

# The Public Procurement and Disposal of Public Assets Guidelines

*Guidelines issued by the Public Procurement and Disposal of  
Public Assets Authority under Section 97 of the Public  
Procurement and Disposal of Public Assets Act, 2003.*

## Guideline Details:

Guideline Reference: 3/2014  
Guideline Subject: Guidance on Bid and Performance Securities  
Date of commencement: 3<sup>rd</sup> March 2014

*Guidelines are distributed to all Accounting Officers who are responsible for distributing copies of this Guideline to the Contracts Committee and the Head of the Procurement and Disposal Unit of the Procuring and Disposing Entity.*

**Guideline Subject: Guidance on Bid and Performance Securities**

**Bid Security and Bid/Proposal Securing Declaration**

In accordance with Regulation 53 of the Public Procurement and Disposal of Public Assets (Rules and Methods for Procurement of Supplies, Works and Non-consultancy Services) Regulations, 2014 the following guidance is provided in respect of bid securities and bid securing declarations.

**1. Bid Security**

1.1 Bid security shall be required for open domestic and open international bidding BUT not for consultancy services.

1.2 Where it is determined that a bid security shall be required, the value of the security shall be stated as a fixed amount not as a percentage of the bid price. The amount of the Bid Security shall be determined by the Procuring and Disposing Entity and shall be between 1% and 2% of the estimated bid value.

Example:

|                     |                  |
|---------------------|------------------|
| Estimated bid value | UGX 785,000,000. |
| 1% equals           | UGX 7,850,000    |
| 2% equals           | UGX 15,700,000   |

1.3 From the above example therefore a decision can be made to request for a bid security of any amount between UGX 7,850,000 and 15,700,000.

**2. Bid/Proposal Securing Declaration**

2.1 A bid securing declaration shall be used under the restricted domestic bidding and quotations procurement methods.

2.2 No bid security shall be required under procurements for consultancy services. Consultants shall or may be required to submit a proposal securing declaration together with their proposals.

**3. Performance Security**

In accordance with Regulation 12 of the Public Procurement and Disposal of Public Assets (Contracts) Regulations, 2014 the following guidance is provided in respect of Performance Security.

3.1 The amount of the Performance Security shall be determined by the Procuring and Disposing Entity and shall be between 5% and 10% of the expected contract value.

3.2 No performance Security shall be required by Procuring and Disposing Entities for procurements relating to consultancy services.

Signed:



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Chairman of the Board of Directors



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Executive Director