

THE REPUBLIC OF UGANDA
PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS
APPEALS TRIBUNAL

REGISTRY APPLICATION NO. 18 OF 2025

BETWEEN

GOLDSTAR INSURANCE COMPANY LTD =====APPLICANT

AND

UGANDA NATIONAL OIL COMPANY =====RESPONDENT

**APPLICATION FOR REVIEW IN RESPECT OF THE PROCUREMENT FOR
PROVISION OF GROUP PERSONAL ACCIDENT (GPA) WITH WORKERS
COMPENSATION INSURANCE UNDER PROCUREMENT REFERENCE
NUMBER: UNOC/NCONS/24-25/00334**

**BEFORE: NELSON NERIMA, GEOFFREY NUWAGIRA KAKIRA, PAUL
KALUMBA, CHARITY KYARISIIMA, KETO KAYEMBA AND ENG. CYRUS
TITUS AOMU, MEMBERS.**

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Decision for PPDA Appeals Tribunal Application No. 18 of 2025- Goldstar Insurance Co. Ltd v
Uganda National Oil Company

DECISION OF THE TRIBUNAL

A. BRIEF FACTS

1. Uganda National Oil Company (**the "Respondent"**) initiated a procurement for the provision of Group Personal Accident (GPA) with Workers Compensation Insurance under procurement reference number: UNOC/NCONS/24-25/00334 using the open domestic bidding procurement method. The Bid Notice was published on page 31 of the Daily Monitor newspaper on February 25, 2025.
2. On March 14, 2025, the Respondent received bids from 11 (Eleven) bidders namely, *Pax Insurance Company Limited, Jubilee Allianz General Insurance, Mayfair Insurance Company Limited, Liberty General Insurance Uganda Limited, Nic General Insurance Company Limited, Gold Star Insurance Company Limited* (the Applicant), *UAP Old Mutual Insurance Company, MUA Insurance Uganda Limited, Britam Insurance Uganda Limited, ICEA Lion General Insurance and Sanlam General Insurance Uganda Limited*
3. Upon conclusion of the evaluation process, the Respondent issued a Notice of Best Evaluated Bidder on June 11, 2025, indicating that *Britam Insurance Uganda Limited* was the best evaluated bidder with a total contract price of UGX 584,768,461 (Annual Premium) inclusive of taxes for a period of 3 years.
4. The Applicant was dissatisfied with the outcome of the procurement process and filed an administrative review complaint with the Accounting Officer on June 23, 2025.
5. The Applicant averred in its complaint that the best evaluated bidder had adopted a Political Violence and Terrorism (PVT)

loading below the required loading approved by the Insurance Regulatory Authority.

6. The Respondent's Accounting Officer made a decision dated July 4, 2025, where she found merit in the complaint. However, she determined that the terms of reference did not explicitly state the scope of the required PVT cover, which required the Respondent to review the terms of reference in line with Insurance Regulatory Authority guidance. From the foregoing, the Accounting Officer made a decision to retender the procurement.
7. On July 7, 2025, the Applicant filed an administrative review complaint with the Accounting Officer challenging the decision to cancel the impugned procurement.
8. On July 17, 2025, the Respondent sent an email to the Applicant containing an attachment dated July 11, 2025, informing the Applicant that the decision to retender the procurement was premised on the challenges associated with the scope of Political Violence and Terrorism (PVT) insurance cover and the need to further review the terms of reference in line with guidance from the Insurance Regulatory Authority (IRA).

B. APPLICATION TO THE TRIBUNAL

1. The Applicant, being aggrieved with the Respondent's decision, filed the instant Application on July 25, 2025, before the Tribunal to review the Respondent's decision. The Application was based on four substantive grounds.
 - i. Prejudice to Compliant Bidders: Cancelling and re tendering the procurement process enables previously non compliant bidders to amend their submissions creating unfair

advantage and undermining the integrity of public procurement. The Applicant, having submitted a compliant bid under the original Terms of Reference, is unduly penalized.

- ii. Sufficiency and Precedent of the Terms of Reference: The inclusion of PVT as an 'inclusive' requirement in the bidding document was clear and consistent with prior procurements including the Respondent's 2022 GPA tender, which raised no objections. No clarification was sought by any bidder.
 - iii. Difference in Scope: PVT vs Routine Extensions: PVT is not a routine policy extension. It fundamentally alters the scope of risk and requires separate pricing and regulatory approval. Thus, its treatment demands due diligence from bidders and does not justify retroactive changes to Terms of Reference once bids are submitted.
 - iv. Legal and Regulatory Compliance: The initially selected Best Evaluated Bidder (Britam) was found to have breached pricing guidelines issued under the *Insurance (Minimum and Maximum Commission Rates) Regulations, 2023*. However, the Applicant complied fully.
2. The Applicant sought the following reliefs from the Tribunal:
- a) An order reaffirming the Respondent's decision to rescind/quash *M/S Britam Insurance Company Uganda Limited* as the Best Evaluated Bidder
 - b) An order quashing the Respondent's decision to cancel the procurement.
 - c) An order directing the Respondent to resume the procurement process and complete the evaluation based on the bids as submitted.

d) Costs

3. The Applicant framed the following issues for the Tribunal's decision.
 - 1) The Respondent erred in law and fact when it did not evaluate and announce the Applicant as the Best Evaluated Bidder for the Provision of Group Personal Accident (GPA)/ Workers Compensation Insurance Policy for UNOC staff vide UNOC/NCONS/24-25/00334 following the disqualification of the initially selected bidder.
 - 2) The Respondent erred in law and fact when it decided to cancel and re-tender the procurement, requesting all the bidders, including the Applicant, to re-submit bids, which was unfair, irregular, unjustified and prejudicial to compliant bidders.
- 3) Whether there are any relief(s) to the Applicant?

C. REPLY BY THE RESPONDENT

1. The Respondent filed a reply through its Chief Legal Officer.

Preliminary objections:

2. The Application is time-barred.
3. The Applicant did not give the Respondent's Accounting Officer notice as the law requires.

The issues

4. The Respondent averred that the Applicant could not be awarded the contract since re-evaluation was required. It is not automatic that once the best evaluated bidder is disqualified, the contract is awarded to the second-best evaluated bidder. Cancellation and retender was within the Respondent's rights. Although the Applicant was the second-best evaluated bidder, its price exceeded the Respondent's budget.

Grounds of the Application:

5. The decision is lawful and not prejudicial. The Applicant's request to be awarded the contract is contrary to the law.
6. The allegation that including PVT was consistent with past procurements is untenable. This was an independent procurement, not an extension of the 2022 GPA tender.
7. PVT requires separate pricing and regulatory approval. The Respondent is not making retroactive changes to the terms of reference.
8. The Respondent was not obliged to ensure that the best-evaluated bidder complies with pricing guidelines. The duty lies with bidders. The Respondent sought guidance from the Insurance Regulatory Authority, and once the breach was brought to its attention, it rescinded the award to the best-evaluated bidder.
9. The Respondent prayed that the application be dismissed with costs.

D. APPLICANT'S SUBMISSIONS

1. The Applicant filed written submissions through *M/S Ssemambo & Ssemambo Advocates*.

Preliminary objections:

2. Counsel submitted that the Respondent made representations by acknowledging and responding to two (2) Administrative Review Applications; they are therefore precluded and estopped from raising the defence of limitation, as doing so will be grossly inequitable to the Applicant.
3. Non-service of the statutory notice to the Accounting Officer is not fatal, and does not vitiate the Tribunal's jurisdiction. Non service of a notice is a technicality which can be dispensed with under article 126(2) (e) of the Constitution.

The Respondent erred in law and fact when it did not evaluate and announce the Applicant as the best evaluated bidder.

4. The only ground upon which the Applicant was deemed unsuccessful was that they had quoted a higher price than the Best Evaluated Bidder.
5. When the Respondent agreed with the Applicant that Britam Insurance Co. Limited had not complied with the *Insurance (Minimum and Maximum Commission Rates) Regulations*, but only the Applicant had fully complied, the only available option was to offer the contract to the Applicant.

6. The Respondent has changed goal posts and introduced another alien ground, alleging that the decision was informed by budgetary constraints to meet the Applicant's bid price and the fact that the Applicant's bid was non-compliant.
7. The Respondent is obliged to refer only to the Bidding Documents and the law when coming up with its decision.

Decision to re-tender procurement based on the review of the terms of reference of the PVT cover:

8. The Respondent's decision to cancel the bid and retender the same was based on alien and new grounds, i.e., vagueness of the PVT cover, which was illegal, null, and void.
9. None of the bidders nor the PDU, ever raised any query regarding the clarity of the PVT Cover.
10. Previously, in the 2022 procurement, similar terms of reference were used.
11. The decision by the Respondent's Accounting Officer entered on the 4th day of July 2025 to re-tender the procurement and to review the terms of reference of the PVT cover should be rejected for the following reasons (i) Prejudice to Compliant Bidders; and (ii) PVT categorized as 'inclusive' was sufficiently provided for in the Bidding Document.
12. Counsel extensively cited applicable decided cases, statutory provisions, and the bidding document.

E. RESPONSE BY THE INTERESTED PARTY

1. *Britam Insurance Uganda Limited* filed a response through *M/S Muhumuza, Kateeba & Co. Advocates*.

Preliminary objections:

2. The Respondent's administrative review decision dated 4th July 2025, made by the Accounting Officer, was made outside the statutory period of ten (10) days, and it is therefore null and void and of no consequence at all.
3. The second administrative review application made by the Applicant to the Respondent's Accounting Officer on 7th July 2025 was made erroneously and is null and void. The *Public Procurement and Disposal of Public Assets Act* does not authorize an aggrieved bidder to make a second administrative review application to an Accounting Officer after receipt of a decision for the first application.
4. Application No. 18 of 2025 is fatally defective because it was not made within the statutory period. Where an Accounting Officer does not make or communicate a decision within 10 days of receipt of a complaint, the bidder should make an administrative review application to the Tribunal within ten days from the date of expiry of the period for the Accounting Officer to make a decision.

Merits of the Application:

5. The Applicant's bid should have been disqualified. This is because the Applicant's bid is not complaint regarding the cover for the extension of Political Violence and Terrorism (PVT), and the Applicant's quotation for all the premium rates is no longer valid.

6. The approval by the Insurance Regulatory Authority for the Applicant to use a rate of 15% premium loading for the political violence and terrorism extension is null and void:
7. The Applicant charged a rate of 15% premium loading for the political violence and terrorism extension in contravention of the *Insurance (Minimum Premium and Maximum Commission Rates) Regulations, 2023*.
8. The Applicant's quotation for the Group Personal Accident (GPA) / workers' compensation insurance policy expired on 31st July 2025.
9. The decision by the Respondent's Accounting Officer to cancel the procurement process was in contravention of the *Public Procurement and Disposal of Public Assets Act* because it was made after the award of the contract.
10. The Interested Party invited the Tribunal to;
 - a) dismiss the Application.
 - b) nullify the decision of the Accounting Officer of the Respondent dated 4th July 2025 on account that it was issued outside the statutory period.
 - c) direct the Respondent to proceed with the procurement process to its logical conclusion in conformity with the best evaluated bidder notice dated 11th June 2025.
 - d) award the Interested Party the costs of the Application.

F. ORAL HEARING

1. The Tribunal held an oral hearing on August 9, 2025, via Zoom videoconferencing. The appearances were as follows:

For the Applicant

- i. *Ssemambo Rashid and Wasswa Kassim Ssensalo, counsel for the Applicant.*
- ii. *Mr John Kawuma, Chief Executive Officer; Mr Jay Sakaria, Chief Actuary; and Vivian Namayanja, Compliance Officer.*

For the Interested Party

Kenneth Mwebembezi, Acting Head Contracts and Negotiations; Kinali Albert, Legal Officer; Jerommy Nduru, Head Procurement and Disposal Unit; and James Walugembe, Manager Procurement

For the Best Evaluated Bidder

- i. *John Kallemera, counsel*
- ii. *Richard Mazune, Business Development Manager; Anthony Mwebaze, Legal Manager; Edgar Muzhura, Regional Service Centre Manager; and Richard Mwebesa, General Manager.*

G. RESOLUTION

1. The Tribunal has considered the oral and written submissions and perused the pleadings, the bids, and the bidding document. The Application raised three issues. However, in view of the pleadings and submissions of both parties, the Tribunal has reframed the issues as follows:
 - 1) Whether the Application is time-barred?
 - 2) Whether the Application is incompetent for non-service of statutory notice on the Respondent's Accounting Officer?
 - 3) Whether the Respondent erred in law and fact when it did not evaluate and announce the Applicant as the Best Evaluated Bidder for the impugned procurement following the disqualification of *Britam Insurance Uganda Limited* as the best evaluated bidder?
 - 4) Whether the Respondent erred in law and fact when it decided to cancel and retender the procurement?
 - 5) What remedies are available to the parties?

Issue No. 1:

Whether the Application is time barred?

2. The Applicant was dissatisfied with the outcome of the procurement process and filed an administrative review complaint with the Respondent's Accounting Officer on June 23, 2025.

3. Section 106 (7) of the *Public Procurement and Disposal of Public Assets Act Cap 205* requires the Accounting Officer to make and communicate a decision in writing within ten days of receiving the complaint.
4. The ten days started to run on June 24, 2025, and elapsed on July 3, 2025.
5. However, the Respondent's Accounting Officer purported to make an administrative review decision on July 4, 2025. This decision was made outside the prescribed statutory timelines, was therefore null and void and contrary to the law. It is no decision at all and inconsequential. See **Application No. 14 of 2025-BUU- Lepu Foundation Ltd v Lira City Council**, and **Application No. 31 of 2024- Jlk Construction Company Limited v Kira Municipal Council**.
6. Section 106(8) of the *Public Procurement and Disposal of Public Assets Act Cap 205* stipulates that where an Accounting Officer does not make a decision or communicate a decision within the period specified in subsection (7), the bidder may make an application to the Tribunal, in accordance with Part IX of the Act.
7. Section 115 (2) (c) of the *Public Procurement and Disposal of Public Assets Act Cap 205* provides that where an Accounting Officer does not make a decision within the time prescribed in section 106 (7), an aggrieved bidder shall make an application to the Tribunal within ten days from the date of expiry of the period specified in section 106 (7).
8. In the instant case, the time prescribed for the Respondent's Accounting Officer to make and communicate a decision elapsed on July 3, 2025. The Applicant was therefore expected to act with

haste and file an application for review of the decision (including the failure to make a decision within statutory timelines) of the Respondent within ten days from July 3, 2025. The time started to run on **July 4, 2025** and would have elapsed on **July 13, 2025**.

9. We have observed that the date of **July 13, 2025**, fell on a Sunday, a day on which the offices of the Tribunal were closed. The next working day, being **July 14, 2025**, became the last date by which the Applicant ought to have filed its application before the Tribunal. See regulation 33(b) of the *Public Procurement and Disposal of Public Assets (Tribunal) (Procedure) Regulations, 2016* and Section 34(1)(b) of the *Interpretation Act, Cap 6*.
10. It is therefore our finding that the instant application filed on **July 25, 2025**, was filed out of the statutory time frames and contrary to section 115(2)(b) of the *Public Procurement and Disposal of Public Assets Act Cap 205*.
11. The Tribunal has guided that a bidder should not wait to receive an Accounting Officer's decision once the 10 days prescribed in Section 106 (7) of the *Public Procurement and Disposal of Public Act Cap 205* have elapsed. Such a bidder should act with haste and immediately proceed to file an application before the Tribunal within 10 days. See ***Application No. 17 of 2025, Purearc Engineering Company Limited v Uganda Electricity Distribution Co. Ltd.***

12. The Applicant did not pursue the appropriate legal remedy of challenging the Accounting Officer's failure to issue a decision within the statutory timeframe by filing an application with the Tribunal. Instead, on July 7, 2025, the Applicant chose to submit a second administrative review to the same Accounting Officer, disputing the cancellation of the procurement and the order to re-tender.
13. It has been established and determined that the Accounting Officer's whole decision dated July 4, 2025, was a nullity and therefore had no legal effect. As such, there was no valid decision in existence that required challenging by the Applicant, making any attempt to do so both unnecessary and legally unfounded. Moreover, the law does not permit a bidder to submit a second administrative review to the same Accounting Officer who has already rendered a decision on the matter.
14. Further, even if the decision was deemed valid, the Applicant erred in seeking redress through the same Accounting Officer who issued the impugned decision. Once an Accounting Officer makes a determination under Section 106(7) of the *Public Procurement and Disposal of Public Assets Act*, they become *functus officio* and cannot revisit or alter that decision. An aggrieved bidder must instead lodge an application before the Tribunal under Section 115(1) (a) of the Act to lawfully challenge such a decision.
15. The Tribunal has consistently emphasized that the timelines prescribed under the *Public Procurement and Disposal of Public Assets Act* are mandatory and serve a clear legal purpose. The Act does not grant the Tribunal authority to extend or vary these timelines. Consequently, if a party fails to act within the stipulated period, the Tribunal loses jurisdiction over the matter.

This position has been affirmed in cases such as ***Eclipse Edisoil JVC Ltd v Napak District Local Government (High Court Civil Appeal No. 05 of 2024, arising from Tribunal's Registry Application No. 33 of 2023)***; Application No. 17 of 2025, ***Purearc Engineering Company Limited v Uganda Electricity Distribution Co. Ltd***; and ***Application no. 21 of 2024-Raxio Data Centre SMC Limited v Bank of Uganda***.

16. There can be no estoppel against the law. See: ***Attorney General v Abdul Karim Winyi [1993] UGSC 12***. Therefore, the Tribunal cannot agree with the Applicant's submission that the Respondent is estopped from raising the defence of limitation.
17. The instant Application is time-barred and incompetent. In the circumstances, we shall not delve into the merits of the Application.
18. The Interested Party, *Britam Insurance Uganda Limited*, invited the Tribunal to find that the decision by the Accounting Officer of the Respondent to cancel the procurement process was in contravention of the *Public Procurement and Disposal of Public Assets Act* because it was done after the award of the contract. They asked the Tribunal to direct the Respondent to proceed with the procurement process to its logical conclusion in conformity with the Best Evaluated Bidder notice dated 11th June 2025. However, *Britam Insurance Uganda Limited* did not file any application to challenge the impugned decision, which was made on July 4, 2025. The time for challenging the decision has long passed. Their prayer is therefore misconceived and time-barred.
19. **Issue no. 1 is resolved in the affirmative.**

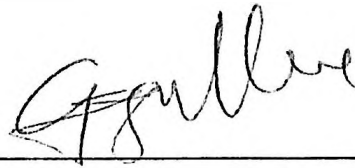
H. DISPOSITION

1. The Application is struck out.
2. The Tribunal's suspension order dated July 25, 2025, is vacated.
3. Each party shall bear its own costs.

Dated at Kampala this 12th day of August 2025.



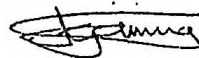
NELSON NERIMA
MEMBER



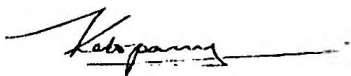
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