



**PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY**
"Procurement That Delivers"

PPDA/KANU/851

24th October 2024

The Accounting Officer
Kanungu District Local Government
P.O. Box 11
KANUNGU

**BID PREPARATORY AUDIT REPORT FOR THE COMPLETION OF KIHIFI TOWN
COUNCIL ADMINISTRATION BLOCK PHASE III (KANU851/WRKS/24-25/0002)**

Reference is made to the above subject.

The Public Procurement and Disposal of Public Assets Authority conducted a bid preparatory audit for the Completion of Kihifi Town Council administration block phase III for the financial year 2024/2025 estimated at UGX 100,000,000.

The audit exercise involved a review of the procurement plan, requisition form, shortlisting procedures, and solicitation document to be issued to bidders following the Public Procurement and Disposal of Assets Act, Cap. 205, the attendant PPDA Regulations, 2023, and Guidelines 2024.

The objectives of the audit were to:

1. Ensure that public procurement planning, requisition, and shortlisting were conducted in a manner which promotes transparency, accountability, and fairness in accordance with the PPDA Act, Cap.205, the attendant PPDA Regulations 2023, and Guidelines 2024; and
2. Establish whether the solicitation document issued to bidders was prepared in accordance with the provisions of the PPDA Act Cap.205, the attendant PPDA Regulations 2023, and Guidelines 2024.

The Authority identified a number of exceptions for the attention of Management. The purpose of this letter therefore is to communicate the following findings and recommendations for your attention and action:

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1.1. Anomalies observed during the planning, initiation and bidding document

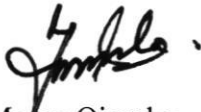
The Authority found the following anomalies:

Table 1: Anomalies during the planning phase

No.	Anomalies found	Recommendations
Requisition Form		
1.	The Authority observed that the Entity's Code for Reference Numbering was missing from the requisition form, that is, Form 5. It was further noted that the vote head, programme, sub-programme and funds balance were also not indicated.	The User Department should fill all the details in the requisition form (Form 5) in accordance with Regulation 3 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023.
Bidding Document		
1.	Failure to state the bid validity period in the required format Regulation 62(1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 states that the bidding documents shall state the date when bids should remain valid. Under ITB 20.1 of the Bid Data Sheet, the Entity did not explicitly indicate the date for which bids should remain valid but rather stated 90 working days.	The Entity should ensure that the bidding document state the date for which bids shall remain valid in accordance with Regulation 62(1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
Bid data sheet		
1.	<ul style="list-style-type: none"> i. Contradictions in ITB 9.3 which states that <i>"The Employer will be holding a pre-bid/site meeting. If a pre-bid/site meeting is being held, it shall take place at: N/A; Location; Date; Time."</i> This statement is misleading since it does not clearly indicate whether the site meeting was mandatory, and if it was, the local, date and time were not mentioned. ii. The Entity did not include the requirement for submission of Beneficial Ownership Declaration Form by the bidders contrary to PPDA Circular No. 1 of 2021. 	<ul style="list-style-type: none"> i. Since these are on-going works implemented in a phased manner, the Entity should include a requirement on site visit to allow the new contractor familiarize themselves with the previous works. The Entity also explicitly mention the location, date and time when the site visit/pre-bid meeting shall be held. ii. The Entity should include the Beneficial Ownership Declaration Form to the bidding forms provided so as to guide bidders in accordance with Circular No.1 of 2021.
Evaluation criteria		
1.	Inclusion of VAT Registration in the evaluation criteria Circular No.1 of 2015 issued by Uganda Revenue Authority (URA) states that VAT	The Head, Procurement and Disposal Unit should adhere to Circular No.1 of 2015 issued by URA and remove the

No.	Anomalies found	Recommendations
	<p>registration should not be part of the requirements for any bidding process.</p> <p>The Authority noted that the Procurement and Disposal Unit included the requirement for VAT registration under Section 3, Evaluation Methodology of the bidding document contrary to the requirements in Circular No.1 of 2015 issued by Uganda Revenue Authority.</p>	<p>provision for VAT Certificate of Registration.</p>

The purpose of this letter is to forward to you the findings from the bid preparatory audit exercise for your implementation. In order to administer and enforce compliance with the provisions of the PPDA Act, Cap. 205, the Accounting Officer should ensure that revisions are made to the bidding document before it is issued to the bidders.



Moses Ojambo

For: **EXECUTIVE DIRECTOR**

cc: Chairperson Contracts Committee

cc: Head Procurement and Disposal Unit