, Evaluation Methodology in the bidding document contained the requirement for provision of a Tax Clearance Certificate but did not indicate the required period. Also, the requirement for a trading license is vague as no mention of the period is made as well.
- ii. The Special Conditions of Contract under GCC 12 stated that date of delivery shall be: *'on or before the 75th working day from date of receipt of call off order'* while Evaluation criteria under 3.5 (c) Acceptable delivery schedule (**response time required is 30 days from date of receipt of call off order/ advance payment**)-**Commercial criterial**.
- iii. The Special Conditions of Contract of contract under GCC 16.1 stated that: *'the structure of payment shall be: 100 percent of call off order'* while the Bid Data Sheet under ITB 45.1 provided that *the advance payment shall be limited to 30 percent of each call off order*.

Implication

This will leave room for confusion for both bidders and the Evaluation Committee.

Recommendation

The Head Procurement and Disposal Unit should harmonise the eligibility requirements in ITB 11.1 and those in Section 3, Evaluation Methodology. The Unit should also adopt the SB/as

current period for tax clearance certificates since the procurement is being conducted in the FY 2023-2024.

2.2. Ambiguous requirements in the bidding document

ITB 19 of the bidding document states that to establish its qualifications to perform the Contract, the Bidder shall submit the evidence indicated for each qualification criteria specified in Section 3, Evaluation Methodology and Criteria. However, Section 3, Evaluation Methodology and Criteria did not indicate the documents required as proof of having performed a contract of similar nature in terms of value and complexity, audited books of accounts among others. Relatedly, Section 3: Evaluation Methodology and Criteria Part E: Post-qualification, indicated that the Entity shall undertake a post qualification on the best evaluated bidder to confirm whether it has capacity and financial resources to execute the procurement. However, the parameters to be used were not indicated.

Implication

The entity will not be able to evaluate the bids to ensure that bidders are able to effectively undertake the procurement.

Recommendation

The Head Procurement and Disposal Unit should amend the bidding document and clearly state the documents required under Section 3: Evaluation Methodology and Criteria. The parameters to be used for post qualification should also be stated in the bidding document.

The purpose of this letter is to forward to you the findings from the bid preparatory audit exercise for your implementation.



Simon Businge

FOR: EXECUTIVE DIRECTOR

c.c. Chairperson, Contracts Committee
c.c. Head Procurement and Disposal Unit