



CONSTRUCTION
LAW
INSTITUTE

PPDA

OVERVIEW OF PPDA CONTRACTS

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01. PPDA Contracts Law & Applicability

PPDA contracts are governed under the PPDA Act, 2003 and the PPDA Regulations.

They are applicable to all Government Agencies, Departments, statutory corporations and Ministries.

S.3 PPDA Act, 2003

PDE – Must follow the Procurement process as stipulated under the law.



02. PPDA Contract Types





Procurement under the PPDA Act is categorized into four types;

- (i) Works**
- (ii) Supplies**
- (iii) Consultancy**
- (iv) Non-consultancy**

03. PRE-CONDITIONS FOR PPDA CONTRACTS



02. PRE-CONDITIONS FOR PPDA CONTRACTS

- Lapse of Period specified under the Regulations
- Reg. 5(1) S.I No. 14 of 2014 provides for a standstill period – It prohibits signing of the contract within ten working days after the display of the Notice of Best evaluated Bidder.
- S.90(7) prohibits an Accounting Officer from entering a contract during the Administrative Review Period.



02. PRE-CONDITIONS FOR PPDA CONTRACTS

- Availability of Funding
- A PDE/Accounting Officer must ensure availability and commitment of funds before signing a contract.
- This is to avoid committing government
- An award decision by the Contracts Committee.
- AO must confirm that the price does not exceed the market price established at commencement of the procurement.
- All approvals have been obtained (Attorney general, Donors – No Objection etc)

Note: In case of an emergency, AO may dispense with the CC decision, standstill period and BEB notice requirements.

04. COMPOSITION OF PPDA CONTRACT

- Contract Agreement
- Contract Bid - BoQs
- General Conditions of Contract
- Special Conditions of Contract
- Scope of Works, Drawings and Schedules
- Performance Security
- Advance Payment Guarantee



GENERAL FACTS/INFORMATION

- All GoU funded contracts must be priced in Ug shillings (Per 2016 PSST, MoFPED circular)
- Promotion of Local Content – BUBU policy launched by the Min of Trade in 2017. Reserves 30% value of works for local companies.

Change Order

- A change order shouldn't increase the original contract price beyond 0.1% for a single change or beyond 1% for cumulative changes.
- Allows the contract manager flexibility to manage small changes.
- Must be approved by the Accounting Officer.
- Must be consented to by both Parties.



GENERAL FACTS/INFORMATION

Contract Amendments

- All other changes to a contract not effected by way of Change Order are made by amending the contract.
- A change to a contract which increases the contract amount beyond 0.1% for a single change or 1% for cumulative changes is effected by an amendment.
- A single contract amendment is limited to 15% of the original contract price and cumulatively to 25%.
- Require approvals from Contracts Committee and Attorney General.



SELECTION OF TYPE OF CONTRACT

- **Nature of the procurement:** Works, Supplies, Consultancy, Non-Consultancy, Framework. Donor Funded – FIDIC or other, if so which FIDIC book best suits.
- **Risk Allocation** - Need to minimize risk: Government does not often choose to assume risk. Works contracts, risk allocation is done based on the determination of which party is best placed to manage the risk.
- **Complexity of Project:** Likelihood of delays or unforeseen circumstances e.g. infrastructure projects.
- **Maximize value for money:** Selection based on what will deliver best value.
- **Repetitive Need:** In case of fuel, cement, stationary, maintenance, vehicle repairs – Framework contract will be preferred.

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