THE REPUBLIC OF UGANDA

PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS TRIBUNAL

REGISTRY APPLICATION NO. 30 OF 2023

BETWEEN

K-SOLUTIONS LIMITED:::::::APPLICANT

AND

MINISTRY OF WATER AND ENVIRONMENT ::::::::::: RESPONDENT

APPLICATION FOR REVIEW OF THE DECISION OF MINISTRY OF WATER AND ENVIRONMENT IN RESPECT OF THE PROCUREMENT FOR LOT 1- SUPPLY AND INSTALLATION OF 10 HYDROLOGICAL STATIONS, AND LOT 2 - SUPPLY AND INSTALLATION OF 10 METEOROLOGICAL WEATHER STATIONS UNDER THE SACRIAC PROJECT VIDE PROCUREMENT REF NO.MWE-WSDF-E/SUPLS/23-24/0001/1/2

BEFORE: FRANCIS GIMARA S.C; NELSON NERIMA; THOMAS BROOKES ISANGA; GEOFFREY NUWAGIRA KAKIRA; PAUL KALUMBA; CHARITY KYARISIIMA; AND KETO KAYEMBA, MEMBERS

& Environment

A. BRIEF FACTS

- 1. Ministry of Water and Environment (the Respondent) published a bid Notice on 27th July, 2023 for Lot 1- supply and installation of 10 hydrological stations, and Lot 2- supply and installation of 10 meteorological weather stations under the SACRiAC Project vide procurement Ref No. MWE-WSDF-E/SUPLS/23-24/0001/1/2 using the open international bidding method.
- 2. Bids were received from 4 bidders namely; K-Solutions Ltd (the applicant), Sea and Air Technology S.L, DSN International Ltd and Wagtech Projects Ltd on September 13, 2023 for both Lot 1 and 2.
- 3. Upon conclusion of evaluation and adjudication process, the Respondent awarded the Contract to *Wagtech Projects Ltd* at a contract price of UGX878,629,980 VAT Exclusive for Lot 1(supply and installation of ten (10) hydrological Stations) and contract price of UGX 1,283,753,909 VAT Exclusive for Lot 2 (supply and installation of ten (10) metrological weather stations). The Notice of Best Evaluated Bidder was displayed on October 27, 2023 with a removal date of 9th November, 2023.
- 4. The Notice of Best Evaluated Bidder cited eight (8) reasons for the failure of the Applicant's bid, and the reasons all related to non-compliance with technical specifications.
- 5. The Applicant being dissatisfied with the outcome of the procurement process, applied for administrative review before the Accounting Officer on 6th November, 2023 to which a decision was made by the Respondent on 16th November, 2023, dismissing the complaint.
- 6. The Applicant then filed the instant application with the Tribunal on 23rd November, 2023, seeking to review the decision of the Respondent.
- 7. The Respondent filed a response which reiterated its administrative review decision.

B. HEARING

- 1. The tribunal conducted an oral hearing via zoom on 8th December, 2023. The appearances were as follows:
- 1) For the Applicant: Counsel Mugabi Conley represented the Applicant and in attendance were *Geoffrey Otim*, *Peter Kabaziguruka* the Technical Director and *Bob Kabaziguruka*, the Managing Director of the Applicant
- Por the Respondent: Hillary Nathan Ebila, a State Attorney represented the Respondent. In attendance were John Katerega the Head Procurement and Disposal Unit, David Kataratambi, the Acting Principal Water Officer and Hydrology Expert, Milton Micheal Waiswa the acting Director of Station Networks and weather Observations at the Uganda National Meteorological Authority and Denis Bulafu Magomu the procurement Specialist SACRiAC
- 3) For the Best Evaluated Bidder: *Paul Britland*, the Tenders Manager and *Ariku Micheal* the Manager Uganda for Wagtech Projects Ltd

C. RESOLUTION

- 1. The following are the issues for determination by the Tribunal:
- 1) Whether the Respondent erred in law when it disqualified the Applicant's bid?
- 2) What remedies are available to the parties?
- 2. The Tribunal has carefully considered the pleadings, submissions, the bids and the procurement action file.

Issue No.1:

Whether the Respondent erred in law when it disqualified the Applicant's bid?

- 3. The reasons for the disqualification of the Applicant's bid are stated in the evaluation report dated 19th October, 2023; the Notice of best evaluated bidder dated 27th October, 2023; and the Accounting Officer's administrative review decision dated 16th November, 2023. The reasons given in the three documents are somewhat inconsistent.
- 4. The reasons are highlighted below.
- 5. Metric Staff Gauges: The Applicant's bid was evaluated as compliant with the minimum technical specifications. However, the Notice of best evaluated bidder alleged that *Metric staff gauge provided do not show required stage range: 0-1.* The Accounting Officer's administrative review decision does not cite this ground among the reasons for disqualification of the Applicant's bid.
- 6. GSM/GPRS/SMS Multi Channel Data Logger: The Applicant's bid was evaluated as non-compliant with the minimum technical specifications. The particular technical specification not complied with was not stated in the evaluation report. However, the Notice of Best Evaluated Bidder alleged that Bidder offers model of GSM/GPRS/SMS Multi Channel data logger does not explicitly show suitability for water level. The Accounting Officer's administrative review decision states: GPRS Data logger: Whereas the entity requested for data logger (with embedded GPRS modem) for purposes of measuring water levels, you offered a data logger for volumetric flow measurements as indicated on the brochure. Your Brochure shows the following: GPRS data Logger and Modbus flow meter and GPRS data logger and Ultrasonic flow meter. These items are designed for flow measurement but the client's requirement is that items should be for Water Level Measurement. Your offer is not suitable for the intended measuring of water levels and thus the entity will not get the desired results thus compromising the data records.
- 7. Wind speed wind cups: The Applicant's bid was evaluated as non-compliant with the minimum technical specifications relating to the dimensions, measuring principle, starting value, accuracy, mounting, input voltage, output signal and

standards. However, the Notice of Best Evaluated Bidder stated that Bidders' Wind speed Wind cups does not meet the required specification. The specifications for the wind sensors offered by the bidder were not compliant with what was requested. The particular non-compliance was not stated. The Accounting Officer's administrative review decision mentions only non-compliance with respect to voltage.

- 8. Wind direction wind vane: The Applicant's bid was evaluated as non-compliant with the minimum technical specifications relating to measuring principle, material, starting value, mounting, input voltage, output signal, operating temperature, and standards. The Notice of Best Evaluated Bidder alleged that the specifications for the wind sensors offered by the bidder were not compliant with what was requested. The particular noncompliance was not stated. The Accounting administrative review decision stated that the non-compliance related to the voltage. However, in the statement of requirements, voltage was not a technical specification for the wind direction wind vane.
- 9. Temperature Dew Point, Humidity Combi Sensor: Applicant's bid was evaluated as non-compliant with the minimum technical specifications relating to model, dimension, output signal, current consumption, supply voltage, material sensor body, protection class, operating temperature, and weight. The Notice of Best Evaluated Bidder did not cite any noncompliance with the technical specifications the Temperature Dew Point, Humidity Combi Sensor. Accounting Officer's administrative review decision also did not also not cite any non-compliance with the technical specifications for the Temperature Dew Point, Humidity Combi Sensor.
- 10. Temperature: The Applicant's bid was evaluated as non-compliant with the minimum technical specifications relating to sensor element, measuring range, accuracy and resolution. The Notice of Best Evaluated Bidder alleged that the specifications for the thermometer sensors offered by the bidder were not

compliant with what was requested. The particular non-compliance was not stated. The Accounting Officer's administrative review decision stated the non-compliance related to the sensor element and housing material only.

- 11. Dew Point: The Applicant's bid was evaluated as non-compliant with the minimum technical specifications relating to sensor element, measuring range, accuracy and resolution. The Notice of Best Evaluated Bidder did not cite any non-compliance of the Dew Point offered by the Applicant. The Notice of Best Evaluated Bidder alleged that the specifications for the thermometer sensors offered by the bidder were not compliant with what was requested. The particular non-compliance was not stated. The Accounting Officer's administrative review decision also did not cite any non-compliance with the technical specifications for the Dew Point.
- 12. Humidity: The Applicant's bid was evaluated as non-compliant with the minimum technical specifications relating to sensor element, measuring range, resolution, and accuracy. The Notice of Best Evaluated Bidder and the Accounting Officer's administrative review decision did not cite this ground among the reasons for the disqualification of the Applicant's bid.
- 13. Precipitation: The Applicant's bid was evaluated as non-compliant with the minimum technical specifications relating to dimensions, material, resolution, and orifice. The Notice of Best Evaluated Bidder alleged that the specifications for the precipitation sensors offered by the bidder were not compliant with what was requested. The particular non-compliance was not stated. The Accounting Officer's administrative review decision stated the non-compliance of the precipitation sensors related to the sensitivity and size only.
- 14. Pyranometer: The Applicant's bid was evaluated as non-compliant with the minimum technical specifications relating to dimensions, maximum irradiance, sensitivity, output signal, power supply, and weight. The Notice of Best Evaluated Bidder alleged that the specifications for the Pyranometer sensors

offered by the bidder were not compliant with what was requested. The particular non-compliance was not stated. The Accounting Officer's administrative review decision stated the non-compliance of the Pyranometer related to the dimensions and voltage only.

- 15. Atmospheric pressure barometer: The Applicant's bid was evaluated as non-compliant with the minimum technical specification relating to dimensions, sensing element, pressure range, accuracy, case, supply voltage, output signal, protection, and sensor. The Notice of Best Evaluated Bidder alleged that *The specifications for the Atmospheric Barometer sensor offered by the bidder were not compliant with what was requested.* The particular non-compliance was not stated. The Accounting Officer's administrative review decision stated the non-compliance was the omission to state the dimensions of the equipment.
- 16. Soil Temperature, moisture and salinity: The Applicant's bid was evaluated as non-compliant with all the minimum technical specifications. The Notice of Best Evaluated Bidder did not cite any non-compliance the relating to the Soil Temperature, moisture and salinity equipment. The Accounting Officer's administrative review decision also did not state any non-compliance of the relating to the Soil Temperature equipment.
- 17. Evaporation Pan: The Applicant's bid was evaluated as non-compliant with all the minimum technical specifications. The Notice of Best Evaluated Bidder did not cite any non-compliance of the relating to the Evaporation Pan. Temperature equipment. The Accounting Officer's administrative review decision also did not state any non-compliance of the relating to the Evaporation Pan.
- 18. Water Level: The Applicant's bid was evaluated as non-compliant with all the minimum technical specifications. The Notice of Best Evaluated Bidder did not cite any non-compliance relating to the Water Level equipment. The Accounting Officer's

- administrative review decision also did not state any noncompliance relating to the Water Level equipment.
- 19. Remote Telemetry Unit/Data Logger: The Applicant's bid was evaluated as non-compliant with all the minimum technical specifications. The Notice of Best Evaluated Bidder did not cite any non-compliance relating to this accessory. The Accounting Officer's administrative review decision also did not state any non-compliance relating to this accessory.
- 20. Solar Panel: The Applicant's bid was evaluated as non-compliant with all the minimum technical specifications. The Notice of Best Evaluated Bidder did not cite any non-compliance relating to this accessory. The Accounting Officer's administrative review decision also did not state any non-compliance relating to this accessory.
- 21. Y-able/Connector >Binder, Pins>7: The Applicant's bid was evaluated as non-compliant with all the minimum technical specifications. The Notice of Best Evaluated Bidder did not cite any non-compliance relating to this accessory. The Accounting Officer's administrative review decision also did not state any non-compliance relating to this accessory.
- 22. Splayed Base Rain Gauges: The Applicant's bid was evaluated as non-compliant with all the minimum technical specifications. The Notice of Best Evaluated Bidder did not cite any non-compliance relating to this component.
 - The Accounting Officer's administrative review decision also did not state any non-compliance relating to this component.
- 23. Training in Uganda on use, installation and maintenance of the equipment: The Applicant's bid was evaluated as non-compliant. The Notice of Best Evaluated Bidder did not cite any non-compliance relating to this component. The Accounting Officer's administrative review decision also did not state any non-compliance relating to this component.

- 24. After sales service: The Applicant's bid was evaluated as non-compliant. The Notice of Best Evaluated Bidder did not cite any non-compliance relating to this component. The Accounting Officer's administrative review decision also did not state any non-compliance relating to this component.
- 25. Provision of warranty for the meteorological equipment: The Applicant's bid was evaluated as non-compliant. The Notice of Best Evaluated Bidder did not cite any non-compliance relating to this component. The Accounting Officer's administrative review decision also did not state any non-compliance relating to this component.
- 26. Further investigations: The Accounting Officer's administrative review decision claims that "further investigations" were done after the complaint and it was revealed that the Applicant's bid failed at post qualification. That the evaluation criteria required bidders to submit at least 3 similar contracts of similar nature and value. That the contracts submitted by the Applicant were not of similar nature and value.
- 27. The requirement to submit at least 3 similar contracts of similar nature and value was evaluated under administrative compliance criteria. The Applicant's bid was evaluated as compliant. It was therefore a gross misdirection for the Respondent to invent a new reason for the disqualification of the Applicant's bid.
- 28. The Respondent also erred when it purported to conduct a post qualification during administrative review on the Applicant. Post qualification evaluation is applicable to a best evaluated bidder, under regulation 34 of the *Public Procurement and Disposal of Public Assets (Evaluation) Regulations, 2014*, and ITB 38. Even then, post qualification evaluation cannot be undertaken at administrative review stage.
- 29. That notwithstanding, we also noted that the detailed evaluation criteria required bidders to submit recommendation

letters/letters of satisfactory performance. We observed that the Evaluation Committee did not assess compliance with this criteria. It was simply ignored. To that extent the Evaluation Committee failed to fully comply with the evaluation requirements as stated in the regulations and ITB 19, and ITB 33.

- 30. The Tribunal will now proceed to delve into the impugned statement of requirements.
- 31. Regulations 24 and of the Public Procurement and Disposal of Public Assets (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014 regulates the formulation of the statement of requirements. It provides as follows:

24. Statement of requirements.

- (1) A procuring and disposing entity shall state the supplies, works or non-consultancy services required in a statement of requirements.
- (2) A procuring and disposing entity shall in the statement of requirements inform a bidder how closely and effectively a bidder can meet these requirements.
- (3) A procuring and disposing entity shall prepare the description in the statement of requirements in a manner that determines that the supplies, works or non-consultancy services are fit for the purpose for which they are being procured and are of the appropriate quality.

25. Statement of requirements for supplies.

- (1) A procuring and disposing entity shall include in the statement of requirements for supplies—
- (a) a list of the supplies and the quantities of the supplies;
- (b) generic, functional or performance specifications;
- (c) drawings;
- (d) a delivery and completion schedule; and
- (e) a description of any incidental works or non-consultancy services required.

- (2) A specification shall contain a complete, precise and unambiguous description of the supplies required and shall include—
- (a) a clear definition of the scope of the supplies;
- (b) the purpose and objectives of the proposed purchase;
- (c) a full description of the requirement;
- (d) a generic specification to an appropriate level of detail;
- (e) a functional description of the qualities, including any environmental or safety features required of the subject of the procurement;
- (f) the performance parameters, including outputs, timescales, and any indicators or criteria by which the satisfactory performance of the specification can be judged;
- (g) process and materials descriptions;
- (h) dimensions, symbols, terminology, language, packaging, marking and labeling requirements;
- (i) the common specification standard relating to the supplies; and
- (j) the relevant industry standard.
- 32. In the instant case, the detailed technical parameters and specifications were prescribed in Section 6- Statement of Requirements. With respect to the 10 automatic weather stations, the prescribed bidding document specifications of ADCON/OTT equipment. At the hearing, the Respondent's meteorology expert conceded that the images used are also of ADCON/OTT equipment. He however claimed that the other technical specifications were averages obtained after combining specifications of various manufacturers as stated on their websites. The Tribunal asked him to produce the workings. He submitted, by email, an excel sheet with technical specifications of what he termed as "the three popular automatic weather stations in Uganda". These are ADCON, CAMPBELL and However, we observed that the statement requirements adopted the technical specifications of ADCON. However, an allowance was made for "Or equivalent".

- 33. With respect to the Temperature Dew Point, Humidity Combi censor, the statement of requirements specified that the material sensor body be made from *TECAPET*. We noted that *TECAPET* is a trademark.
- 34. The use of brand names is generally not permitted, but subject to exceptions. Regulation 28 of the *Public Procurement and Disposal of Public Assets (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014* provides as follows:

28. Use of brand names

- (1) Specifications shall not be issued with reference to a particular trademark, brand name, patent, design, type, specific origin, producer, manufacturer, catalogue or numbered item.
- (2) Where there is no other sufficiently precise or intelligible way of characterising a requirement except by the use of a reference in sub-regulation (1), the description shall be used, followed by the words "or equivalent", and shall only serve as a benchmark during the evaluation process.
- (3) Notwithstanding sub-regulation (1), where a standardisation policy is adopted by a competent authority, the corresponding trademark, brand name, patent, design, type, specific origin, manufacturer, producer, catalogue or numbered item may be used in the statement of requirements.
- 35. The Bidding Document also gave guidance on the conformity of supplies. ITB 18 provides as follows:

18. Documents Establishing the Conformity of the Supplies

18.1 To establish the conformity of the Supplies and Related Services to the Bidding Documents, the Bidder shall provide as part of its bid the documentary evidence specified in Section 6, Statement of Requirements.

- 18.2 The documentary evidence may be in the form of literature, drawings or data, and shall consist of a detailed description of the essential technical and performance characteristics of the Supplies and Related Services, demonstrating substantial responsiveness of the Supplies and Related Services to those requirements, and if applicable, a statement of deviations and exceptions to the provisions of the Statement of Requirements.
- 18.3 If so stated in the BDS bidders may be required to submit representative samples of the Supplies being offered and/or be requested to demonstrate the operation of the supplies to the Procuring and Disposing Entity.
- 18.4 Standards for workmanship, process, material, and equipment, as well as references to brand names or catalogue numbers specified by the Procuring and Disposing Entity in the Statement of Requirement, are intended to be descriptive only not restrictive. The Bidder may offer other standard of quality, brand catalogue numbers, provided names, and /or that demonstrates, to the procuring and Disposing Entity's satisfaction, substitutions that theensure substantial equivalence or are superior to those specified in the Statement of Requirement.
- 36. In the instant case, although the statement of requirements for the automatic weather stations adopted the technical specifications and images of *ADCON*, the statement of requirements included the statement "Or equivalent". However, there is no evidence that there is no other sufficiently precise or intelligible way of characterising a requirement except by the use of the *ADCON/OTT* brand. To that extent the Respondent erred to use the *ADCON/OTT* brand in the statement of requirements.
- 37. The statement of requirements included the statement "Or equivalent". However, there is no evidence that there is no other sufficiently precise or intelligible way of characterising a requirement except by the use of the ADCON/OTT brand. To that extent the Respondent erred to use the ADCON/OTT brand in the statement of requirements.

- 38. The statement of requirements for the Temperature Dew Point, Humidity Combi censor, specified that the material sensor body be made from *Tecapet*. However, no allowance was made for an equivalent, which was an error.
- 39. An attempt was made to remedy the use of brand names in the wrongful statement of requirements. On 7th August, 2023, the Applicant wrote to the Respondent to seek clarification if other manufacturers of WMO certified equipment would be acceptable.
- 40. On 9th August, 2023, a clarification was issued by Eng. George Alito, stating that "We are open and can accept other new weather observing technologies of automatic weather stations once assessed and found equivalent or even better".
- 41. In addition, an Addendum no.1 was issued on 15th August, 2023 and signed by one John Kateregga, for the Permanent Secretary. Another Addendum no. 1was issued on 16th August, 2023 and signed by one Eng. George Alito, Branch Manager, Water and Sanitation Development Facility-East. It is not clear under what authority Eng. George Alito also issued an Addendum.
- 42. With respect to the statement of requirements for the automatic weather stations, the Addendum issued on 15th August 2023 states as follows:

Amendment to the Technical Specifications

Reference to bid document(s)	Addendum
Statement of requirement No.3; Currently UNMA has established a network of 80 AWS of ADCON/OTT brands. The server and gateway are already established and functional. So, UNMA strongly recommends to procure additional ADCON/OTT (or equivalent) automatic weather stations to fit in the existing network.	This statement and anything to do with ADCON/OTT brands is removed from the statement of requirements.

- 43. Curiously, the evaluation report states that the Addendum was approved by the Contracts Committee on 25th August, 2023, which date was after the Addendum had been purportedly issued. We have not seen any Contracts Committee decision for approval of this Addendum on the procurement action file.
- 44. In the instant case, particulars expected from each equipment were stated. Specifications for each of those particulars were prescribed. In view of the regulations and provisions of the bidding document, it is clear that the technical specifications for the particulars of automatic weather stations were not absolute. A bidder could propose equivalent or alternative specifications for alternative brands or technologies, so long as the particulars as stated in the statement of requirements are met.
- 45. The detailed technical evaluation had to be conducted in compliance with the *Public Procurement and Disposal of Public Assets (Evaluation) Regulations*, 2014; and ITB 33.
- 46. Regulation 19 of the *Public Procurement and Disposal of Public Assets (Evaluation) Regulations, 2014* provides as follows:

19. Detailed evaluation.

- (1) An evaluation committee shall conduct a detailed evaluation of a bid that passes the preliminary examination to assess—
 - (a) the responsiveness of the bid to the terms and conditions of the bidding document; and (b) the technical responsiveness of the bid to the statement of requirements.
- (2) The detailed evaluation shall compare the details of a bid with the criteria stated in the bidding document. (3) The detailed evaluation shall—
 - (a) determine whether a bid conforms to the terms and conditions of the bidding document, without any material deviation;
 - (b) determine whether a bid conforms to the statement of requirements without any material deviation;

- (b) determine whether a bid conforms to the statement of requirements without any material deviation;
- (c) for a bid for supplies, determine whether the bid complies with the minimum technical specification stated in the bidding document.
- 47. It was the duty of the Evaluation Committee to evaluate the technical aspects of the bids submitted to confirm that all requirements in the statement of requirements have been met without any material deviation or reservation. In case a bidder submitted an equivalent or alternative brand or specification, the Evaluation Committee had a duty to evaluate the documentation submitted to determine whether the substitutions ensure substantial equivalence or are superior to those specified in the statement of requirements. A submission could only be rejected if it amounted to a material deviation or a non-material omission that is not rectifiable or waivable, and such observations must be clearly stated in the evaluation report.
- 48. The Tribunal found that the Evaluation Committee applied the specifications in a mechanical manner without regard to the allowance for alternatives or equivalents to meet the objectives of the procurement. The restrictive evaluation was contrary to the cardinal principle that all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money.
- 49. In the course of the evaluation, the Evaluation Committee has discretion to seek for clarifications; to carry out due diligence; to request for product demonstration; and even waive non-material criteria.
- 50. It is the duty of the Evaluation Committee to properly evaluate the bids. It is not the duty of this Tribunal to undertake an evaluation. The Tribunal may review the conduct of an evaluation after it was been duly conducted. In the instant case, the evaluation was not properly conducted. Therefore, it is not helpful for the Tribunal to determine, at this stage, whether the

- bids of the Applicant, Best evaluated bidder, or any other bidder, were responsive to the bidding document.
- 51. The Respondent erred in law when it disqualified the Applicant's bid without carrying out a proper evaluation. The Respondent also erred when it failed to evaluate responsiveness of all bids to all the criteria in the bidding document.
- 52. Issue no. 1 is resolved in the affirmative.

Issue No. 2:

What remedies are available to the parties?

53. The Tribunal having found that the bids were not properly evaluated, the procurement shall be remitted back to the entity for re-evaluation.

D. DISPOSITION

- 1. The Application is allowed.
- 2. The award of the contract to *Wagtech Projects Ltd* for Lot 1-supply and installation of ten (10) hydrological and Lot 2-supply and installation of ten (10) metrological weather stations, under the SACRiAC Project, is set aside.
- 3. The Respondent is directed to re-evaluate the bids for Lot 1-supply and installation of ten (10) hydrological, and Lot 2-supply and installation of ten (10) metrological weather stations, in a manner not inconsistent with this decision, the bidding document, and the law.
- 4. The re-evaluation in no. 3 above shall be completed within ten (10) working days from the date of this decision.
- 5. The Tribunal's suspension order dated 24th November, 2023, is vacated.
- 6. The Respondent shall refund the Applicant's administrative review fees.
- 7. Each party shall bear its own costs of this Application.

KETO KAYEMBA MEMBER