PPDA suspends 80 companies

Stopped. They were suspended for forging tax clearance, tampering with bid documents, among other issues.

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KAMPALA. The Public Procurement and Disposal of Public Assets Authority (PPDA), has suspended more than 80 companies from engaging in procurement over allegations that they misrepresented facts in order to influence procurement.

Mr Aloysius Byaruhanga, the acting director performance monitoring, said PPDA investigations indicate the firms forged experience and extra work, which are not justified and also inflated prices to win tenders contrary to the stipulated guidelines and regulations of the PPDA Act. He said some of the documents forged included income tax returns.

Head. Mr Moses Ojambo, the PPDA executive director. He said there is lack of confidentiality at evaluation, leading to leakage of information.
PHOTO BY BILL OKETCH

The suspension

"PPDA suspended these companies for forging tax clearance, tampering with bid documents and misrepresentation of facts in order to influence procurement. Fraudulent practices remain a big challenge but with amendment of the PPDA Act, it will help address some of these challenges," Mr Byaruhanga said.

He was presenting a paper on audit and investigations issues during the 5th procurement Baraza for Mbale District local government, Mbale Municipal Council, and Mbale Regional Referral Hospital in Mbale Town yesterday.

"The Authority suspended the firms over forgeries. More than 80 companies were engaging in unacceptable practices through the bidding process," Mr Byaruhanga said.

He also cited conflict of interest, fictitious invoicing, and bribery, usurping the roles of procurement and disposal unit and irregularities during the bidding process such as use of wrong procurement methods and use of pre-determined providers, as well as unfair conduct of evaluation.

PPDA, which is the principal regulator of public procurement, is mandated by law to monitor compliance of procuring and disposing entities.

Mr Byaruhanga said PPDA carried out audits in the three entities of Mbale District Local Government, Mbale Municipality and Mbale hospital in the areas of bid preparation, performance and contract audits during the Financial Year 2015/16.

Mr Moses Ojambo, the PPDA executive director, said the prime objective of the Baraza was to give accountability on service delivery to the people of Mbale.

"This will strengthen transparency and accountability in public procurement through procurement audits, investigation and administrative review and register providers," he said.

Mr Ojambo singled out common challenges or breaches of PPDA law as prolonged procurement process in the public entities, payment before delivery of goods, especially around June when the financial year is ending.

"There is lack of confidentiality at evaluation, leading to leakage of information and complaints and signing contracts before the Solicitor General clears the procurement and as well signing contracts after the expiry of the bid validity period," he said.

Mr Swaibu Madoi, a service provider, said the current policies have forced many bidders or suppliers out of the system, making them to forge documents.

The PPDA may suspend a provider from engaging in any procurement and disposal process on such grounds including among others, breach of the code of ethics.

Shs1 trillion

Big loss. World Bank estimates that Uganda loses $300m (about Shs1 trillion) per year through corruption and procurement malpractices and spends more than 55 per cent of her budget on public procurement.