



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

Our Ref: PPDA/BOU/101

29th August 2024

The Governor
Bank of Uganda
P.O. Box 7120
KAMPALA

**BID PREPARATORY AUDIT FOR THE PROCUREMENT OF SUPPLY,
INSTALLATION, TESTING AND COMMISSIONING OF EQUIPMENT UNDER
FRAMEWORK CONTRACT BOU/SUPLS/23-24/00218.**

Reference is made to the above subject.

The Authority has noted that Bank of Uganda is in the process of procuring supply, installation, testing and commissioning of equipment under framework contract BOU/SUPLS/23-24/00218.

In accordance with Section 8 (1) (j) (i) of the Public Procurement and Disposal of Public Assets (PPDA) Act, Cap 205 the Authority has selected the above procurement for a bid preparatory audit.

The purpose of the audit is to establish whether the solicitation document issued to the bidders was prepared in accordance with the provisions of the PPDA Act, Cap 205 and PPDA Regulations, 2023.

The Authority identified the following exceptions with regard to procurement planning, requisitioning and bidding document preparation for the attention of management.

**1.0 Establish whether the solicitation document issued to the bidders was prepared in
accordance with the provisions of the PPDA Act, CAP 205 and PPDA Regulations,
2023.**

The Authority reviewed of the solicitation document and noted the following gaps;

1.1 Incomplete Requisition form

The Authority noted that the Entity did not include a reference number and a breakdown of the different equipment with their respective unit costs to be procured. The requisition merely indicated a block requirement of supply, installation, testing and commissioning of equipment

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at an estimated cost of UGX 10,000 contrary to Regulation 3 (3) & (6) of the PPDA (Rules and Methods for Procurement of Supplies, works and Non-consultancy) Regulations, 2023.

Implications

- Failure to include a breakdown of items and unit prices respectively can lead to miscommunications resulting into errors in ordering and evaluation.
- Not referencing makes identification, tracking and review of individual procurements difficult.

Recommendation

The User Department should revalidate the form 5 to include the missing information in accordance of provision of Regulation 3 (3) & (6) of the PPDA (Rules and Methods for Procurement of Supplies, works and Non-consultancy) Regulations, 2023.

1.2 Citation of the PPDA Act

It was noted the Entity was still citing the PPDA Act as “*the PPDA Act 2023, (the Act) as amended*” in the bid notice instead of the recent revision of PPDA Act Cap 205.

Implication

Incorrect citations can lead to misapplication or misinterpretation of the laws resulting into legal errors.

Recommendation

Revise the citation to PPDA Act Cap 205.

1.3 Use of brand names

Brand names were applied in the statement of requirements for built-in fuel tank under Lot 3 (Generators) on Page 68 contrary to Regulation 38 (1) of the PPDA (Rules and Methods for Procurement of Supplies, works and Non-consultancy) Regulations, 2023 as detailed below;

Table 1:

No.	Item	Description
1	Control Panel	Preferably Lovato Electric/power wizard
2	Engine type	Preferably Perkins (1106A70TAG4) or caterpillar engine.

Implication

- This inhibits competition and creates a subjective procurement procedure.
- The Entity is unable to benefit from new technologies and innovations.

Recommendation

The User Departments should revise the above requirement and avoid making reference to a particular trademark or brand name and where there is no other way to describe the item the description should be followed by the words “equivalent” as enshrined in Regulations 38 (2) of the PPDA (Rules and Methods for Procurement of Supplies, works and Non-consultancy) Regulations, 2023.

1.4 Omission in the Bid Data sheet

Part 1: Section 2, Bid Data Sheet (ITB 7.1), of the bidding document stated the period to which a bidder can seek clarification in days i.e 5 days contrary to Regulation 59 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023 that requires the bidding document to state the date by which the clarification can be sought.

Implication

This may result into confusion and disputes due to ambiguity and failure to state the exact dates.

Recommendation

The Authority recommends that the exact date is communicated to bidders in order to enable them seek clarification

1.5 Omissions in the Special Conditions of Contract

- GCC 18.1 of the Special Conditions of Contract stated that performance security shall not be required and the forms of acceptable performance securities are Not applicable which is contrary to Regulation (11) of the PPDA (Contracts) Regulations 2023.
- GCC 28.3 of the Special Conditions of Contract further stated that the period of validity of warranty shall be "*Two (2) years or as specified in the terms of reference for the equipment in question*" which was inconsistent with the duration of the contract of three (3) years. This implies that the last year of the contract would not be covered under the warranty thus exposing the Entity to risk associated with high costs.

Implication

- The entity is at risk of failing to seek redress in the event of non-performance of contract by the different service providers.
- The Entity is at risk of increased costs for repairs or replacements thus increasing the whole life cycle costs of equipment.

Recommendations

The Head Procurement and Disposal Unit should;

- Revise the requirement for performance security or performance securing declaration and make it applicable/mandatory as required under Regulation (11) of the PPDA (Contracts) Regulations 2023.
- Harmonize the period for service and maintenance with the contract duration to hedge against high costs of repairs and replacements in the last year.

1.6 Omissions in Statement of Requirements

The Authority noted the following omissions in the statement of requirements;

- Part 2 Section 6 (Statements of Requirements) page 67 of the bidding document under Technical Data the specification for silent power capacity did not provide for the scale or dimensions required.

- The general supplier specifications number 6 page 71 it is mentioned that the bidder should provide relevant catalogue without specifying which lots.
- Lot 2, 3 and 4 the Entity did not include a breakdown of transport costs for delivery of the equipment to various branches as had been indicated and broken down in Lot 1.
- The general supplier specifications Lot 4 (Baggage X-Ray Machine) item 2C on page 54 irregularly required providers to cost for operator training on operations and management of the new machine which should be an after sales service.

Implication

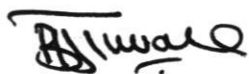
The Entity is at risk of receiving equipment that might not satisfy the requirements of users/beneficiaries.

Recommendations

- The solicitation document should be revised with detailed specifications specifically mentioning the scale or dimensions required for the silent power capacity.
- Bidders should be required to provide catalogues for all the required equipment under the different lots.
- The Head Procurement and Disposal Unit should revise the requirement under Lot 2, 3 and 4 to provide for a breakdown of the transport costs to the different regions as provided for under Lot 1.

The Authority recommends that the above observations are immediately rectified, necessary approvals obtained where applicable and bidders notified of the changes before bid closure.

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



Benson Turamye

EXECUTIVE DIRECTOR

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