



PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY

REPORT ON APPLICATION FOR ADMINISTRATIVE REVIEW BY GLOBE WORLD ENGINEERING LIMITED IN RESPECT TO THE TENDER FOR REVENUE COLLECTION AND MANAGEMENT OF STREET PARKING IN ENTEBBE MUNICIPALITY (DIVISION A& B).

ENTITY: ENTEBBE MUNICIPAL COUNCIL

APPLICANT: GLOBE WORLD ENGINEERING LTD

AUGUST 2017

1.0 BACKGROUND

1. On 3rd May 2017, Entebbe Municipal Council initiated the procurement for the management of street parking and revenue collection for Divisions A & B in Entebbe Municipal Council. The bid notice was published in the New Vision Newspaper of 22nd May 2017.
2. On 5th May 2017, the Entity's contracts committee approved the bidding document, procurement method and the following members of the evaluation committee were approved as indicated in table 1 below;

Table 1: Members of the Evaluation Committee

No.	Member	Designation	Organization
1.	Ms. Anne Nannyombi	Head PDU	Entebbe Municipal Council
2.	Mr. Charles Mpalanyi	Finance Officer	Entebbe Municipal Council
3.	Ms. Immaculate Gwokyalya	Finance Officer	Entebbe Municipal Council

3. The reserve price indicated in the standard bidding documents was UGX 3,282,000 per month.
4. On 22nd May 2017, three firms were issued with the bidding document. A pre-bid meeting was held on 30th May 2017 and the Entity received three bids from the following three bidders at the bid closing held on 12th June 2017.

Table 3: Bidders who were issued and submitted bids to the Entity

No	Name of Bidder	Description of revenue source	Bid Price read out (UGX)
1.	Skype Transport Services Limited	Street Parking	3,700,000
2.	Globe World Engineering (U) Ltd	Street Parking	4,000,000
3.	Entebbe Systems Office	Street Parking	3,500,000

5. On 14th June 2017, the Evaluation Committee commenced with the evaluation process and the following bidders were eliminated at preliminary and technical and commercial stages for the reasons indicated in table 4 below:

Table 4: Reasons for evaluation of bidders during evaluation

No	Name of Bidder	Reason for elimination at preliminary examination
1.	Globe World Engineering (U) Ltd	- Failure to submit a valid Tax Clearance Certificate as per transaction period.
2.	Entebbe Office Systems Ltd	- One of its Directors was indebted to the Entity due to a cancelled procurement on poor performance.

6. On 20th June 2017, the Evaluation Committee recommended award for the tender to Skype Transport Services Limited being the most economically advantageous bid at a contract price of UGX 3,700,000 VAT Inclusive.
7. On 3rd July 2017, the Contracts Committee approved the evaluation report recommending award of the contract to Skype Transport Services Ltd as the best evaluated bidder at UGX. 3,700,000 tax inclusive amount remitted in advance on monthly basis.
8. On 3rd July 2017, the notice of best evaluated bidder was displayed by the Entity indicating Skype Transport Services Limited as the best evaluated bidder. The removal date was 14th July 2017.

2.0 ADMINISTRATIVE REVIEW PROCESS

1. On 10th July 2017, the applicant sought an application for administrative review at the Entity level objecting to the Evaluation Committee's ground of eliminating their bid that there had an invalid Tax Clearance Certificate at the time of submission.
2. On 27th July 2017, the Accounting Officer rejected the application for administrative review.

3. On 31st July 2017, Globe World Engineering (U) Ltd applied to the Authority for the application for administrative review.

3.0 LAW APPLICABLE

- i. The Public Procurement and Disposal of Public Assets Act, 2003.
- ii. The Local Governments (PPDA) Regulations, 2006.

4.0 METHODOLOGY

In investigating the application for Administrative Review, the Authority will adopt the following methodology:

4.1 Analysis was made of the following documents:

- a) The invitation for bids to the various bidders;
- b) Bidssubmitted by the bidders;
- c) Copy of detailed bidding document issued to bidders;
- d) Record of issue and receipt of bids;
- e) Record of the pre-bid minutes;
- f) The evaluation Report; and
- g) Contracts committee minutes for this procurement
- h) Administrative review report by Entebbe Municipal Council
- i) Convened an administrative review hearing.

5.0 GROUNDS RAISED BY THE APPLICANT

Ground raised at Entity level

The Entity's evaluation committee eliminated the applicant on ground that the applicant had not submitted a valid tax clearance certificate by the time of submission.

Grounds raised at Authority level

1. *The Entity erred in awarding to Skype Transport Services Limited at UGX. 3,700,000 per month that was below the reserved price of UGX. 3,282,000 and contrary to bidding documents that require confirmation by Accounting Officer prior to awarding contracts to ensure that the contract price is not lower than the market price.*
2. *That the Evaluation Committee erred in eliminating the applicant at preliminary stage for non-compliance in submitting a valid tax clearance certificate issued to the Entity as per the transaction period.*

6.0 PPDA FINDINGS ON THE GROUNDS RAISED BY THE APPLICANT

Ground One

The Entity erred in awarding to Skype Transporting Limited at UGX. 3,700,000 per month that was below the reserve price of UGX. 3,282,000 and contrary to bidding documents that require confirmation by Accounting Officer prior to awarding contracts to ensure that the contract price is not lower than the market price.

Findings:

The complainant did not raise this ground at the Entity level and there was therefore no decision by the Accounting on this ground. Applications for administrative review to the Authority are appeals against the decisions of the Accounting Officer.

Therefore the Authority did not handle this ground.

Ground Two

That the Evaluation Committee erred in eliminating the applicant at preliminary stage for non-compliance in submitting a valid tax clearance certificate issued to the Entity as per the transaction period.

Findings:

1. The bidding document issued by the Entity required bidders to submit a copy of the bidder's valid transaction income tax clearance certificate or equivalent addressed to Entebbe Municipal Council as part of its documents evidencing eligibility required bidders in bid submission sheet on paragraph 4 page 7.
2. Globe World Engineering submitted a Transaction Tax Clearance Certificate issued on 25/05/2017 for the period 01/07/2015 to 30/06/2016.
3. The Evaluation Committee eliminated Globe World Engineering's bid preliminary stage for having an invalid Transaction Tax Clearance Certificate that did not fall within the bidding period.
4. During the administrative hearing, Globe World Engineering's representative presented evidence of the same Transaction Tax Clearance Certificate issued on 25th May 2017 running for the period 01/07/2015 to 30/06/2016.
5. The Authority reviewed the bid of Globe World Engineering (U) Limited and noted that the Transaction Tax Clearance Certificate submitted by Globe World Engineering (U)

Limited issued on 25th May 2017 running for the period 01/07/2015 to 30/06/2016 was invalid since the bids were submitted on 12th June 2017.

Decision on ground two

The Authority **finds no merit** on ground two.

DECISION OF THE AUTHORITY

In light of the above findings and in accordance with Section 91(4) of the PPDA Act, 2003, the application for administration review by Globe World Engineering (U) Limited is **rejected**.