Procurement for NDA lab queried

Accusation. Whistleblower claims there were irregularities in in the bidding process.

BY MISAIRI THEMBO KAHUNGU
mkthembo@ug.nationmedia.com

The construction of a multibillion laboratory for National Drug Authority (NDA) is facing uncertainty as the procurement process has been questioned.

The drugs regulator, despite having a fully-fledged procurement unit, entrusted the procurement process for the Shs48b project in the hands over Uganda Revenue Authority, another government entity charged with tax collection. It is not clear why NDA vested those powers in the tax body.

However, a whistleblower claiming to be one of the bidders in February petitioned the Public Procurement and Disposal of Public Assets Authority (PPDA) to prevail over URA for what he/she called irregularities in the bidding process.

"We noted several illegalities and irregularities in the bidding and brought them to the attention of URA for correction. Unfortunately, URA ignored our concerns for unknown reasons," says the unnamed whistleblower in the petition dated February 28, 2018.

The petition queries the instruction to write the bid security in the names of URA instead of NDA with whom a winning bidder is supposed to sign a contract to execute the construction works.



URA. Vincent Seruma



NDA. Medard Bitekyerezo

In asking URA to carry out the procurement, the petition argues, NDA breached provisions of Regulation 23 of PPDA Regulations, 2014.

Shs48b

Price. The amount of money the establishment of the National Drug Authority laboratory will cost.

The PPDA rules require, for example, that for a public entity to entrust its procurement to another public entity, the project in question ought to be implemented as a joint venture by the two government entities, among other qualifications.

The other condition under Regulation 23 is that the entity so entrusted should have specialised knowledge, expertise or experience in the subject matter of the procurement or disposal, or where a project is implemented by both the entities jointly.

All the three conditions, the whistleblower argues, do not apply in this case.

Another point of contention is over the turnover. The whistleblower says that, URA insisting that the minimum average annual turnover of Shs60 billion was an "arbitrary action" to skew competition for the project procurement process.

"The General Conditions of Contract, GCC 17.1, page 109 of the URA bidding document states that the completion date for works shall be in 24 months after commencement of the works. The correct turnover is Shs24b. URA arbitrarily set Shs60b as turnover, thereby violating the industry practice," the petition states.

The whistleblower further argues that the URA bidding document favours foreign firms by providing for experience of a bidder having completed four contracts each with a value of at least Shs40 billion. "This is not in line with the BUBU (Buy Uganda, Build Uganda) policy being promoted by government," the petition says.

When contacted, URA spokesperson Vincent Seruma said the tax collection body could not offer enough explanation since PPDA had not yet reviewed the petition and offered a formal response.

Mr Seruma added that such a matter needs to be handled administratively by PPDA because URA was only asked to do the procurement for NDA.

Decision defended

Dr Medard Bitekyerezo, the NDA board chairman, said his entity did not make any errors in contracting URA to do the procurement works for them.

He declined to explain why URA should have the bid security written in their names when NDA is the one supposed to pay for the construction works of the laboratory.

"NDA has got mandate to ask another government entity to procure for it and URA is the right one that we got with PPDA guidance. And URA is doing a good job and that whistleblower you are talking about is against the completion of the laboratory. But why should one wish Ugandans to continue taking counterfeit drugs?" Dr Bitekyerezo charged.