THE REPUBLIC OF UGANDA

PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS APPEALS TRIBUNAL

APPLICATION NO. 21 OF 2024

BETWEEN

RAXIO DATA CENTRE SMC LIMITED:.....APPLICANT

AND

BANK OF UGANDA::::::RESPONDENT

APPLICATION FOR REVIEW IN RESPECT OF THE PROCUREMENT FOR THE PROVISION OF BUSINESS RESUMPTION DATA CENTRE (BRDC) RELOCATION UNDER PROCUREMENT REFERENCE NO. BOU/NCONS/22-23/00220/C

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

DECISION OF THE TRIBUNAL

A. BRIEF FACTS

- 1. Bank of Uganda (the Respondent) initiated a tender for the provision of business resumption data centre (BDRC) relocation services under procurement reference number: BOU/NCONS/22-23/00220/C using open international bidding method on November 13, 2023.
- 2. Raxio Data Centre SMC Ltd (the Applicant) submitted a bid for lease/co-location option- Lot 2 in the impugned procurement.
- 3. Upon the conclusion of the technical evaluation of bids, the Respondent announced the technical evaluation results for the impugned procurement indicating that the Applicant's bid had been disqualified.
- 4. The Applicant filed an administrative review complaint with the Accounting Officer of the Respondent on November 3rd, 2023, in accordance with provisions of the Bank of Uganda Procurement and Disposal Manual 2017.
- 5. A decision was made by the Respondent to re-evaluate the bids and at the conclusion of the evaluation process, the Respondent communicated and displayed a revised notice of technical results on February 29, 2024. The Applicant avers that it received the Notice technical results on March 6, 2024.
- 6. The displayed notice of technical results indicated that the Applicant's bid was disqualified at the technical evaluation stage for having scored 78.125 points below the pass mark of 80 points. The notice further indicated that the Respondent would proceed with the evaluation of financial bids of successful bidders after 5 working days from the date of display of the notice.
- 7. On March 14, 2024, the Applicant requested for a debrief following the publication of the revised notice to bidders on the technical evaluation.
- 8. The Respondent on March 19, 2024, provided a detailed explanation for disqualifying the Applicant's bid.

- 9. The Applicant being dissatisfied with the reasons indicated in the debrief, filed an administrative review complaint with the Respondent on March 20, 2024 amended by a later complaint of March 21, 2024.
- 10. The Respondent's Accounting Officer dismissed the complaint on April 11, 2024, on the ground that the Applicant did not pay administrative review fees for the Application and that the Application was filed out of time.
- 11. The Applicant being dissatisfied by the decision of the Accounting Officer, filed the instant Application before the Tribunal on April 12, 2024.

B. ORAL HEARING

- 1. The Tribunal held an oral hearing on April 30, 2024 via Zoom videoconferencing. The appearances were as follows:
- Mr. Godfrey Sserwamukoko the Managing Director of Raxio Data Centre SMC Ltd and Mr. Brian Kalule, the Company Secretary of Raxio Data Centre SMC Ltd represented the Applicant.
- 2) Counsel Josephine Nabisinja Kimbe, the Senior Legal Officer of Bank of Uganda represented the Respondent.

C. APPLICATION BEFORE THE TRIBUNAL

- 1. The Applicant avers that the decision of the Respondent's Accounting Officer delivered on April 11, 2024 was not delivered in time and as such, was null and void.
- 2. The Applicant avers that whereas it was awarded 8 out of 12 points at evaluation of key technical personnel and 9 out of 21.5 points at evaluation of key personnel qualification, the Respondent erred because it based the said points on the fact that the Applicant had submitted 4 out of 6 personnel and assigned Ibrahim Kiyembe and Jimmy Bucha two roles.
- 3. The Applicant avers that the solicitation documents did not restrict role sharing or contain any conditions to it. Particularly it did not indicate that if one person performed dual roles, they would only score marks for one role. As such the evaluation criterion was extraneous to the bid document.

- 4. The Applicant avers that whereas it was awarded 11 out of 12.5 points during evaluation of 'Maintenance and support arrangement' on grounds that the SLA that was submitted was inter alia generic, this was erroneous because the bid document did not prescribe a form for the proposal.
- 5. The Applicant further avers that whereas its bid was assessed at 16.5 points out of 20 points under 'due diligence' this was erroneous because its bid provided for business continuity which was also demonstrated and appreciated by the Respondent's onsite team who scored full marks for the Applicant under mandatory technical requirements.

D. REPLY TO THE APPLICATION

- 1. In a response filed on April 18 2024 the Respondent raised two preliminary objections to wit; the Tribunal does not have jurisdiction to handle this matter because the instant procurement related to the exercise of the Respondent's functions under Section 4 of the Bank of Uganda Act; and the Applicant did not pay the requisite administrative review fees. Furthermore, the Application was not filed within the requisite timelines.
- 2. Without prejudice to the foregoing, the Respondent avers that the Applicant's Application for administrative review was rightly dismissed by the Accounting Officer on the ground that administrative review fees had not been paid and the Application was lodged out of time.
- 3. The Respondent further avers that the Applicant has never requested for or brought the lack of access to the Manual to the attention of the Respondent.
- 4. The Respondent accordingly prays that the instant Application ought to be dismissed with costs.

E. APPLICANT'S SUBMISSIONS

1. In response to the Respondent's preliminary objections, the Applicant submits that whereas Section 4 of the Bank of Uganda Act excludes the core functions of the Respondent from the application of the *Public Procurement and Disposal of Public Assets Act, 2003* the subject of the instant bid i.e., data storage is not one of the services envisaged under the section 4. As a

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result, the procurement fell under the Public Procurement and Disposal of Public Assets Act, 2003 thus vesting this Tribunal with the jurisdiction to handle this Application.

- 2. The Applicant submits that it was erroneous for the Respondent to dismiss the Applicant's Application on account of failure to pay administrative review fees. The Applicant relies on this Tribunal's decisions in Applications No. 1 and 4 of 2023, No. 27 and 29 of 2022 and No. 17 of 2021.
- 3. The Applicant submits that the procurement was anything but transparent and fair. Although ITB Clause 46 of the bidding document provides for administrative review in accordance with the Bank of Uganda Regulations 2017, the said regulations were not provided to the bidders and neither can they be found anywhere.
- 4. The Applicant further submits that the Respondent's Accounting officer erred by not suspending the procurement after an administrative review complaint had been lodged. Furthermore, he erred in law when he failed to deliver a decision within the prescribed timelines.
- 5. The Applicant submits that whereas it was awarded 8 out of 12 points at evaluation of key technical personnel and 9 out of 21.5 points at evaluation of key personnel qualification, the Respondent erred when it based the said points on the fact that the Applicant had submitted 4 out of 6 personnel and assigned Ibrahim Kiyembe and Jimmy Bucha two roles.
- 6. The Applicant avers that the solicitation documents did not restrict role sharing or contain any conditions to it. Particularly it did not indicate that if one person performed dual roles, they would only score marks for one role. As such the evaluation was based on a criterion that is extraneous to the bid document.
- 7. The Applicant submits that whereas it was awarded 11 out of 12.5 points during evaluation of 'Maintenance and support arrangement' on grounds that the SLA that was submitted was inter alia generic, this was erroneous because the bid document did not prescribe a form for the proposal.

- 8. The Applicant further submits that whereas its bid was assessed at 16.5 points out of 20 points under 'due diligence' this was erroneous because its bid provided for business continuity which was also demonstrated and appreciated by the Respondent's onsite team who scored full marks for the Applicant under mandatory technical requirements.
- 6. The Applicant accordingly prays that the Respondent be directed to re-evaluate the bids and it should be awarded damages and costs of the Application.

F. RESPONDENT'S SUBMISSIONS

- 1. The Respondent submits that where a procurement relates to the Respondent's exercise of its functions under Section 4 of the Bank of Uganda Act, the Respondent is not a PDE and the PPDA Act, 2003 does not apply to that procurement. This position is supported by the decision in Bank of Uganda vPPDA Civil Appeal No. 18 of 2020.
- 2. The Applicant submits that the instant procurement is excepted by Section 4 of the Bank of Uganda Act. Furthermore, that on page 195 of the bidding document, the Respondent notified all bidders that the relevant data centres which are the subject of the procurement host the Respondent's critical business Applications as well as supporting IT Infrastructure. The subject procurement is in respect to relocation of the Business Resumption Site meaning that should a disaster happen at the Respondent's headquarters; it should be able to resume all its critical core operations from a different site using data stored at center under the subject procurement. Respondent therefore submits that this Tribunal does not have the jurisdiction to entertain the instant Application.
- 3. With regards to the alleged non-disclosure of the Bank of Uganda Manual, the Respondent submits that the Applicant filed an initial complaint which was responded to in a letter dated November, 07, 2023. In the said letter the Respondent clearly informed the Applicant that the instant procurement was being conducted in accordance with the Bank of Uganda Procurement and Disposal Manual, 2017 and also set out the relevant provisions governing administrative review complaints. Therefore, the Applicant has at all material times been fully

aware of the applicability of the Manual and the procedure set out therein.

- 4. The Respondent submits that the Applicant having been guided by the Respondent and paid fees on the first complaint, was aware of the requirement to pay administrative review fees, where to pay, how much and the period within which to pay. The Accounting Officer was therefore right in rejecting the Application on grounds of non-payment of the requisite administrative review fees.
- 5. With respect to the contention that the decision of the Accounting Officer was not delivered within time, the Respondent submits that the applicable timelines are not those spelt out under the *Public Procurement and Disposal of Public Assets Act*, but rather the BOU Manual. Under the Manual, specifically Clause 345 (4), on receiving the complaint and the prescribed fee, the Accounting Officer is under an obligation to make a decision within fifteen working days. Having received the complaint on March 22, 2024, the Respondent was within the required timeline when it issued the decision on April 11, 2024.
- 6. Whereas it is contended that the Respondent erred by not suspending the procurement after receipt of the administrative review complaint, the Respondent contends that the power to suspend a procurement can only be exercised upon receipt of a complaint and payment of the prescribed fees as spelt out under Clause 354 (4). In the instant case, the Applicant failed to pay the fees and as such, the Accounting Officer had no basis to suspend the procurement.
- 7. In response to the contention that it erred in the evaluation of the bid, the Respondent submits that the evaluation criteria required 6 key personnel with each person being awarded 2 points. The criterion was clear and unambiguous. However, the Applicant only provided 4 personnel hence the 8 points that were awarded to it. The Respondent could not therefore award double points to 2 of the Applicant's staff on the basis of professional role sharing because this would tantamount to an amendment and or addition to the evaluation criteria.
- 8. With respect to its findings on the SLA, the Respondent submits that the SLA that was submitted by the Respondent was its standard form. This was not tailored by the Applicant to meet

the high-level requirements that had been communicated to all bidders, including the Applicant on pages 199-201 of the bidding documents.

9. On the basis of the foregoing, the Respondent prays that the Application be dismissed with costs.

G. RESOLUTION

- 1. The Application raised 3 issues for determination by the Tribunal. The Respondent however, raised preliminary objections. In view of the preliminary objections and other questions of law which arose at the hearing, the issues have been reframed as follows.
- 1) Whether this Tribunal has jurisdiction to entertain the Application?
- 2) Whether the Application before the Tribunal is competent?
- 3) Whether the Respondent erred in failing to render a decision to the administrative review complaint under the *Public Procurement and Disposal of Public Assets Public Procurement and Disposal of Public Assets Act?*
- 4) Whether it was erroneous for the Respondent to dismiss the Applicant's application on account of failure to pay administrative review fees?
- 5) Whether the procurement was in violation of the obligation of transparency and fairness as prescribe by the *Public Procurement and Disposal of Public Assets Act*?
- 6) Whether the Respondent erred by not suspending the procurement after an administrative review complaint had been lodged?
- 7) Whether the Respondent erred in its technical evaluation of the Applicant's bid?
- 8) What remedies are available to the parties?

Issue No.1:

Whether this Tribunal has jurisdiction to entertain the Application?

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- 1. The Public Procurement and Disposal of Public Assets Tribunal is a creature of the *Public Procurement and Disposal of Public Assets Act.*
- 2. Under Section 2(1) (a)(iii) of the *Public Procurement and Disposal* of *Public Assets Act*, the Act applies to all public procurement and disposal activities and shall apply to a procuring and disposing entity.
- 3. Procurement is defined in section 3 of the *Public Procurement* and *Disposal of Public Assets Act* to mean acquisition by purchase, rental, lease, hire purchase, licence, tenancy, franchise, or any other contractual means, of any type of works, services or supplies or any combination.
- 4. While Disposal is also defined to mean the divestiture of public assets, including intellectual and proprietary rights and goodwill, and any other rights of a procuring and disposing entity by any means, including sale, rental, lease, franchise, auction, or any combination however classified other than those regulated by the *Public Enterprise Reform and Divestiture Statute*, 1993.
- 5. Section 2 (1)(c) and (h) of the Public Procurement and Disposal of Public Assets Act, for the context of this instant Application, defines a "procuring and disposing entity" to mean 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, and includes Bank of Uganda except in exercise of the functions specified in section 4 of the Bank of Uganda Act.
- 6. What can be deduced from the preceding paragraphs is that the Respondent is a procuring and disposing entity and that the *Public Procurement and Disposal of Public Assets Act* governs the Respondent's activities if they are intended for the acquisition by any other contractual means, of any type of works, services or supplies or any combination.
- 7. The only exception is that if the Respondent is performing activities or functions specified in section 4 of the Bank of Uganda Act, then it is not construed to be a *procuring and*

disposing entity and to that extent, the *Public Procurement and Disposal of Public Assets Act* would not apply to it.

- 8. The gist of this issue is whether the subject of this impugned procurement is an activity, or a function specified in section 4 of the *Bank of Uganda Act*.
- 9. Section 4 of the *Bank of Uganda Act Chapter 51* states as follows:

4. Functions of the bank

- 1) The functions of the bank shall be to formulate and implement monetary policy directed to economic objectives of achieving and maintaining economic stability.
- 2) Without prejudice to the generality of subsection (1), the bank shall—
- a) maintain monetary stability;
- b) maintain an external asset reserve;
- c) issue currency notes and coins;
- d) be the banker to the Government;
- e) act as financial adviser to the Government and manager of public debt;
- f) advise the Government on monetary policy as is provided under section 32(3);
- g) where appropriate, act as agent in financial matters for the Government;
- h) be the banker to financial institutions;
- i) be the clearinghouse for cheques and other financial instruments for financial institutions;
- j) supervise, regulate, control and discipline all financial institutions and pension funds institutions;
- k) where appropriate, participate in the economic growth and development programmes.

- 10. The invitation to bid for provision of Business Resumption Data Centre (BRDC) relocation dated January 17, 2023 (Annexure RS1) indicated that "the Bank of Uganda has allocated funds to be used for Provision of Business Resumption Data Centre (BRDC) Relocation Procurement.....The Bank invites sealed bids from eligible bidders for the provision of the above services.....Bidding will be conducted in accordance with the Open International Bidding Method contained in the Bank of Uganda Procurement and Disposal of Assets Manual, 2017 and is open to all bidders. The procedures described in Part 1: Bidding Procedures".
- 11. The terms of reference for Lot 2 LEASE OPTION for which the Applicant submitted on pages 195-197 provides an insight into what the subject of the procurement is. The terms of reference for Lot 2 LEASE OPTION stated as follows:

"INTRODUCTION

The Bank has three data centres, one at the field Office, one at the Business Resumption Site (BRS) and another at the Disaster Recovery Site (DRS). The data centers at the Head Office and the Business Resumption Site host the Bank's critical business Applications as well as supporting IT infrastructure

The supporting IT infrastructure at the BRS includes racks and network devices such an routers, firewalls, and switches.

The Bank has decided to relocate its BRS by either leasing or collocating date center space.

This document describes the high-level requirements to be satisfied by the leasing or collocation contractor. The selected contractor shall provide the proposed Data Centre infrastructure and components for a period of three (3) years renewable every year based on satisfactory performance:

Purpose and Scope of Document

The purpose of this document in to provide high-level requirements for data centre leasing or collocation engagement".

Reference documents

The following are the reference documents to this statement of requirements document:

• Telecommunications Infrastructure Standard for Data Centers TIA-942-A

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- The Uptime Institute's Data Center Infrastructure Tier Standard.
- ASHRAE 127-2012 (Thermal Performance and Airflow)
- TIA-862-B and TIA-942 (Access Control and CCTV), TIA-942-B (Power)
- TIA 942 (Fire Detection and Suppression)
- TIA-310 (Racks and Cabinets),
- TIA -5681-D, TIA 862 B (Cabling standards),
- TIA-569 (Pathways and spaces).
- TIA-607-C (Telecommunications Ground and Bonding Network)
- TIA-942 and BICIS 002-2019 (Civil Works)
- TIA-570-D (Data Center Infrastructure Management Solutions)
- TIA-568 Cabling installations
- TIA-568D Fiber Cabling installations
- TIA-606-C (Labelling and Administration)
- 12. From the reading of the the terms of reference for Lot 2 LEASE OPTION, it can be deduced that the impugned procurement is for provision of data centre leasing or collocation engagement for the Respondent. The Business Resumption Data Centre (BRDC) is ancillary in nature, to the Respondent's functions specified in Section 4 of the Bank of Uganda Act. In other words, the Business Resumption Data Centre (BRDC) provides necessary support to the primary activities or operations of Bank of Uganda.
- 13. As such, the subject of this procurement is not a core activity of the bank and does not fall within the ambit of activities under Section 4(1) and (2)(a)-(k) of the Bank of Uganda Act Chapter 53.
- 14. In our view, the decision of the High Court in **Bank of Uganda vs the Public Procurement and Disposal of Public Assets Authority in Civil Appeal No. 18 of 2020** is inapplicable to the facts at hand. The said decision found that the SIEMS software being procured was intended to provide protection to the activities of Bank of Uganda as a banker to the Government, a banker to financial institutions and a clearinghouse for cheques

and other financial instruments for financial institutions. These are outright functions of the Bank of Uganda that are clearly excluded from the Application of the *Public Procurement and Disposal of Public Assets Act.* See analysis on page 13-14 of the High Court Decision.

- 15. However, in the instant case, the excerpts of the Terms of Reference and the Statement of works provided by the Respondent clearly indicate that the data centre leasing or collocation engagement that is sought to be procured would play an ancillary role to the Respondent's functions specified in section 4 of the Bank of Uganda Act. The facts in the High Court decision are therefore different from the facts pleaded and statement of works provided in the instant Application.
- 16. It is our finding that the Respondent is a "procuring and disposing entity" for purposes of the subject matter of this impugned procurement.
- 17. In the instant case, the Tribunal finds that the *Public Procurement and Disposal of Public Assets Act* applies to this procurement and the Tribunal therefore has jurisdiction.
- 18. Issue no. 1 is answered in the affirmative.

Issue No2:

Whether the Application before the Tribunal is competent?

- 19. The competence of the Application is, inter alia, premised on the determination of whether the Application was filed within time. See Application No. 3 of 2024- G.E Solutions Vs. Ministry of Lands, Housing and Urban Development
- 20. The five instances under which the Tribunal can exercise its jurisdiction are provided for under sections 89(8), 89(9) and 91(1) (a), (b) and (c) of the *Public Procurement and Disposal of Public Assets Act 2003*.
- 21. In the instant Application, the Applicant lodged an administrative review compliant before the Accounting Officer of the Respondent on March 20, 2024. An amended complaint was lodged on March 22, 2024 but time starts to run when the original complaint is filed, not when it is amended. The amendment is not a new complaint.

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- The Accounting Officer of the Respondent was by law obligated to make and communicate a decision regarding the complaint within 10 days upon receipt of the Application. The days started to run on **March 21, 2024**, and expired on **Saturday, March 30, 2024**. See section 89 (7) of the Public Procurement and Disposal of Public Assets Act 2003.
- 23. We observed that the *Bank of Uganda Procurement and Disposal of Assets Manual, 2017* under Part VII on administrative review, para 345(4)(a) on page 234 states as follows;

"On receiving the complaint and the prescribed fee, the Accounting Officer shall unless it dismisses the complaint -

- a) immediately suspend the procurement proceedings; and
- b) make a decision in writing within fifteen working days, indicating the corrective measures to be taken, if any, and giving reasons for his or her decisions
- 24. Having held that the *Public Procurement and Disposal of Public Assets Act 2003* applies to the Respondent, it follows that para 345(4)(a) of the *Bank of Uganda Procurement and Disposal of Assets Manual, 2017* that is inconsistent with the provisions of the *Public Procurement and Disposal of Public Assets Act 2003* is null and void to the extent of its inconsistency.
- 25. The appropriate remedial action is to modify para 345(4)(a) of the Respondent's manual to bring it into conformity with Section 89 (7) of the Public Procurement and Disposal of Public Assets Act or otherwise for giving effect to the Public Procurement and Disposal of Public Assets Act 2003.
- 26. Be that as it may, the purported administrative review decision of the Accounting Officer contained in the letter dated April 11, 2024 was therefore made out of time, in breach of the law and is of no legal consequence. See *Application No. 33 Of 2023-Eclipse Edisoil JVC Ltd v Napak District Local Government*.
- 27. Where no administrative review decision has been made by the Accounting Officer within the statutory times, the time within which a dissatisfied bidder ought to file an Application with the Tribunal commenced on March 31, 2024 and elapsed on April 9, 2024. See sections 89 (8) and 911(2)(b) of Public Procurement and Disposal of Public Assets Act 2003 and Application 15 of 2024-Multiplex Limited v Masaka City Council, Page 7, para 6.

- 28. The timelines in the Public Procurement and Disposal of Public Assets Act 2003 are matters of substantive law and not mere technicalities. The timelines must be strictly complied with for all purposes and intents and non-compliance with them makes the proceedings fatal. See Galleria in Africa Ltd v Uganda Electricity Distribution Company Ltd (Civil Appeal No. 08 of 2017) [2018 | UGSC 19 and Uganda Revenue Authority v Uganda Consolidated Properties Ltd (Civil Appeal-2000f/31) [2000] UGCA 2.
- 29. Section 71A of the Public Procurement and Disposal of Public Assets Act 2003 stipulates that a procurement process and each stage of the procurement process shall be completed within the period prescribed in the regulations made under this Act. It is therefore imperative that there is strict adherence to the statutory timelines provided for in the procurement process. See Application No. 02 of 2022 APA insurance Ltd v Uganda National Roads Authority, para 19, page 12.
- 30. In Makula International Ltd versus Cardinal Nsubuga & Another Civil Appeal No. 4 of 1981, it was held that a court has no residual or inherent jurisdiction to enlarge a period of time laid down by statute. This precedent was authoritatively relied on by the Supreme Court of Uganda in Sitenda Sebalu versus Sam K. Njuba & Another Election Petition Appeal No. 5 of 2007 wherein it held that if there is no statutory provision or rule, then the court has no residual or inherent jurisdiction to enlarge a period of time laid down by statute or rule.
- 31. There is no enabling provision within the Public Procurement and Disposal of Public Assets Act that accords the Tribunal power to enlarge or extend time. Time limits set by statutes are matters of substantive law and not mere technicalities and must be strictly complied with. Once a party fails to move within the time set by law, the jurisdiction of the Tribunal is extinguished as far as the matter is concerned. See Application No. 29 of 2022, JV AGT S.P.A & Zhucheng Dingcheng Machinery Co. Ltd Vs. Private Sector Foundation Uganda, Pages 14-15.

- 32. In conclusion, the Application lodged with the Tribunal on **April 12, 2024,** was therefore filed out of time. The Application is incompetent, and the Tribunal has no jurisdiction to entertain it due to lapse of time.
- 33. In the circumstances we shall not delve into the merits of the Application.
- 34. Issue no. 2 is resolved in the negative.

H. DISPOSITION

- 1) The Application is struck out.
- 2) The Tribunal's suspension order dated April 12, 2024, is vacated.
- 3) Each party to bear its own costs.

Dated at Kampala this 6th day of April 2024.

FRANCIS GIMARA S.C CHAIRPERSON

NELSON NERIMA MEMBER

THOMAS BROOKES ISANGA MEMBER

GEOFFREY NUWAGIRA KAKIRA MEMBER

PAUL KALUMBA MEMBER CHARITY KYARISIIMA MEMBER

KETO KAYEMBA MEMBER