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By Hon. Kabolo Hamuna
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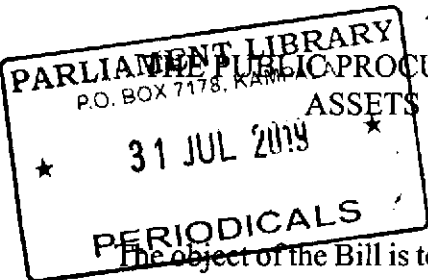
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BILLS SUPPLEMENT

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Bill No. 12 *Public Procurement and Disposal of Public Assets (Amendment) Bill* 2019



THE PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS (AMENDMENT) BILL, 2019

MEMORANDUM

The object of the Bill is to amend the Public Procurement and Disposal of Public Assets Act with respect to the functions of the Authority and the functions of the Board of Directors of the Authority. The Bill further provides for electronic records and communication, the aggregation of procurement requirements and the inclusion of marginalised groups under reservation schemes. The Bill has streamlined the administrative review process and provides for the appointment of a Registrar of a Tribunal, the powers of the High Court in procurement proceedings and amends the Kampala Capital City Authority Act and the Local Governments Act with respect to procurement.

Part I of the Bill provides for the commencement of the Public Procurement and Disposal of Public Assets (Amendment) Act, 2019.

Part II of the Bill provides for amendment to specific definitions in the Act, provides the laws that will not apply to procurement and disposal processes and provides for the role of the Ministry responsible for finance in procurement and disposal.

Part III of the Bill makes amendment to the functions and powers of the Authority and of the Board of Directors of the Authority.

Bill No. 12 *Public Procurement and Disposal of Public Assets (Amendment) Bill* **2019**

Part IV of the Bill makes amendment to the functions of the Accounting Officers and the responsibilities of the Ministers of the procuring and disposing entities.

Part V of the Bill provides for aggregation of procurement requirements and allows the participation of small and medium enterprises and youth, women and persons with disabilities associations in procurement processes.

Part VI of the Bill introduces electronic reverse auction as a disposal method. The Part also provides for the procedure to be used for the procurement of complex, specialised and strategic goods, works and services.

Part VIII of the Bill makes changes to the administrative review process.

Part IX of the Bill provides for the powers of the High Court regarding appeals from the Tribunal.

Part X of the Bill provides for regulations for procurement and disposal by the Kampala Capital City Authority and the local governments, to be made under the Act.

HON. MATIA KASAIJA,
Minister of Finance, Planning and Economic Development.

**THE PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS
(AMENDMENT) BILL, 2019**

ARRANGEMENT OF CLAUSES

Clause

PART I—PRELIMINARY

1. Commencement

**PART II—AMENDMENTS TO PART I OF
PRINCIPAL ACT**

2. Amendment of section 2 of the Public Procurement and Disposal of Public Assets Act
3. Amendment of section 3 of principal Act
4. Insertion of new section 4B in principal Act

**PART III—AMENDMENTS TO PART II OF
PRINCIPAL ACT**

5. Amendment of section 7 of principal Act
6. Amendment of section 8 of principal Act
7. Amendment of section 9 of principal Act
8. Amendment of section 10 of principal Act
9. Amendment of section 15 of principal Act
10. Repeal of section 15 A of principal Act
11. Amendment of section 17 of principal Act
12. Amendment of section 21 of principal Act
13. Replacement of section 22 of principal Act
14. Repeal of section 23 of principal Act

**PART IV—AMENDMENTS TO PART III OF
PRINCIPAL ACT**

15. Amendment of section 26 of principal Act

Clause

16. Amendment of section 28 of principal Act
17. Amendment of section 29 of principal Act
18. Amendment of section 40A of principal Act
19. Amendment of section 41 of principal Act

PART V – AMENDMENTS TO PART V OF PRINCIPAL ACT

20. Amendment of section 56 of principal Act
21. Amendment of section 57 of principal Act
22. Amendment of section 58 of principal Act
23. Amendment of section 59 B of principal Act
24. Insertion of new section 61 A in principal Act
25. Insertion of new section 66 A in principal Act
26. Insertion of new section 71A in principal Act
27. Insertion of new section 73A in principal Act
28. Amendment of section 74 of principal Act
29. Replacement of section 75 of principal Act

PART VI—AMENDMENT OF PART VI OF PRINCIPAL ACT

30. Amendment of section 79 of principal Act
31. Insertion of new section 86A in principal Act
32. Amendment of section 87 of principal Act

Clause

33. Repeal of sections 88 and 88A of principal Act
34. Insertion of new section 88AA in principal Act

**PART VII—AMENDMENT OF PART VIA OF
PRINCIPAL ACT**

35. Repeal of section 88L of principal Act

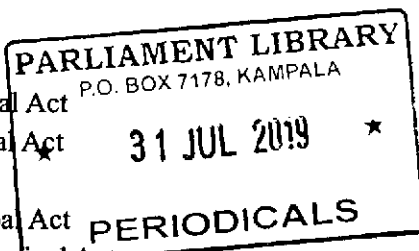
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**PART VIII—AMENDMENT OF PART VII OF
PRINCIPAL ACT**

- 36. Replacement of section 89 of principal Act
- 37. Repeal of sections 90 and 91 of principal Act

**PART IX—AMENDMENT OF PART VIIA OF
PRINCIPAL ACT**

- 38. Amendment of section 91G of principal Act
- 39. Amendment of section 91 I of principal Act
- 40. Repeal of section 91J of principal Act
- 41. Amendment of section 91 L of principal Act
- 42. Amendment of section 91M of the principal Act
- 43. Repeal of section 91 N of principal Act
- 44. Amendment of section 91T of principal Act



**PART X—AMENDMENT OF PART VIII OF
PRINCIPAL ACT**

- 45. Insertion of new section 95 B₁ in principal Act
- 46. Amendment of section 96 of principal Act
- 47. Insertion of new section 96 A in principal Act

Clause

- 48. Amendment of section 97 of principal Act
- 49. Insertion of new section 97A in principal Act

PART XI—MISCELLENOUS AMENDMENTS TO PRINCIPAL ACT

- 50. Repeal of Fourth Schedule of principal Act

Bill No. 12 *Public Procurement and Disposal of Public Assets (Amendment) Bill* **2019**

Clause

51. Miscellaneous amendments to principal Act
52. Transitional and saving provisions
53. Amendment of the Kampala Capital City Authority Act and the Local Governments Act

A Bill for an Act

ENTITLED

**THE PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC
ASSETS (AMENDMENT) ACT, 2019**

An Act to amend the Public Procurement and Disposal of Public Assets Act; to amend the functions of the Authority and of the Board of Directors of the Authority; to provide for electronic records and communication; to provide for the aggregation of procurement requirements; to provide for marginalised groups under reservation schemes; to remove the Authority from the administrative review process; to provide for the appointment of a Registrar of a Tribunal; to provide for the powers of the High Court in procurement proceedings; to amend the Kampala Capital City Authority Act and the Local Governments Act with respect to procurement and for related purposes.

BE IT ENACTED by Parliament as follows:

PART I—PRELIMINARY

1. Commencement

This Act shall commence on publication in the gazette.

PART II—AMENDMENTS TO PART I OF PRINCIPAL ACT

2. Amendment of section 2 of the Public Procurement and Disposal of Public Assets Act

Section 2 of the Public Procurement and Disposal of Public Assets Act in this Act referred to as the principal Act is amended—

- (a) in subsection (1) (b) by inserting immediately after the term “co-financing” the phrase “ or pre contract financing by providers”; and
- (b) by repealing subsection (2).

3. Amendment of section 3 of principal Act

Section 3 of the principal Act is amended—

- (a) by substituting for the definition of the term “award” the following—

““award decision” means a decision made by a contracts committee in accordance with section 28 (1) (a);”;
- (b) in the definition of “consultancy services”, by substituting the phrase “practitioner who is” with “consultant or consulting firm,”;
- (c) by substituting for the definition of the term “consultant” the following—

““consultant” means an individual who provides consultancy services to a procuring and disposing entity;”;
- (d) by inserting immediately after the definition of “consultant” the following—

““consulting firm” means a company, corporation, organisation or partnership that provides consultancy services to a procuring and disposing entity;”;

- (e) by substituting for the definition of the term “Contracts Committee” the following—
 - ““Contracts Committee” means the contracts committee of a procuring and disposing entity;”;
- (f) in the definition of “guidelines” by substituting for the word “Authority” the word “Minister”;
- (g) in the definition of ‘procurement specialist’ by substituting for the word “or” appearing after the phrase “practice of procurement”, the word “and”;
- (h) in the definition of “procuring and disposing entity” by –
 - (i) repealing the phrase “or department” appearing in paragraph (a);
 - (ii) substituting for paragraph (c) the following –
 - “(c) a body established by an Act of Parliament, which receives public finances from the Consolidated Fund and related special finances expended through the capital or recurrent budgets, whatever form these may take”.

4. Insertion of new section 4B in principal Act

The principal Act is amended by inserting immediately after section 4A the following –

“4B. The role of the Ministry

(1) The Ministry shall advise Government on all public procurement and disposal policies, principles and practices.

(2) The Minister may in writing give directions to the Authority, on policy related matters and the Authority shall give effect to those directions.”

PART III—AMENDMENTS TO PART II OF PRINCIPAL ACT

5. Amendment of section 7 of principal Act

Section 7 of the principal Act is amended in subsection (1) by—

(a) substituting for paragraph (a) the following—

“(a) advise procuring and disposing entities on the application of this Act and regulations and guidelines made under the Act;”

(b) substituting for paragraph (b) the following—

“(b) monitor the performance of procuring and disposing entities in the procurement and disposal processes and make a report to the Minister;”

(c) repealing paragraphs (f);

(d) amending paragraph (m) by inserting at the beginning of the paragraph, “in consultation with the Ministry;” and

(e) repealing paragraph (n).

6. Amendment of section 8 of principal Act

Section 8 of the principal Act is amended by—

(a) substituting subsection (1) (a), (b) and (c) with the following—

“(1) In the exercise of its regulatory function under section 7 (j) the Authority shall have power to—

(a) require any information, documents, records and reports in the respect of a procurement or disposal process;

(b) call for the production of books of accounts, plans or documents;

11. Amendment of section 17 of principal Act

Section 17 of the principal Act is amended—

- (a) in subsection (1) by substituting the word “three” with the word “five”; and
- (b) by repealing subsection (3).

12. Amendment of section 21 of principal Act

Section 21 of the principal Act is amended by inserting immediately after subsection (1), the following new subsection—

“(1a) The Authority shall cause to be prepared and submitted to the Auditor General and the Accountant General, for each financial year, within two months after the end of the financial year, the statement of accounts of the Authority.”

13. Replacement of section 22 of principal Act

For section 22 of the principal Act is substituted the following—

“22. Annual report

(1) The Authority shall, as soon as is practicable and not later than nine months after the end of each financial year, submit to the Minister, an annual report of—

- (a) the activities and operations of the Authority conducted during the financial year to which the report relates including the audited accounts of the Authority; and
- (b) the performance of procuring and disposing entities in the procurement and disposal processes during the financial year to which the report relates.

(2) The Minister shall, with two months of receipt of the annual report, submit the report to Parliament, with any statement the Minister may consider necessary.”

14. Repeal of section 23 of principal Act

Section 23 of the principal Act is repealed.

PART IV—AMENDMENTS TO PART III OF PRINCIPAL ACT

15. Amendment of section 26 of principal Act

Section 26 of the principal Act is amended—

- (a) in subsection (1) by inserting immediately after paragraph (f) the following—

“(fa) certifying that the price of the works, services or supplies to be procured conform to the prices in the guidelines issued by the Minister;

(fb) the following activities, for the purposes of disposal of the public assets of a procuring and disposing entity—

(i) assessing and verifying the public assets identified by a user department or by the Board of Surveys, for disposal;

(ii) causing the assets verified under subparagraph (i) to be valued in accordance with regulations made under this Act; and

(iii) approving the reserve price of the public assets to be disposed of;”;

- (b) by repealing subsection (4);

- (c) by substituting for subsection (5) the following—

“(5) An Accounting Officer shall not sign a contract for a procurement where the price quoted by the best evaluated bidder is higher than the price in the guidelines issued by the Minister.”

16. Amendment of section 28 of principal Act

Section 28 of the principal Act is amended—

- (a) in subsection (1) (a) by substituting the words “award of contracts” with the words “making award decisions”; and
- (b) by repealing subsection (1) (ca).

17. Amendment of section 29 of principal Act

Section 29 of the principal Act is amended by substituting the words “award contracts” appearing at the beginning of paragraph (c) with the words “make award decisions”.

18. Amendment of section 40A of principal Act

Section 40A of the principal Act is amended by—

- (a) substituting the term “Authority” wherever it appears in the section with “Minister”;
- (b) substituting the terms “system” and “procedure” wherever the terms appear in the section with the term “process”;
- (c) substituting “its” appearing in subsection (3) with “his or her”; and
- (d) repealing subsection (5).

19. Amendment of section 41 of principal Act

Section 41 of the principal Act is amended by inserting immediately after subsection (2) the following—

“(3) The records of a procuring and disposing entity may be maintained in a manual form or an electronic form.

(4) Where the records are maintained in an electronic form, the procuring and disposing entity shall provide or enable access, reading and printing of the records, as may be necessary.”

PART V—AMENDMENTS TO PART V OF PRINCIPAL ACT

20. Amendment of section 56 of principal Act

Section 56 of the principal Act is amended by—

- (a) substituting for the marginal note, the words “Standard forms”; and
- (b) inserting immediately after subsection (4), the following –

“(5) The standard forms and documents may be in a manual form or an electronic form.

(6) Where the standard forms and documents are in an electronic form, the procuring and disposing entity shall provide or enable access, reading and printing of the standard forms and documents, as may be necessary.”

21. Amendment of section 57 of principal Act

Section 57 of the principal Act is amended by—

- (a) inserting in subsection (1) immediately after the words “shall be in writing”, the words “and may be transmitted electronically”; and
- (a) inserting immediately after subsection (3), the following—

“(4) The requirement in subsection (1) that communication may be transmitted electronically includes a requirement to provide or enable access, reading and printing of the communication.”

22. Amendment of section 58 of principal Act

Section 58 of the principal Act is amended by—

- (a) inserting immediately after subsection (2), the following—

“(2a) For the purposes of aggregation of procurement requirements as provided for under subsection (2),

the Secretary to the Treasury shall for each financial year, using the procurement plans submitted by the procuring and disposing entities, determine the procuring and disposing entities with procurement requirements that qualify to be aggregated.

- (2b) The Secretary to the Treasury shall communicate to the concerned procuring and disposing entities giving instructions on how the requirements that are aggregated are to be reflected in the procurement plan of the procuring and disposing entity.
- (2c) The procurement of aggregated requirements shall be in accordance with guidelines issued for that purpose.
- (2d) A procuring and disposing entity that is to undertake a procurement over a period of more than one financial year shall prepare a multi-year procurement plan for that procurement, using guidelines issued for that purpose.” and

(b) repealing subsection (3).

23. Amendment of section 59 B of principal Act

Section 59 B of the principal Act is amended in subsection (2) by—

- (a) inserting at the end of paragraph (b), “including registered small and medium enterprises and business ventures”; and
- (b) inserting immediately after paragraph (c), the following—
 - “(d) promote the participation of registered associations of women, youth and persons with disabilities, respectively.”

24. Insertion of new section 61 A in principal Act

The principal Act is amended by inserting immediately after section 61 the following—

“61 A. Sustainable procurement

A procuring and disposing entity shall for each procurement take into account environmental protection, social inclusion and stimulating innovation, as may be prescribed.”

25. Insertion of new section 66 A in principal Act

The principal Act is amended by inserting immediately after section 66 the following—

“66 A. Management of unsolicited bids

Where a prospective bidder submits a bid that is not solicited for by a procuring and disposing entity, the bid shall be subjected to the requirements of Parts V and VI of this Act, as may be prescribed.”

26. Insertion of new section 71A in principal Act

The principal Act is amended by inserting immediately after section 71 the following—

“71A. Time period for completion of procurement process

A procurement process and each stage of the procurement process shall be completed within the period prescribed in the regulations made under this Act.”

27. Insertion of new section 73A in principal Act

The principal Act is amended by inserting immediately after section 73 the following –

“73 A. Management of low priced bids

Where a procuring and disposing entity receives a financial bid that would qualify as the best evaluated bid on financial evaluation but it is determined by the procuring and disposing

entity that the price of the bid is very low in comparison to the value of the works, goods or services to be procured and the prices of the other bids received, the procuring and disposing entity may reject the bid.”

28. Amendment of section 74 of principal Act

Section 74 of the principal Act is amended by substituting for subsection (1) the following—

“74. Negotiations

(1) Negotiations may be carried out between a procuring and disposing entity and the bidder with the best evaluated bid as may be prescribed by Regulations made under this Act.”

29. Replacement of section 75 of principal Act

For section 75 of the principal Act is substituted the following—

“75. Cancellation of procurement and disposal processes and rejection of bids

(1) A procuring and disposing entity may, on the approval of the Contracts Committee, cancel a procurement process or a disposal process at any time, before a contract is awarded to the best evaluated bidder, as may be prescribed.

(2) A procurement process may be cancelled where—

- (a) the money available for the procurement is not adequate;
- (b) there is a significant change in the technical details or circumstances of the procurement requirement; or
- (c) the circumstances that gave rise to the request for procurement change significantly.

(3) A procuring and disposing entity may reject a bid during the evaluation stage, as may be prescribed.”

PART VI—AMENDMENT OF PART VI OF PRINCIPAL ACT

30. Amendment of section 79 of principal Act

Section 79 of the principal Act is amended in subsection (1) by –

- (a) inserting in paragraph (a) immediately after the term “works” the term “consulting services” and substituting for the words “the Fourth Schedule to this Act”, the words “regulations made under this Act”;
- (b) repealing paragraph (b); and
- (c) substituting the term “Authority” appearing in subsection (3) with the term “Minister”.

31. Insertion of new section 86A in principal Act

The principal Act is amended by inserting immediately after section 86 the following new section –

“86 A. Electronic reverse auction method

Electronic reverse auction is a procurement method where bidders competitively make offers for a procurement using electronic means, within a specified time period and the bidder with the lowest price is evaluated within the time period, as the best evaluated bidder.”

32. Amendment of section 87 of principal Act

Section 87 of the principal Act is amended in subsection (1) by inserting immediately after paragraph (g) immediately following new paragraph—

“(ga) electronic auctioning;”.

33. Repeal of sections 88 and 88A of principal Act

Sections 88 and 88A of principal Act are repealed.

34. Insertion of new section 88AA in principal Act

The principal Act is amended in Part VI by inserting at the end of the Part the following—

“Methods of procurement of complex, specialised and strategic goods, works and services

88AA Procurement of complex, specialised and strategic goods, works or services

(1) A procuring and disposing entity shall in respect of the procurement of complex, specialised or strategic, goods, works or services use the competitive dialogue method or the competitive negotiation method.

(2) The competitive dialogue method or competitive negotiation method shall be used where a procuring and disposing entity is not able, to define the technical specifications and methods appropriate for, a procurement or the legal and financial implications of the procurement, at the beginning of a procurement.

(3) The use of the competitive dialogue method or the competitive negotiation method shall be approved by the Attorney General and the Minister, prior to the commencement of the procurement process.

(4) “Complex, specialised and strategic goods, works or services” means goods, works or services that are innovative and high risk and to which the other methods of procurement specified in this Part cannot be applied.”

PART VII—AMENDMENT OF PART VIA OF PRINCIPAL ACT

35. Repeal of section 88L of principal Act

Section 88L of the principal Act is repealed.

PART VIII—AMENDMENT OF PART VII OF PRINCIPAL ACT

36. Replacement of section 89 of principal Act

For section 89 of the principal Act is substituted the following—

“89. Administrative review by Accounting Officer

(1) A bidder who is aggrieved by a decision of a procuring and disposing entity may make a complaint to the Accounting Officer of the procuring and disposing entity.

(2) A bidder may also seek administrative for any omission or breach by a procuring and disposing entity, of this Act, regulations or guidelines made under this Act or any provision of the bidding documents.

(3) A complaint against a procuring and disposing entity shall—

- (a) be in writing and shall be submitted to the Accounting Officer, of the procuring and disposing entity on payment of the fees prescribed;
- (b) be made within ten working days after the date the bidder first becomes aware or ought to have become aware of the circumstances that give rise to the complaint.

(4) The procuring and disposing entity against which a complaint is made shall on request provide the bidder with a report indicating the reasons for the rejection of the bidder and the stage at which the bidder was rejected and the report shall be used only for the administrative review process.

(5) On receiving the complaint, the Accounting Officer shall immediately suspend the procurement or disposal process, as the case may be.

(6) The Accounting Officer shall request the bidders to extend the period of the bid validity and bid security for the duration of the suspension.

(7) The Accounting Officer shall make a decision, in writing, which shall be addressed to the bidder who makes a complaint, within ten days and which shall indicate the reasons for the decision taken and the corrective measures to be taken, if any.

(8) Where an Accounting Officer does not make a decision within ten days or where a bidder is not satisfied with the decision made by the Accounting Officer under this section, the bidder may make an application to the Tribunal, in accordance with Part VIIA of this Act.

(9) Where a bidder believes that the Accounting Officer has a conflict of interest in respect of the complaint, omission or breach that would be made under this section or that the matter cannot be handled impartially by the procuring and disposing entity, the bidder shall make an application to the Tribunal for determination of the complaint, omission or breach.

(10) Where a bidder intends to make an application to the Tribunal under subsection (8) or (9), the bidder shall give the Accounting Officer notice within five working days after the expiry of the period specified in subsection (3) (b) or subsection (7), as the case may be.

(11) For the avoidance of doubt—

- (a) a procurement or disposal process that is suspended under subsection (5) shall remain suspended until the Tribunal makes a decision, where a bidder makes an application to the Tribunal; and

- (b) an Accounting Officer shall not enter into a contract with a provider—
 - (i) during the administrative review period;
 - (ii) before the expiry of time period required for giving notice under subsection (10); and
 - (iii) where the matter is referred to the Tribunal, before the Tribunal makes a decision.”

(12) A complaint by a bidder, for an omission or a breach of this Act or of regulations or guidelines made under this Act or of provisions of bidding documents, shall only be made under this section and Part VIIA of this Act.

37. Repeal of sections 90 and 91 of principal Act
Sections 90 and 91 of the principal Act are repealed.

PART IX—AMENDMENT OF PART VIIA OF PRINCIPAL ACT

38. Amendment of section 91G of principal Act
Section 91G of the principal Act is amended by inserting immediately after subsection (2) the following—

“(3) The registrar shall be appointed by the Tribunal in consultation with the Judicial Service Commission and the Tribunal may appoint other officers and employees as may be necessary for the effective discharge of the functions of the Tribunal.”

39. Amendment of section 91 I of principal Act
Section 91I of the principal Act is amended by—

- (a) substituting for subsection (1) the following—

“(1) A bidder who is aggrieved, as specified in section 89 (7) or (8), may make an application the Tribunal against the procuring and disposing entity.”;

- (b) inserting immediately after subsection (1), the following new subsection—

“(1a) The application under this section shall be made within ten days, after the decision by the Accounting Officer or where an Accounting Officer does not make a decision, after the expiry of the period specified in section 89 (6), as the case may be.”;

- (c) repealing subsections (2) and (3).

40. Repeal of section 91J of principal Act

Section 91J of the principal Act is repealed.

41. Amendment of section 91 L of principal Act

Section 91 L of the principal Act is amended by—

- (a) repealing paragraph (c) of subsection (1);
(b) substituting for subsection (2) the following—

“(4) For the avoidance of doubt, a procurement or disposal process shall remain suspended where a bidder appeals to the Tribunal against a decision of a procuring and disposing entity.”

42. Amendment of section 91M of principal Act

Section 91M of the principal Act is amended by inserting immediately after subsection (2) the following—

“(3) An appeal to the High Court may be made on questions of law only, and the notice of appeal shall state the question of law that forms the appeal.

(4) A procurement or disposal process that is suspended under section 91 L (4) shall be resumed and shall continue during an appeal to the High Court.

(5) The High Court shall hear and determine the appeal and shall make such decisions or orders as it deems appropriate by reason of its decision, including an order affirming or setting aside the decision of the Tribunal and may hold the Accounting Officer or any other person, as may be determined, personally liable and award damages to the aggrieved bidder.

(6) A decision or order of the High Court made under this section shall be final and conclusive and shall not be subject to appeal to any other court.

43. Repeal of section 91 N of principal Act

Section 91 N of the principal Act is repealed.

44. Amendment of section 91T of principal Act

Section 91T of the principal Act is amended by numbering the existing provision as (1) and inserting a new subsection (2), as follows—

“(2) The Regulations shall create offences and penalties for—

- (a) failure to comply with summons;
- (b) failure to answer questions;
- (c) giving false or misleading evidence;
- (d) contempt of the Tribunal; and
- (e) any other action for which an offence and penalty make be created.”

PART X—AMENDMENT OF PART VIII OF PRINCIPAL ACT

45. Insertion of new section 95 B in principal Act

The principal Act is amended by inserting immediately after section 95 A the following new section –

“95 B. Communication using electronic means

Any information or document that is to be issued by the Authority or a procuring and disposing entity and any information or document that may be submitted by a bidder, in a procurement or disposal process, may be communicated or submitted, as the case may be, using electronic means, as may be prescribed.”

46. Amendment of section 96 of principal Act

Section 96 of the principal Act is amended by repealing the words “and approval of Parliament,” in subsections (1) and (2).

47. Insertion of new section 96 A in principal Act

The principal Act is amended by inserting immediately after section 96 the following new section—

“96A. Regulations for Kampala Capital City Authority and local governments

The Minister may, in consultation with the Minister responsible for the Kampala Capital City Authority and the Minister responsible for local governments, make regulations under this Act, for the Kampala Capital City Authority and the local governments, respectively.”

48. Amendment of section 97 of principal Act

Section 97 of the principal Act is amended by—

- (a) numbering the existing provision as (1) and substituting the term “Authority”, in the provision, with the term “Minister”; and
- (b) inserting a new subsection (2), as follows—

“(2) Without prejudice to the general effect of subsection (1), the Minister shall—

- (a) for each financial year, issue guidelines for the indicative prices of the goods, services and works to be procured in financial year; and
- (b) issue guidelines for the goods and services that are to be acquired by rental, lease, hire purchase or by any other type of procurement, other than purchase.”

49. Insertion of new section 97A in principal Act

The principal Act is amended by inserting immediately after section 97 the following—

“97A. Amendment of Schedules

The Minister may with the approval of Cabinet by statutory instrument, amend the Schedules to this Act.”

PART XI—MISCELLANEOUS AMENDMENTS TO PRINCIPAL ACT

50. Repeal of Fourth Schedule of principal Act

The Fourth Schedule and wherever the term “Fourth Schedule” appears in the principal Act are repealed.

51. Miscellaneous amendments to principal Act

The principal Act is amended by—

- (a) substituting for “First Schedule” wherever the term appears in the principal Act, with “Schedule 1”;
- (b) substituting for “Schedule 1A” wherever the term appears in the principal Act, with “Schedule 2”
- (c) substituting for “Second Schedule” wherever the term appears in the principal Act, with “Schedule 3”;

Bill No. 12 *Public Procurement and Disposal of Public Assets (Amendment) Bill* **2019**

- (d) substituting for “Third Schedule” wherever the term appears in the principal Act, with “Schedule 4”;
- (d) substituting for “Fifth Schedule” wherever the term appears in the principal Act, with “Schedule 5”;
- (e) substituting for Public Finance and Accountability Act, 2003” wherever the term appears in the Act with “Public Finance Management Act, 2015”; and
- (f) substituting for the word “Authority” appearing in, the title of Part VIIA, section 91I (6) and section 91L (1), the term “Accounting Officer”.

52. Transitional and saving provisions

(1) An administrative review process that is on going before the Authority, at the commencement of this Act, shall where the complainant so requests, be referred to the Tribunal by the Authority.

(2) The contract of the registrar of the Tribunal who is in office at the commencement of this Act shall not be affected by section 38 of this Act.

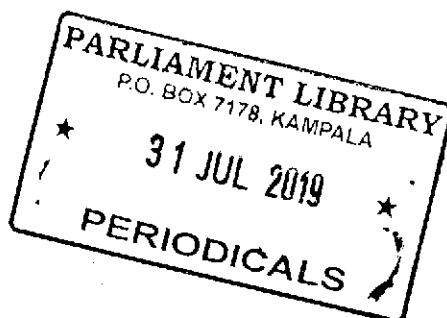
53. Amendment of the Kampala Capital City Authority Act and the Local Governments Act

(1) The Kampala Capital City Authority Act is amended by—

- (a) repealing sections 64, 68 and 82 (2) (b) and (h) of the Act; and
- (b) repealing the term, “by regulations made under section 82” appearing in section 66 (1) and (2) and section 67 (4) of the Act.

(2) The Local Governments Act is amended by—

- (a) repealing sections 94, 94 E (5) and 94 F of the Act; and
- (b) repealing the term, “by regulations made under section 175” appearing in section 94D (1), 94 E (4) of the Act.



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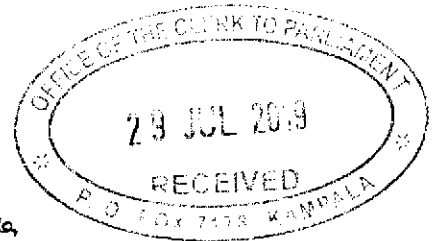


Ministry of Finance, Planning
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In any correspondence on
this subject please quote No. PAD 50/256/01

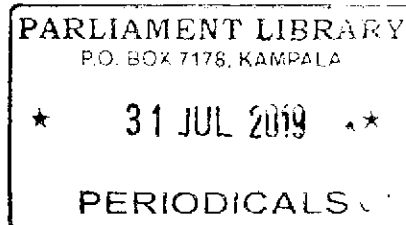
THE REPUBLIC OF
UGANDA

Recd 30/7/2019
By Hon. Kasolo
Karunya



25th July, 2019

The Clerk to Parliament,
Parliamentary Building
KAMPALA



**CERTIFICATE OF FINANCIAL IMPLICATIONS FOR THE PUBLIC
PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS (AMENDMENT) BILL,
2019**

The above subject matter refers.

The Objective of the Bill is to amend the Public Procurement and Disposal of Public Assets Act with respect to the functions of the Authority and the Functions of the Board of Directors of the Authority.

The Bill further provides for electronic records and communication, the aggregation of procurement requirements and the inclusion of marginalized groups under the reservation schemes.

The Bill streamlines the administrative review process and provides for the appointment of a Registrar of a Tribunal, the powers of the High Court in procurement proceedings and amends the Kampala capital City Authority Act and the Local Governments Act with respect to procurement.

Implementation of the proposals in the Bill will not have additional financial implications to Government. The associated expenditures amounting to **UGX.5Billion** shall be accommodated within the Medium Term expenditure Framework of relevant votes.

The Certificate of Financial Implications for the above proposals has been prepared on this understanding. The Certificate is hereby forwarded for further consideration.


Keith Muhakanizi
PERMANENT SECRETARY/SECRETARY TO THE TREASURY

Copy: Chairperson, Parliamentary Committee on National Economy.



Laid 30/7/2019
By Hon. Kaso Haruna

**CERTIFICATE
OF
FINANCIAL IMPLICATIONS**

(Made under S.76 of the Public Finance Management Act, 2015)

THIS IS TO CERTIFY that the Public Procurement and Disposal of Public Assets (Amendment) Bill, 2019. has been examined as required under section 76 of the Public Finance Management Act, 2015.

I wish to report as follows:

a) Objective.

The Objective of the Bill is to amend the Public Procurement and Disposal of Public Assets Act with respect to the functions of the Authority and the functions of the Board of Directors of the Authority.

The Bill further provides for electronic records and communication, the aggregation of procurement requirements and the inclusion of marginalized groups under the reservation schemes.

The Bill streamlines the administrative review process and provides for the appointment of a Registrar of a Tribunal, the powers of the High Court in procurement proceedings and amends the Kampala Capital City Authority Act and the Local Governments Act with respect to procurement.

b) Impact to the economy.

The Bill aims at improving the efficiency of Public Procurement and Disposal of Public Assets functions for enhanced service delivery and economic growth.

c) Expected Outputs.

The major expected output is Amended Public Procurement and Disposal of Public Assets Act, to;

- i. Eliminate breach of procurement procedures;
- ii. Shorten the procurement lead time;
- iii. Improve contracts management
- iv. Improve the Administrative reviews in the procurement function

d) Funding and budgetary implications.

Implementation of the proposals in the Bill will not have additional financial implications to Government. The associated expenditures amounting to **UGX.5Billion** shall be accommodated within the Medium Term Expenditure Framework of relevant votes.

e) Expected savings and/or Revenue to Government.

The savings relate to improvement in the efficiency of the Public Procurement and Disposal of Public Assets functions.

Submitted under my hand this^{29th}..... day ofJuly..... 2019.


Matija Kasajja (MP)
MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Received by:

Date:

Mission

"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"