



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

PPDA/RGF/005

9th September 2024

To all Accounting Officers
Central and Local Government Entities

**FORMATS FOR BID BOND, PERFORMANCE BOND AND PERFORMANCE
SECURING DECLARATION - CIRCULAR NO.4 OF 2024**

Reference is made to the amended PPDA Act, Cap. 205, the attendant Regulations, 2023 and the revised PPDA Guidelines, 2024, in which provisions were made for use of a bid bond, performance bond and performance securing declaration.

Following the amendments, the Authority developed the following forms:

1. Bid Bond;
2. Performance Bond; and
3. Performance Securing Declaration.

In accordance with Section 8(1)(d) of the PPDA Act, Cap. 205, this is to issue the above forms for use by Procuring and Disposing Entities. Copies can be accessed on the Authority's website at www.ppda.go.ug.

Aloysius M. Byaruhanga (PhD)
FOR: EXECUTIVE DIRECTOR

c.c.: Permanent Secretary/Secretary to Treasury, Ministry of Finance, Planning and Economic Development

- Encl.**
1. Bid Bond Form
 2. Performance Bond Form
 3. Performance Securing Declaration Form

Head Office
PPDA - URF Towers, Plot 39
Nakasero Road
P.O.Box 3925, Kampala Uganda
Tel: +256-414-311100
Email: info@ppda.go.ug

Western Regional Office
RDC's Building, Bishop Stretcher Road,
Opposite BOU Currency Centre, Mbarara-Kabale Road
P.O. Box 1353, Mbarara, Uganda.
Tel: +256-417-733800
Email: mbararaoffice@ppda.go.ug

Northern Regional Office
Plot 1, Lower Churchill Drive
P.O. Box 999, Gulu, Uganda
Tel: +256-417-432010
Email: guluoffice@ppda.go.ug

Eastern Regional Office
Oval Plaza, Plot 1, Court Road
P.O. Box 2173, Mbale, Uganda
Tel: +256-417-890100
Email: mbaleoffice@ppda.go.ug

(The bid bond should be on the letterhead of the issuing Insurance Company regulated by the Insurance Regulatory Authority of Uganda and should be signed by a person with the proper authority to sign the Bid bond. The Surety shall fill in this Bid Bond Form in accordance with the instructions indicated)

Form of Bid Security (Bid Bond)

Date: _____

BOND NO. _____

BY THIS BOND [*name of Bidder*] as Principal (hereinafter called "the Principal"), and [*name, and address of Insurance Company*], authorized to transact business in Uganda as Surety (hereinafter called "the Surety"), are held and firmly bound unto [*name of Procuring and Disposing Entity*] as Obligee (hereinafter called "the Entity") in the sum of [*amount of Bond*]¹ [*amount in words*], for the payment of which sum, well and truly to be made, we, the said Principal and Surety, bind ourselves, our successors and assigns, jointly and severally, firmly by these presents.

WHEREAS the Principal has submitted or will submit a written Bid to the Purchaser dated the ____ day of _____, 20__, for the [*subject of procurement*] (hereinafter called the "Bid").

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that if the Principal:

- (a) withdraws its Bid prior to the Bid validity expiry date set forth in the Principal's Letter of Bid, or any extended date provided by the Principal; or
- (b) having been notified of the acceptance of its Bid by the Entity prior to the expiry date of the Bid validity or any extension thereto provided by the Applicant has failed to:
 - (i) execute the Contract Agreement; or
 - (ii) furnish the Performance Security, in accordance with the Instructions to Bidders ("ITB") of the Entity's bidding document.

then the Surety undertakes to immediately pay to the Entity the above amount upon receipt of the Entity's first written demand, without the Entity having to substantiate its demand, provided that in its demand the Entity shall state that the demand arises from the occurrence of any of the above events, specifying which event(s) has occurred.

The Surety hereby agrees that its obligation will remain in full force and effect up to set forth in the Principal's Letter of Bid or any extension thereto provided by the Principal.

IN TESTIMONY WHEREOF, the Principal and the Surety have caused these presents to be executed in their respective names this ____ day of _____ 20__.

Principal: _____ Surety: _____
Corporate Seal/ Stamp (where appropriate) Corporate Seal/ Stamp (where appropriate)

(Signature)
(Printed name and title)

(Signature)
(Printed name and title)

¹ The amount of the Bond shall be denominated in the currency indicated in the bidding document.

(The Performance Bond should be on the letterhead of the issuing Insurance Company regulated by the Insurance Regulatory Authority of Uganda and should be signed by a person with the proper authority to sign the Performance Bond. The Surety shall fill in this Performance Bond Form in accordance with the instructions indicated)

PERFORMANCE BOND

By this Bond *[insert name of bidder]* as Principal (hereinafter called "the provider") and *[insert name of Insurance Company]* as Surety (hereinafter called "the Surety"), are held and firmly bound unto *[insert name of Procuring and Disposing Entity]* as Obligee (hereinafter called "the Entity") in the amount of *[insert the currency, amount in words and figures]*, for the payment of which sum well and truly to be made, the Entity and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS the Entity has entered into a written Agreement with the Entity dated the ____ day of _____, 20 _____, for *[name the subject of procurement]* which to the extent herein provided for, are by reference made part hereof and are hereinafter referred to as the Contract.

NOW, THEREFORE, the Condition of this Obligation is such that, if the provider promptly and faithfully performs the said Contract (including any amendments thereto), then this obligation shall be null and void; otherwise, it shall remain in full force and effect. Whenever the provider shall be, and declared by the Entity to be, in default under the Contract, the Surety shall promptly pay the Entity the amount required to complete the Contract in accordance with its terms and conditions up to a total not exceeding the amount of this Bond.

The Surety shall not be liable for a greater sum than the specified penalty of this Bond.

No right of action shall accrue on this Bond to or for the use of any person or corporation other than the Entity named herein.

In testimony whereof, the provider has hereunto set his hand and affixed his seal, and the Surety has caused these presents to be sealed with his corporate seal duly attested by the signature of his legal representative, this _____ day of _____ 20 _____.

SIGNED ON _____ on behalf of _____

By _____ in the capacity of _____

In the presence of _____

SIGNED ON _____ on behalf of _____

By _____ in the capacity of _____

In the presence of _____

(Use Provider's Letterhead)
(Name of Provider)
(Physical Address of Provider)

PERFORMANCE SECURING DECLARATION

Date: *(Insert day, month, and year)*
Subject of procurement and Ref number.: *(insert subject and reference number of procurement)*

To:
The Accounting Officer,
(Insert complete name of Procuring and Disposing Entity)

I/We*, the undersigned, declare as follows:

1. I/We* understand that, according to the conditions of the Contract, I/We* must submit a Performance Securing Declaration valid until successful completion of the contract.
2. I/We* accept that we shall be suspended by the Authority from being eligible for bidding in any public procurement or disposal process of Government for a period of three years if I/We*:
 - (i) Have failed to perform contractual obligations under this contract; or
 - (ii) Upon occurrence of any of the events and circumstances under the conditions of contract for which the contract is terminated arising from our default.
3. This Performance Securing Declaration shall cease to be valid upon completion of the contract/issuance of the Completion Certificate*, on the earlier of:
 - (i) Having completed all the obligations under the contract and made good all snags by the end of the Defects Liability Period/Warranty period*; or
 - (ii) Issuance of the Completion Certificate for all the works at the end of the Defects Liability Period.

Signed: _____ *(insert authorized signature)*

In the capacity of _____ *(insert designation of person signing the Performance Securing Declaration)*

Name: _____ *(insert complete name of person signing the Performance Securing Declaration)*

Duly authorized to sign the contract for and on behalf of: *(insert complete name of Provider)*

Dated on _____ day of _____ *(month)*, _____ *(year)*
(insert date of signing)

* Delete whichever is not applicable