



**INSPECTION REPORT INTO ALLEGED IRREGULARITIES IN THE  
PROCUREMENT OF ORGANIC FERTILIZER (PROC. REF: UCDA/SUPLS/2024-  
25/00226)**

**ENTITY: MINISTRY OF AGRICULTURE ANIMAL INDUSTRY AND FISHERIES**

**REQUEST BY: MINISTRY OF AGRICULTURE ANIMAL INDUSTRY  
AND FISHERIES**

**MARCH 2025**

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## **Acronyms**

FY	-	Financial Year
Kg	-	Kilogramme
MAAIF	-	Ministry of Agriculture Animal Industry and Fisheries
PPDA	-	Public Procurement and Disposal of Public Assets Authority
UCDA	-	Uganda Coffee Development Authority
UGX	-	Uganda Shilling

## **1.0 EXECUTIVE SUMMARY**

The Authority on 20<sup>th</sup> February 2025 received a request by MAAIF to investigate alleged irregularities during evaluation of bids for supply and delivery of organic fertilizers-PROC. REF: UCDA/SUPLS/24/25/000226).

The complaint specifically alleged that:

1. The notice of best evaluated bidder was issued before conducting the mandatory laboratory tests and inspections of the product in contravention of the bidding document requirements;
2. The Entity disqualified a lowest bidder who quoted UGX 3,050,016,200 on account of non-material grounds and proceeded to award a contract to Fertiplus Organic Ltd at an exorbitant price of UGX. 5,717, 704,000 thus a waste of taxpayers' money;
3. Competent bidders with lower prices are always disqualified on non-material grounds at preliminary evaluation stages by altering bid documents so as to favor Fertiplus Organic Ltd; and
4. The product has on several occasions been rejected by coffee farmers in various parts of the Uganda due to failure to improve coffee yields specifically in Mukono and Kanungu.

In accordance with Section 8 (1) (i) of the Public Procurement and Disposal of Public Assets (PPDA) Act, Cap 205, the Authority instituted an inspection into the procurement process and found no merit in the allegations that the Evaluation Committee did not properly evaluate the bids for supply of Organic Fertilizers and the Fertilizer product has on several occasions been rejected by coffee farmers in various parts of the Uganda due to failure to improve coffee yields specifically in Mukono and Kanungu as indicated below:

1. In respect to the allegation that the notice of best evaluated bidder was issued before conducting the mandatory laboratory tests and inspections of the product in contravention of the bidding document requirements, the Authority found no merit in the allegation since the procurement was still at evaluation stage and the testing was to be done before acceptance of the fertilizer as per the statement of requirements under item 5: Inspection and Tests;
2. The Evaluation Committee correctly failed Tall Harvest Ltd at preliminary examination for failure to meet the requirement of Tax Clearance Certificate and NSSF Clearance Certificate since the two documents included in its bid were not authentic;
3. The Evaluation Committee correctly failed Afrochick Ltd at preliminary examination for attaching a deposit slip instead of NSSF Clearance Certificate valid up to September 2024 as required in the bidding document. Whereas the bid was prematurely evaluated in respect to audited books of accounts and financial resources which should be evaluated at detailed examination, this did not affect the outcome since it had failed to the requirement on NSSF Clearance Certificate at preliminary stage; and

4. The Evaluation Committee properly evaluated the bid by Fertiplus Organic Ltd and found it responsive to the requirements of the bidding document and declared the best evaluated bidder; and
5. There was no evidence in support of the allegation that coffee farmers in various parts of the Uganda allegedly complained about the fertilizers supplied failing to improve coffee yields specifically in Mukono and Kanungu since it was not substantiated.

The Authority recommends that the Entity expedites the procurement to its logical conclusion given the importance of this farm input procurement.

The Authority is commencing investigations into submission of forged documents by Tall Harvest Ltd in its bid submitted to the Entity in accordance with Section 128 (a) of the PPDA Act, Cap 205.

The Entity is requested to share a report on fertilizer distribution in the country during upon conclusion of the distribution exercise.

## 2.0 BACKGROUND

1. On 20<sup>th</sup> September 2024, the Uganda Coffee Development Authority (UCDA) initiated a procurement for supply of 68,888 bags of Organic Fertilizer (packed in 25 Kg) estimated at UGX 6,199,920,000.
2. On 25<sup>th</sup> October 2024, the Contracts Committee approved the use of the open domestic bidding method, solicitation document and Evaluation Committee as indicated in Table 1 below:

**Table 1: Evaluation Committee**

No	Name	Designation
1.	Mr. Stephen Natumanya	Procurement Officer
2.	Dr. Gerald Kyalo	Director Development Services
3.	Mr. Isreal Ssebugenyi	Technical Development Manager
4.	Ms. Peace N. Haba	Procurement Manager

3. On 31<sup>st</sup> October 2024, UCDA published a bid notice in the New Vision Newspaper for the procurement for supply of organic fertilizers. The deadline for bid submission was indicated as 22<sup>nd</sup> November 2024 at 10:00 a.m.
4. The record of issue of bidding document indicated that bidding documents for the supply of organic fertilizers were issued to three bidders in Table 2 below:

**Table 2: Record of Issue of Bidding Document**

No.	Name of Bidder
1.	Fertiplus Organic Ltd
2.	SR Afrochicks & Breeders Ltd
3.	Tall Harvest Ltd

5. On 12<sup>th</sup> November 2024, pre-bid meeting was held and was attended by representatives of different firms.
6. On 22<sup>nd</sup> November 2024, the Entity opened the bids and read the bid prices as indicated in Table 3:

**Table 3: Record of Bid Opening**

No.	Name of Bidder	Price Read Out (UGX)
1.	Tall Harvest Ltd	5,497,262,400
2.	Fertiplus Organic Ltd	5,717,704,000
3.	SR Afrochicks & Breeders Ltd	3,050,016,200

7. The record of submission of samples indicated that bidders in Table 4 presented samples at bid opening:

**Table 4: Firms that Submitted Samples**

No.	Name of Bidder	Packaging
1.	Tall Harvest Ltd	1 bottle
2.	Fertiplus Organic Ltd	1 bottle
3.	SR Afrochicks & Breeders Ltd	1 bottle

8. The Evaluation Report dated 18<sup>th</sup> December 2024 indicated that of the three bidders that submitted bids, only Fertiplus Organic Ltd was responsive at preliminary evaluation. The two bidders in Table 5 were eliminated for the following reasons:

**Table 5: Reasons for Elimination at Preliminary Stage**

No.	Bidder	Reason (s)
1.	SR Afrochicks & Breeders Ltd	<ol style="list-style-type: none"> <li>i. Bidder attached a deposit slip instead of NSSF Clearance Certificate valid up to September 2024 as required in the bidding document</li> <li>ii. Bidder attached copies of management books of accounts instead of the statutory audited books of accounts as required in the bidding document.</li> <li>iii. Did not attach any document to demonstrate access to availability of financial resources such as line of credit in from any commercial bank recognized by BOU or a line of credit in form of a guarantee from a manufacturer to supply the required item on credit and other financial means other than any contractual advance payment to meet the following cash flow</li> </ol>

No.	Bidder	Reason (s)
		requirement of UGX 5,000,000,000 (UGX Five billion) as required in the bidding document.
2.	Tall Harvest Ltd	<ul style="list-style-type: none"> <li>i. Bidder attached a forged NSSF clearance certificate no. 00050788 in the names of Twford Impex (U) Ltd.</li> <li>ii. Bidder attached an invalid/ forged Tax Clearance Certificate.</li> </ul>

9. The Evaluation Committee recommended award of the contract for supply of 68,888 bags of organic fertilizer to Fertiplus Organic Ltd at UGX. 5,717,704,000.
10. On 31<sup>st</sup> January 2025, the Contracts Committee considered the Evaluation Report and awarded the contract for supply of organic fertilizer to Fertiplus Organic Ltd at a contract price of UGX. UGX. 5,717,704,000 VAT inclusive.
11. On 31<sup>st</sup> January 2025, the best evaluated bidder notice was displayed at the Entity premises with a removal date of 13<sup>th</sup> February 2025.
12. On 11<sup>th</sup> February 2025, SR Afrochicks & Breeders Ltd applied for administrative review to the Accounting Officer citing irregular evaluation of bids and unfairness in the procurement process.
13. On 24<sup>th</sup> February 2025, the Accounting Officer issued a decision which found no merit in the issues raised by the applicant.

### 3.0 LAW APPLICABLE

- i. The Public Procurement and Disposal of Public Assets Act, Cap 205;
- ii. The PPDA (Rules and methods for procurement of supplies, works and non-consultancy services) Regulations, 2023;
- iii. The Public Procurement and Disposal of Public Assets Guidelines, 2024;
- iv. The Agricultural Chemicals (Control) Act, 2006; and
- v. The bidding document for supply of organic fertilizers.

### 4.0 OBJECTIVES OF INVESTIGATION

1. On 20<sup>th</sup> February 2025, the Authority received a request from MAAIF to investigate a complaint alleging that:
  - i. The notice of best evaluated bidder was issued before conducting the mandatory laboratory tests and inspections of the product in contravention of the bidding document requirements;
  - ii. The Entity disqualified a lowest bidder who quoted UGX 3,050,016,200 on account of non-material grounds and proceeded to award a contract to Fertiplus Organic Ltd at an exorbitant price of UGX. 5,717, 704,000 thus a waste of taxpayers' money;

- iii. Competent bidders with lower prices are always disqualified on non-material grounds at preliminary evaluation stages by altering bid documents so as to favor Fertiplus Organic Ltd; and
  - iv. The product has on several occasions been rejected by coffee farmers in various parts of the Uganda due to failure to improve coffee yields specifically in Mukono and Kanungu.
2. From the allegations, the objectives of the investigation were to establish whether:
    - i. The Evaluation Committee properly evaluated the bids for supply of Organic Fertilizers; and
    - ii. The Fertilizer product has on several occasions been rejected by coffee farmers in various parts of the Uganda due to failure to improve coffee yields specifically in Mukono and Kanungu.

## **5.0 METHODOLOGY**

1. The Authority undertook a review of the following documents:
  - i. The bid notice;
  - ii. Bidding document issued;
  - iii. Record of issue of bidding document;
  - iv. Bids submitted;
  - v. Minutes of pre-bid meeting;
  - vi. Record of bid receipt and opening;
  - vii. Evaluation Report;
  - viii. Contracts Committee minutes; and
  - ix. Correspondences between the Entity and various authorities and providers on verification of documents submitted by Fertiplus Organic Ltd.
2. On 27<sup>th</sup> February 2025, the Authority held a meeting with the Principal Procurement Officer as a representative of the Evaluation Committee on how the procurement was evaluated and Mr. Gordon Katwirenabo, Principal Quality Assurance Officer as a representative of the User Department on usage of the fertilizer by farmers.

## **6.0 FINDINGS OF THE AUTHORITY**

### **6.1 Whether the Evaluation Committee properly evaluated the bids for supply of Organic Fertilizers**

1. The complaint alleged the following irregularities in respect to the above procurement:
  - i. The notice of best evaluated bidder was issued before conducting the mandatory laboratory tests and inspections of the product in contravention of the bidding document requirements;

- ii. The Entity disqualified a lowest bidder who quoted UGX 3,050,016,200 on account of non-material grounds and proceeded to award a contract to Fertiplus Organic Ltd at an exorbitant price of UGX. 5,717, 704,000 thus a waste of taxpayers' money;
  - iii. Competent bidders with lower prices are always disqualified on non-material grounds at preliminary evaluation stages by altering bid documents so as to favor Fertiplus Organic Ltd.
2. The Authority reviewed the Evaluation Report dated 18<sup>th</sup> December 2024 and established that the Committee found Fertiplus Organic Ltd the only responsive bidder to the preliminary evaluation stage. The other bidders i.e., Tall Harvest Ltd and SR Afrochicks & Breeders Ltd were found non-responsive for reasons indicated in Table 6 of this report above.
  3. Section 6, statement of requirements under item 5: Inspection and Tests indicated that:
    - i. Inspection agency; Government Analytical Laboratory or Uganda National Bureau of Standards or any other recognised laboratory by UNBS.
    - ii. Timing of the inspection; *'Before acceptance of the delivered items.*
  4. In respect to the allegation that the notice of best evaluated bidder was issued before conducting the mandatory laboratory tests and inspections of the product in contravention of the bidding document requirements, the Authority found no merit in the allegation since the procurement was still at evaluation stage and testing was to be done before acceptance of the fertilizer as per the statement of requirements under item 5: Inspection and Tests.
  5. Section 76 (2) of the PPDA Act, Cap 205 provides that all solicitation documents shall fully and comprehensively detail the evaluation methodology and criteria which shall apply.
  6. In accordance with the above provision, the bidding document under paragraph 2.2 of Section 3: Evaluation Methodology and Criteria provided that the evaluation shall be conducted in three sequential stages –
    - a) A preliminary examination to determine the eligibility of bidders and the administrative compliance of bids received;
    - b) A detailed evaluation to determine the commercial and technical responsiveness of the eligible and compliant bids;
    - c) A financial comparison to compare costs of the eligible, compliant, responsive bids received and determine the best evaluated bid.
  7. The documentary requirements for eligibility under Part B – 3.2 and 3.3 of Section 3: Evaluation Methodology and Criteria for Preliminary Examination Criteria were:
    - a) *A certificate of registration issued by the Authority for bidders currently registered with the Authority or a copy of the Bidder's Trading license for 2024 or equivalent and a copy of the Bidder's Certificate of Registration or equivalent for bidders not currently registered with the Authority;*

- b) Evidence of fulfilment of obligations to pay taxes for the year 2023-2024 in form of Valid Tax Clearance Certificate.*
  - c) A copy of NSSF contributions clearance certificate valid up to September 2024.*
  - d) A copy of Tax Registration Certificate (TIN)*
  - e) Details of directors/ownership of the company.*
  - f) A copy of Registered Powers of attorney.*
  - g) A copy of certified memorandum and articles of association.*
8. The Administrative compliance criteria under preliminary examination requirements in accordance with ITB 32.3 and 32.4 were:
  - (a) the Bid Submission Sheet, including:*
    - i. a brief description of the Supplies and Related Services offered;*
    - ii. the price of the bid; and*
    - iii. the validity date of the bid;*
  - (b) the Price Schedule;*
  - (c) written confirmation of authorization to commit the Bidder; and*
  - (d) a Bid Security or Bid Securing Declaration, if applicable.*
9. The Authority found that the notice of best evaluated bidder indicated that “Tall Harvest Ltd” had failed at the preliminary Evaluation Stage for:
  - i. Bidder attached a forged NSSF clearance certificate no. 00050788 in the names of Twford Impex (U) Ltd.
  - ii. Bidder attached an invalid/ forged Tax Clearance Certificate.
10. With respect to SR Afrochicks & Breeders Ltd, the notice of best evaluated bidder indicated that the bidder had failed at preliminary evaluation stage:
  - i. Bidder attached a deposit slip instead of NSSF Clearance Certificate valid up to September 2024 as required in the bidding document.
  - ii. Bidder attached copies of management books of accounts instead of the statutory audited books of accounts as required in the bidding document.
  - iii. Did not attach any document to demonstrate access to availability of financial resources such as line of credit in from any commercial bank recognized by Bank of Uganda or a line of credit in form of a guarantee from a manufacturer to supply the required item on credit and other financial means other than any contractual advance payment to meet the following cash flow requirement of UGX 5,000,000,000 (UGX Five billion) as required in the bidding document.
11. According to Regulation 16 (1) (a) and 16 (1) (b) of the PPDA Evaluation Regulations 2023:

*‘A preliminary examination shall be conducted to determine whether— (a) the bidder is eligible under regulation 17 and as specified in the bidding document; and*

*(b) the bid is administratively compliant with the basic instructions and requirements specified in regulation 18 and in the bidding document'.*

12. Regulation 16 (2) (a) of the PPDA Evaluation Regulations 2023 provide that: *'Eligibility and administrative compliance shall be determined on a pass or fail basis and a bid which is not eligible or administratively compliant shall be rejected at the preliminary stage of evaluation'.*
13. The evaluation criteria under subsection 3.2 provided that *'Failure of a bid at any stage of the evaluation shall prevent further consideration at the next stage of evaluation. Substantial responsiveness shall be considered a pass'.*
14. The Authority noted that the Evaluation Committee correctly failed Tall Harvest Ltd at preliminary examination for failure to meet the requirement of Tax Clearance Certificate and NSSF clearance certificate since the two documents included in its bid were not authentic.
15. The Authority noted that the Evaluation Committee correctly failed SR Afrochicks & Breeders Ltd at preliminary examination for attaching a deposit slip instead of NSSF Clearance Certificate valid up to September 2024 as required in the bidding document. Whereas the bid was prematurely evaluated in respect to audited books of accounts and financial resources which should be evaluated detailed examination, this did not affect the outcome since it had failed to the requirement on NSSF Clearance Certificate at preliminary stage.
16. The Authority found that the Committee evaluated the following requirements under preliminary examination for all the bidders yet they were under post qualification:
  - i. Availability of financial resources. The bidder must demonstrate access to, or availability of, financial resources such as line of credit from any commercial banking institution in Uganda or a line of credit in guarantee from manufacturer to supply the required items on credit and other financial means, other than any contractual advance payments to meet the following cash flow requirement of UGX. 5 billion;
  - ii. Average Annual turnover of UGX. 5 billion in the five years last five years i.e. 2019, 2020,2021, 2022 and 2013;
  - iii. Experience and Technical Capacity. The bidder should furnish documentary evidence in form of contracts or local purchase orders and the corresponding completion certificates/delivery notes in the last five years. attach at least two similar contracts in nature and value equivalent to UGX 6 billion; and
  - iv. Audited books of accounts for the last five years i.e. 2019, 2020,2021, 2022 and 2013.
17. The Authority found that the Entity properly evaluated the bids of Tall Harvest Ltd and SR Afrochicks & Breeders Ltd as non-responsive in accordance with the bidding document. Relatedly, the Evaluation Committee properly evaluated the bid by Fertiplus Organic Ltd and found it responsive to the requirements of the bidding document.

18. In light of the above, the Authority found no merit in the allegation that the Entity did not properly undertake the evaluation of bids in accordance with the requirements of the bidding document issued.

**6.2 Whether the Fertilizer by Fertiplus Organic Ltd had earlier been rejected by coffee farmers in various parts of the Uganda due to failure to improve coffee yields specifically in Mukono and Kanungu**

1. The complaint alleged that the Fertilizer by Fertiplus Organic Ltd has on several occasions been rejected by coffee farmers in various parts of the Uganda due to failure to improve coffee yields specifically in Mukono and Kanungu.
2. The Authority noted that the complaint did not indicate details regarding the rejection by coffee farmers in various parts of the Uganda due to failure to improve coffee yields specifically in Mukono and Kanungu.
3. In a meeting with the Authority, Mr. Gordon Katwirenabo, Principal Quality Assurance Officer as a representative of the User Department on usage of the fertilizer by farmers indicated that there were no farmer complaints on record regarding rejection of the fertilizer by coffee farmers in various parts of the Uganda due to failure to improve coffee yields specifically in Mukono and Kanungu.
4. The Authority found no evidence in support of the allegation that coffee farmers in various parts of the Uganda allegedly complained about the fertilizers supplied failing to improve coffee yields specifically in Mukono and Kanungu since it was not substantiated

**7.0 DECISION OF THE AUTHORITY**

In light of the above and in accordance with Section 10 of the PPDA Act, Cap 205, the Authority found no merit in the allegations that the Evaluation Committee did not properly evaluate the bids for supply of Organic Fertilizers and Fertilizer product has on several occasions been rejected by coffee farmers in various parts of the Uganda due to failure to improve coffee yields specifically in Mukono and Kanungu. The Authority recommends that the Entity expedites the procurement to its logical conclusion given the importance of this farm input procurement.

The Authority is commencing investigations into submission of forged documents by Tall Harvest Ltd in its bid submitted to the Entity in accordance with Section 128 (a) of the PPDA Act, Cap 205.

The Entity is requested to share a report on fertilizer distribution in the country upon conclusion of the distribution exercise.