

Uganda

Government Central Purchasing Corporation Act Chapter 311

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Government Central Purchasing Corporation Act

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Government Central Purchasing Corporation Act

Chapter 311

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An Act to establish a public corporation for the purchase of goods required by the Government for its own use and to provide for other matters connected therewith.

Part I – Interpretation

1. Interpretation

In this Act, unless the context otherwise requires—

- (a) **"board"** means the board of directors established under [section 5](#);
- (b) **"chairperson"** means the chairperson of the board of directors;
- (c) **"corporation"** means the corporation established by [section 2](#);
- (d) **"financial year"** means for any accounting period a period of twelve months ending on the 30th June;
- (e) **"Minister"** means the Minister responsible for finance.

Part II – Establishment of Government Central Purchasing Corporation

2. Establishment of the Government Central Purchasing Corporation

- (1) There is established a corporation to be known as the Government Central Purchasing Corporation.
- (2) The corporation shall be a body corporate with perpetual succession and a common seal and shall be capable of suing or being sued in its corporate name and, subject to this Act, may borrow money, acquire and dispose of property and do all such other things as a body corporate may lawfully do.
- (3) The seal of the corporation shall be authenticated by the signatures of the chairperson and director general.
- (4) In the absence of the chairperson, two other members of the board designated for that purpose by the board shall sign in the place of the chairperson, and the person performing the functions of director general may sign in the absence of the director general.
- (5) Every document purporting to be an instrument issued by the corporation and to be sealed with the seal of the corporation authenticated in the manner provided by subsection (3) or (4) shall be received and be deemed to be such an instrument without further proof unless the contrary is shown.

3. Objectives of the corporation

The objectives of the corporation shall be—

- (a) to procure the Government needed materials and services at the fairest price possible using the advantage of bulk purchase to earn discount;
- (b) to ensure that the Government gets value for money from all purchases through the utilisation of expert knowledge in purchasing from both local and international markets;
- (c) to expeditiously carry out the functions of purchasing and delivery of the required materials and services on time in order to increase Government efficiency through minimisation of stock-out periods.

4. Functions of the corporation

(1) The functions of the corporation shall be—

- (a) to acquire, by purchase or in any other manner, goods or categories of goods as the Minister may by statutory instrument specify, for the use of the Government;
- (b) to store and supply to the Government any goods the corporation may acquire in a manner which conforms with the best standards of materials management;
- (c) to advise the Government on purchasing policy and practice and to participate in the review of that policy from time to time.

(2) In the performance of its functions, the corporation shall have due regard to the following and such other guidelines as the Minister may, in writing, address to the corporation—

- (a) the need to carry out a proper evaluation of prices on a competitive basis, taking into account the use for which any goods are to be acquired and the suitability and longevity of those goods in the context of the circumstances in which they are to be used;
- (b) the need to give preference to the purchase of goods available within Uganda;
- (c) the time within which any goods required by the Government may be acquired and utilised for a particular purpose with a view to employing at all times optimal procurement methods.

5. Board of directors of the corporation

- (1) There shall be a board of directors of the corporation which shall consist of eight members appointed by the Minister on such terms and conditions as he or she may determine.
- (2) The Minister shall appoint the chairperson of the board from members appointed under subsection (1).
- (3) A member of the board shall hold office for a term of two years and shall be eligible for reappointment for not more than three consecutive terms.
- (4) The members appointed under subsection (1) shall be persons who qualify for such appointment by virtue of their experience in commerce, finance, public administration, materials management or in matters relating to economic planning and development.
- (5) The Schedule to this Act shall apply to meetings of the board, and the Minister may, by statutory instrument, amend the Schedule.

6. Functions of the board

The functions of the board shall be—

- (a) to formulate and review the policy of the corporation;

- (b) to set targets for the annual performance of the corporation;
- (c) to appraise and evaluate the performance of the management of the corporation;
- (d) to appoint and discipline members of the staff of the corporation;
- (e) to determine the organisational structure and staffing of the corporation; and
- (f) to perform any other function relating to the above functions as the Minister may direct.

7. Officers and staff

- (1) There shall be a director general of the corporation appointed by the Minister on the recommendation of the board and on such terms and conditions as the Minister may determine.
- (2) The director general shall be the chief executive of the corporation and shall be responsible for the day-to-day operations of the corporation.
- (3) Subject to this Act and the general supervision and control of the board, the director general shall be responsible for the management of the funds, property and business of the corporation and for the administration, organisation and control of the other officers and staff of the corporation.
- (4) The director general shall be a member of the board.
- (5) The board shall appoint a corporation secretary who, among other duties, shall be responsible for taking minutes of the proceedings of the board.

8. Duty of Government Ministries, departments, etc. to cooperate with the corporation

Every Ministry, department or other division of the Government shall, to the greatest possible extent consistent with the corporation's functions under this Act, afford the corporation all reasonable opportunity for consultation and shall, subject to any law, provide the corporation with such information as the corporation may require.

Part III – Financial and related provisions

9. Funds of the corporation

The funds available for the purpose of enabling the corporation to perform its functions under this Act shall consist of—

- (a) money from time to time appropriated by Parliament for that purpose;
- (b) all monies received by the corporation for goods or services provided under the authority of this Act;
- (c) all monies borrowed by the corporation;
- (d) any such other monies received by, or made available to, the corporation for the purposes of performing its functions under this Act.

10. Duty of the corporation to operate on commercial principles

The corporation shall—

- (a) perform its functions in accordance with commercial principles and shall ensure as far as possible that its revenue is sufficient to meet expenditure properly chargeable to revenue; and
- (b) determine and charge a fee or commission for the procurement of any goods or for the provision of its services to enable it to cover its expenditure.

11. Estimates

- (1) The director general shall, within not less than three months before the end of each financial year, prepare and submit to the board for its approval estimates of income and expenditure of the corporation for the next ensuing year and may, at any time before the end of a financial year, prepare and submit to the board for approval any estimates supplementary to the estimates of a current year.
- (2) No expenditure shall be made out of funds of the corporation unless that expenditure is part of the expenditure approved by the board under the estimates for the financial year in which the expenditure is to be made or in the estimates supplementary to those estimates.

Part III – Financial and related provisions

12. Accounts, audit, and annual report

- (1) The corporation shall keep proper accounts and records of its transactions and affairs and shall ensure that all monies received are properly brought to account, all payments out of its monies are correctly made and properly authorised and that adequate control is maintained over its property and over the incurring of liabilities by the corporation.
- (2) The annual accounts of the corporation shall be audited by the Auditor General.
- (3) The corporation shall, within six months after the end of each financial year, submit—
 - (a) to the Minister and the board an annual report in respect of that year containing—
 - (i) financial statements;
 - (ii) performance indicators and such other information relating to the performance indicators;
 - (iii) a report on the operations of the corporation; and
 - (iv) such other information as the board may, prior to the completion of the annual report or as otherwise supplementary to the annual report, direct in writing;
 - (b) to the Auditor General—
 - (i) the accounts of the corporation for the financial year; and
 - (ii) the annual report referred to in paragraph (a).
- (4) The Auditor General shall audit the accounts of the corporation and, within two months of the receipt by him or her of the accounts and annual report, submit his or her opinion on the accounts and the annual report to the Minister and the board.
- (5) The Minister shall cause copies of each annual report together with a copy of the opinion of the Auditor General to be laid before Parliament within six months after he or she has received them.

13. Vesting of assets

The Minister may transfer to the corporation the ownership or possession of assets belonging to the Government which, by virtue of this Act and in his or her opinion, are necessary for the corporation's performance of its functions; and thereupon the corporation shall, in respect of those assets, have all the rights and be subject to all the liabilities attaching to those assets.

14. Regulations

The Minister may, after consultation with the board, make regulations for carrying into effect this Act.

Schedule (Section 5(5))

Meetings of the board

1. Tenure of office

A member of the board shall vacate office by either—

- (a) death;
- (b) resignation; or
- (c) removal from office by the Minister.

2. Meetings of the board

- (1) The board shall meet for the transaction of business at such places and at such times as may be decided upon by the board, but the board shall meet once every three months.
- (2) The chairperson or, in his or her absence, a member appointed by the board to act in his or her place may at any time call a special meeting of the board, and shall call a special meeting upon a written request by a majority of the members of the board.
- (3) The chairperson shall preside at every meeting of the board, and in his or her absence the members present may appoint a member from among themselves to preside at that meeting.

3. Quorum

The quorum at a meeting of the board shall be four members.

4. Decisions of the board

- (1) All questions proposed at a meeting of the board shall be decided by a majority of the votes of the members present; and in the event of an equality of votes, the person presiding shall have a casting vote in addition to his or her deliberative vote.
- (2) A decision may be made by the board without a meeting by circulation of the relevant papers among the members of the board and by the expression of the views of the majority of the members in writing, but any member shall be entitled to require that the decision be deferred and that the matter on which a decision is sought be considered at a meeting of the board.

5. Disclosure of interest

- (1) A member of the board who has a direct or indirect pecuniary interest in a matter being considered or about to be considered by the board shall, as soon as possible after relevant facts have come to his or her knowledge, disclose the nature of his or her interest to the board.
- (2) A disclosure of interest under subparagraph (1) shall be recorded in the minutes of the meetings of the board, and the members making the disclosure shall not, unless the board otherwise determines in respect of that matter—
 - (a) be present during any deliberation on the matter by the board;
 - (b) take part in the decisions of the board.
- (3) For the purpose of the making of a decision by the board under subparagraph (2) in relation to a member who has made a disclosure under subparagraph (1), the member who has made such disclosure shall not—
 - (a) be present during deliberations of the board for the making of that determination; or
 - (b) influence any other member or take part in the making by the board of the determination.

6. Minutes of proceedings

- (1) The board shall cause the minutes of all proceedings of its meetings to be recorded and kept, and the minutes of each meeting shall be confirmed by the board at the next meeting and signed by the chairperson of the meeting.
- (2) The chairperson of the board shall submit to the Minister a copy of the minutes of each meeting of the board as soon as the minutes have been confirmed.

7. Board to regulate its proceedings

Subject to this Schedule, the board may regulate its own proceedings.