



PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY

**INVESTIGATION REPORT INTO ALLEGED IRREGULARITIES IN THE
PROCUREMENT FOR CLEANING, PEST AND OTHER VERMIN CONTROL
SERVICES**

ENTITY : CIVIL AVIATION AUTHORITY

**COMPLAINANT : SAFI CLEANING SERVICES (U) LTD AND KINTU PEST
KILL LTD**

JUNE 2018

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ACRONYMS

AO	-	Accounting Officer
BEB	-	Best Evaluated Bidder
CC	-	Contracts Committee
HPDU	-	Head Procurement and Disposal Unit
Ltd	-	Limited
PDU	-	Procurement and Disposal Unit
PPDA Act	-	Public Procurement and Disposal of Public Assets Act No. 1 of 2003
PPDA	-	Public Procurement and Disposal of Public Assets Authority
UGX	-	Uganda Shillings

1.0 SUMMARY OF FACTS

1. On 28th July 2016, Civil Aviation Authority initiated the procurement for cleaning and pest and other vermin control services at the Departures (Lot 2) and Arrivals (Lot 3) at Entebbe Airport at an estimated price of UGX 1,194,000,000.
2. On 24th October 2017, the Contracts Committee approved the use of the restricted domestic bidding procurement method and shortlist of providers. The Committee also approved the evaluation by a consultancy firm, Kisa and Associates.
3. On 30th October 2017, bidding documents for cleaning and pest control services were issued to the following eight (8) bidders for Lot 3 and seven for Lot 2 as indicated in table 1 below:

Table 1: Record of Issue of Bidding Documents

No	Lot 2	Lot 3
1.	Ben City Uganda Limited	Eco General Services (U) Ltd
2.	Parapet Cleaning Services	Middle East General Cleaning Services Ltd
3.	Guardian Services Limited	Techno Plus Limited
4.	Safi Cleaning Services	Safi Cleaning Services Ltd
5.	Xtreme Hygiene Solutions	Xtreme Hygiene Solutions Ltd
6.	Trend Events Limited	Trend Events
7.	A and M executive Cleaning	A&M Executive Cleaning
8.	-	Nuwe Investments Ltd

4. On 16th November 2017, the Entity received and opened six (6) bids for each Lot as indicated in Table 2 & 3 below:

Table 2: Record of bid opening for Lot 2

S/No.	Bidder	Bid price (UGX)
1.	Safi Cleaning Services	1,476,000,012
2.	Ben city Uganda Limited	2,733,972,732
3.	Trend Events Uganda Limited	1,919,766,492
4.	Xtreme Hygiene	2,036,018,822
5.	A and M Executive Cleaning Services	2,067,851,933
6.	Guardian services Limited	3,440,518,920

Table 3: Record of bid opening for Lot 3

S/No.	Bidder	Bid price (UGX)
1.	Middle East Cleaning	1yr: 142,459,579 2yrs: 1,330,877,075 3yrs: 1,996,315,613
2.	Trend Events Ltd	1yr: 580,259,396.4 3yrs: 1,740,778,189
3.	A & M Executive Cleaning	1yr: 142,459,579 2yrs: 1,207,410,569

S/No.	Bidder	Bid price (UGX)
		3yrs: 1,811,115,854
4.	Safi Cleaning Services	1yr: 459,599,998 2yrs: 919,199,997 3yrs: 1,378,799,995
5.	Nuwe Investments Ltd	1yr: 582,182,750.16 2yrs: 1,164,365,500.32 3yrs: 1,764,548,250.48
6.	Xtreme Hygiene Solutions	1yr: 586,807,392 2yrs: 1,173,614,784 3yrs: 1,173,614,784

5. The Evaluation Report dated 13th December 2017 by Kisa and Associates recommended award to Trend Events Ltd at UGX 1,769,231,079 VAT inclusive for a period of three years for Lot 3 and A and M Executive Cleaning Services for Lot 2 at UGX 2,215,174,442.
6. On 15th December 2017, the Contracts Committee awarded the contract for provision of non-consultancy services for cleaning and pest control at Entebbe Airport for Lot 2 and 3 to A and M Executive Cleaning Services at UGX 2,215,174,442 and Trend Events Ltd at UGX 1,769,231,097 respectively inclusive of VAT for a period of three years.

2.0 LAW APPLICABLE

- i. The Public Procurement and Disposal of Public Assets Act 2003;
- ii. The Public Procurement and Disposal of Public Assets Regulations, 2014.
- iii. The Bidding Document issued.

3.0 OBJECTIVES OF THE INVESTIGATION

The objectives of the investigation were to establish whether:

- i. The bid by Safi Cleaning Services (U) Ltd and Kintu Pest Kill Ltd Joint Venture was properly evaluated to the requirements of certification of Joint Venture Agreement and possession of Powers of Attorney.
- ii. The Best Evaluated Bidders were properly evaluated to the requirements of technical capacity to handle chemicals and possession of a license from the Ministry of Agriculture, Animal Industry and Fisheries.
- iii. There was alteration of the Best Evaluated Bidder's price from UGX 40,000,000 to UGX 60,000,000.

4.0 METHODOLOGY

The Authority adopted the following methodology:

- 4.1 Review of the following documents:
- i. Procurement requisition
 - ii. Solicitation document issued;
 - iii. Record of bid closing and bid opening;
 - iv. Bids received;
 - v. Evaluation Report;
 - vi. Contracts Committee Minutes;
 - vii. The contracts; and
 - viii. All correspondences on file related to this matter.

5.0 FINDINGS OF THE AUTHORITY

5.1 Whether the bid by Safi Cleaning Services (U) Ltd and Kintu Pest Kill Ltd Joint Venture was properly evaluated to the requirements of certification of Joint Venture Agreement and possession of Powers of Attorney.

1. The complainant alleged that Civil Aviation Authority rejected its bid on grounds that the Joint Venture Agreement was not certified and the bid had no proper Powers of Attorney.
2. Section 3 clause 3.2(g) of the solicitation document required each party to the joint venture to provide a Power of Attorney nominating a representative who shall have the authority to conduct all business for and on behalf of any and all the parties in the joint venture and a certified copy of the Joint Venture agreement.
3. The Evaluation Report indicated that the complainant submitted an uncertified Joint Venture Agreement and did not indicate the representative in the Joint Venture who shall have the Authority to conduct all business for and on behalf of any and all the parties in the Joint Venture Agreement.
4. The Authority reviewed the bid submitted by Safi Cleaning Services (U) Ltd and Kintu Pest Kill Ltd Joint Venture and found that the Powers of Attorney included did not indicate the representative who shall have the authority to conduct business on behalf of the Joint Venture. The Powers of Attorney did not indicate the Donee.
5. The Joint Venture Agreement submitted in the bid was not certified in accordance with the requirements of the solicitation document.
6. The Authority found that the Evaluation Committee properly evaluated the bid of Safi Cleaning Services (U) Ltd in Joint Venture with Kintu Pest Kill Ltd with respect to the requirement of possession of Powers of Attorney and a certification of the Joint Venture agreement.

5.2 Whether the Best Evaluated Bidders were properly evaluated to the requirements of technical capacity to handle chemicals and possession of a license from the Ministry of Agriculture, Animal Industry and Fisheries.

1. The complainant alleged that the Best Evaluated Bidder did not have the technical capacity to handle chemicals and lacked a license from the Ministry of Agriculture, Animal Industry and Fisheries.
2. The Authority found that the complaint was not specific on the Best Evaluated Bidder since the procurement for cleaning and pest control services was divided into two lots i.e. lot 2 awarded to A and M Executive Cleaning Services Ltd and Lot 3 awarded to Trend Events Ltd.
3. A review of the solicitation documents for both Lots revealed that provision of evidence of technical capacity to handle chemicals and a license from the Ministry of Agriculture, Animal Industry and Fisheries were not requirements.
4. The Authority reviewed the bids submitted by A and M Executive Cleaning Services and Trend Events Ltd and found that both included personnel with certificates in safe pesticide handling and application. Mr. Ronald Kizito, Mr. Grace Mwanje and Mr. Michael Ssentongo submitted by A & M Executive Cleaning Services Ltd had certificates. On the other hand Trend Events Ltd included Mr. Ronald Mwanje.
5. The Authority found that the Entity properly evaluated the Best Evaluated Bidders' bids with respect to technical capacity to handle chemicals. There was no requirement for possession of a license from the Ministry of Agriculture, Animal Industry and Fisheries in the bidding document.

5.3 Whether there was alteration of the Best Evaluated Bidder's price from UGX 40,000,000 to UGX 60,000,000.

1. The complainant alleged that there was no transparency in the procurement process and that the Best Evaluated Bidder's Price was altered from UGX 40,000,000 to UGX 60,000,000 at bid opening.
2. The Authority noted that the price read out at bid opening for A and M Executive Cleaning Services Ltd for Lot 2 was UGX 2,067,851,933 VAT inclusive and that of Trend Events Ltd for Lot 3 was UGX 1,740,778,189.2 VAT inclusive.
3. The Authority found that the following arithmetic corrections were made during evaluation which were confirmed by the respective bidders on 13th December 2017 as indicated below:

Table 4: Correction of arithmetic errors

Lot	Best Evaluated Bidder	Original Price (UGX)	Corrections Made	Corrected Price (UGX)
2	A & M Executive Cleaning	2,067,851,933	+147,322,509	2,215,174,442
3	Trend Events Limited	1,740,778,189.2	+28,452,908	1,769,231,097

4. On 5th December 2017, the Contracts Committee received and approved the evaluation reports for both Lots from Kisinga and Associates recommending award of contract to Trend Events Ltd for Lot 3 at a contract price of UGX 2,215,174,442 VAT inclusive for a period of three years and Lot 2 to A and M executive cleaning services at a total contract price of UGX 1,769,231,097 VAT inclusive.
5. The Authority found no evidence of lack of transparency and that the Best Evaluated Bidders' price was altered from UGX 40m to 60m.

6.0 RECOMMENDATION

In light of the above findings and in accordance with Section 9(1) (a) of the PPDA Act, 2003, the Authority recommends that the Entity should proceed and conclude the procurement.