



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

*"Procurement That Delivers"*

PPDA/ISIN/837

25<sup>th</sup> January 2024

The Chief Administrative Officer  
Isingiro District Local Government  
P.O Box 1  
**ISINGIRO**

**BID PREPARATORY AUDIT FOR THE DESIGN OF ENDIINZI WATER SUPPLY AND SANITATION SYSTEM IN ENDIINZI AND RUSHASHA SUB-COUNTIES IN ISINGIRO DISTRICT LOCAL GOVERNMENT FOR THE FINANCIAL YEAR 2023/24**

Reference is made to the above subject

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a bid preparatory audit for the Design of Endiinzi Water Supply and Sanitation System (WSS) in Endiinzi and Rushasha Sub-Counties in Isingiro District Local Government which is to be undertaken over a period of four months starting this Financial year 2023/24. 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 Public Assets Act, 2003, the Local Government (PPDA) Regulations, 2006 and the 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, the Local Government (PPDA) Regulations, 2006 and the relevant Guidelines; and
2. Establish whether the solicitation document issued to bidders was prepared in accordance with the provisions of the PPDA Act 2003, Local Government (PPDA) Regulations, 2006 and the relevant 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:

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### 1.0 Failure to update the Procurement plan for Financial Year 2023/24

The funding for the design of Endiinzi Water Supply and Sanitation System in Endiinzi and Rushasha Sub-Counties was catered for under a supplementary budget for water and environment worth UGX 79,111,068 received 10<sup>th</sup> October 2023. However, the Entity did not update the procurement plan to reflect the contract sum hence the procurement was not reflected in the procurement plan for the Financial Year 2023/24.

#### Implication

Failure to update the procurement plan to reflect additional activities contravenes Section 58 (4) of the PPDA Act, 2003 which hinders transparency and accountability.

#### Recommendation

The Procurement and Disposal Unit should on a quarterly basis and in any other case, wherever necessary, review and update the Entity's procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003.

### 2.0 Inconsistencies in the solicitation document

The following gaps were observed in the solicitation document for the design of Endiinzi Water Supply and Sanitation System in Endiinzi and Rushasha Sub-Counties in Isingiro District Local Government:

**Table 1: Inconsistencies in the solicitation document**

| S/N | Requirement in the solicitation document  | Recommendation  |
|-----|---|---|
| 1.  | <p><b>The address for bid submission was not explicitly stated in the instructions to bidders (ITB)</b></p> <p>ITB 24.1 on Bid Submission indicates that:<br/>For bid submission purposes only, the Procuring and Disposing Entity's address is:<br/>The Head Procurement and Disposal Unit-<br/>Isingiro DLG</p> <p>Street Address: Isingiro Town Council</p> <p>Floor/Room number: Upper stairs</p> <p>Town/District: Isingiro Town Council</p> <p>Country: Uganda</p> <p>The deadline for bid submission is:<br/>Date: 07th February 2024 Time (local time): 11:00am</p> | <p>The address should explicitly state the room number where bids shall be submitted.</p>   |
| 2.  | <p><b>Inconsistencies in ITB 20.1 and Part 2: Bidding Procedures.</b></p> <p>ITB 20.1 on Validity Period states that the bid validity period shall be 120 days.</p>   | <p>The Entity should state the date of the bid validity and not the days, for example, 6<sup>th</sup> June 2024 and not 120 days.</p> |

| S/N | Requirement in the solicitation document  | Recommendation  |
|-----|---|---|
|     | Part 2: Bidding Procedures on Validity of Bids indicates that the Bid validity is up to 06 <sup>th</sup> June 2024.   |   |
| 3.  | The instructions to bidders do not cater for beneficial ownership declaration.  | ITB 14.1 on additional information in Technical Proposal should be amended to include a fully filled beneficial ownership declaration form in the format provided in the bid.<br><br>Furthermore, the Entity should add the beneficial declaration form to the bidding forms provided in the bidding document so as to guide bidders in accordance with Circular No.1 on submission of beneficial ownership information for firms which are awarded Government contracts. |
| 4.  | <b>Areas of conflict of interest</b><br>According to the price schedule, the contractor is supposed to pay for technical supervision and reporting.   | Allowing the contractor to pay for technical supervision and reporting is a source of conflict of interest.<br><br>The Entity should review the procedure of payment of technical supervision and reporting.  |
| 5.  | <b>Redundant insurance covers</b><br>GCC 39.1 indicates that the Provider shall take out and maintain the following insurance coverage:<br>i. Third Party motor vehicle;<br>ii. Third Party liability;<br>iii. Employer's liability and workers' compensation;<br>iv. Professional liability; and<br>v. Loss or damage to equipment and property. | Whereas this is a consultancy service, the requirement for insurance items (i), (ii) and (v) are not necessary. Therefore, the Entity should consider eliminating the clause on insurance cover for third party motor vehicle, third party liability and loss or damage to equipment and property.  |

### Implication

Inconsistencies in the Instructions to Bidders (ITB) and the Special Conditions of the Contract (SCC) might increase the risk of submission of non-responsive bids and disputes during contract execution while gaps in the evaluation criteria increase the risk of contract award to non-responsive firms.

### Recommendation

The Authority recommends that the Head Procurement and Disposal Unit harmonises the areas mentioned above to avoid causing ambiguity and lack of clarity to potential bidders and 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.



Moses Ojambo

**FOR: EXECUTIVE DIRECTOR**

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