

Understanding the Underlying Causes and Consequences of Low Bidder Participation in Public Procurement Processes in Local Government Entities in Uganda: A Case of Two (2) Selected Local Governments

Isaac Kyaligonza

International Schools for Social and Business Studies (PhD student), Slovenia, Uganda
mundimale69@gmail.com

Abstract

Competition is one of the key principles in public procurement and a measure of value for money (VFM) and best evaluated bidder (BEB) prices for public entities in Government. The public procurement and Disposal of public assets Act (2003) of Uganda and its attendant Regulations on procurement requires a minimum of three (3) bids to be received from bidders and evaluated for technical and price elements before award of contract. The annual reports produced by the national procurement and disposal regulator in Uganda has highlighted a decreasing bidder turn up for public bidding over time. The average number of bids received is two (2) compared to three (3) which should be the minimum. This low bidder turn up implies that procuring and disposing entities (PDEs) of government do not benefit from lower costs of purchases and impedes development of domestic industry due to low participation of domestic companies. The purpose of this paper is to investigate and understand the underlying causes and consequences of low bidder participation in Public procurement processes in local governments in Uganda. Through report reviews from the public procurement and disposal of public assets authority and the preliminary feedback based on questionnaires and interviews, it is found out that cost of bidding, low level of understanding of bidding processes and corruption in the bidding cycle are the main causes of low bidder participation in public procurement processes. This academic study is intended to add knowledge to the government repositories in managing low bidder participation in public procurement processes.

Keywords: Public procurement, Competition/ Bidding, Tenders, Value for Money, Procuring and disposing entities