

PPDA/MNRH/401

29th August 2025

The Executive Director
Mulago National Referral Hospital
P.O. Box 7051
KAMPALA

BID PREPARATORY AUDIT EXERCISE OF THE PROCUREMENT FOR PURCHASE OF TWO DOUBLE CABINS (LOT 1) AND PURCHASE OF A STATION WAGON (MHC/SUPLS/25-26/0001), ESTABLISHMENT OF A CANTEEN (MHC/SRVCS/25-26/00008) AND PROVISION OF CAR WASHING SERVICES (MHC/SRVCS/25-26/00011)

Reference is made to the above subject.

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a bid preparatory audit for four procurements in the calendar year 2025, namely; for Purchase of two double cabins – Lot 1 and purchase of a station wagon – Lot 2 (MHC/SUPLS/25-26/0001), Establishment of a canteen (MHC/SRVCS/25-26/00008) and Provision of car washing services (MHC/SRVCS/25-26/00011).

The objective of the audit was to establish whether the solicitation documents issued to the bidders were prepared in accordance with the provisions of the PPDA Act Cap. 205 and PPDA Regulations 2023.

The scope of the bid preparatory audit included review of the procurement requisition forms, solicitation documents, bid notices and the Contracts Committee approval of the procurement method, Evaluation Committee and solicitation documents. The areas of the solicitation document analyzed were - Instructions to Bidders, Bid Data Sheet, Evaluation Methodology and Criteria, Bidding Forms and the Special and General Conditions of Contract.

The Authority identified some 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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Whether the solicitation documents issued to the bidders were prepared in accordance with the provisions of the PPDA Act Cap.205, PPDA Regulations 2023 and PPDA Guidelines

1. Discrepancies between the information in the bidding documents and the information in the bid advertisement

The Authority noted the following discrepancies in the information provided to bidders in the bidding document and the bid advertisement:

- i) Discrepancy in the bid submission dates: Whereas the bid advert for the Provision of car washing services and the Establishment of a canteen indicated the bid submission dates as 3rd September 2025, the bid notice in the bidding documents for the two procurements indicated the same as 29th August 2025. The bid submission date in ITB 22.1 of the Bid Data sheet (3rd September 2025) for both procurements further conflicted with the bid submission date on the bid notice in the bidding document (29th August 2025).
- ii) Discrepancy in Bid security validity period: The advert for the procurement of the two Double Cabins and Purchase of a Station Wagon indicated that all bid securities must be valid up to 7th April 2026 while the bid notice and ITB 21.3 of the Bid Data Sheet in the bidding document indicates that they are valid up to 20th February 2026.

Similarly, the advert for the Establishment of a canteen and Provision of car washing services indicated bid security validity date as 7th April 2026, contradicting ITB 19.3 of the Bid Data Sheet for both procurements which stated the bid validity date as 2nd April 2026.
- iii) Discrepancy in the Best Evaluated Bidder Display period: The advert for the procurement of the two Double Cabins and Purchase of a Station Wagon indicated that the display and communication of the Best Evaluated Bidder Notice would be within 2 working days while the procurement schedule in the bid notice in the bidding document indicated 10 working days from the Contracts Committee award.
- iv) Discrepancy in the subject of procurement: Whereas the subject of procurement for the car washing services was stated in the bidding document as Procurement of Hospital Vehicle Washing Services, the audit noted that the same was stated in the bid advert as Car Washing Services.

The Head, Procurement and Disposal Unit should amend the bidding document with view of ensuring uniformity of the information in the bidding document and the information provided in the bid advertisement in accordance with Regulation 33 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

Similarly, the Contracts Committee should henceforth initiate more stringent perusal of bidding documents issued to bidders prior to approval in accordance with Section 30(e) and 31(a)(ii) of the PPDA Act, Cap. 205.

2. Unclear Statement of Requirements in the bidding document

The Authority noted that the Statement of Requirements for the provision of car washing services contained information from the Statement of Requirements for the Establishment of a canteen. For example, under section 6(3.0): Roles and obligations of service provider, the Statement of Requirements for the provision of car washing services stated that the services of the staff canteen will be at the disposal of staff, patients etc. Also under section 6(4.0): Staffing(b), one of the qualifications of the Project Manager and Chef was a minimum of a Diploma in Hotel and Institutional Catering.

Similarly, under section 5.0: Quality, health and safety, the Statement of Requirement wanted compliance to the Public Health Act and Regulations, keeping all catering, kitchen areas and equipment clean and tidy, fumigation of staff canteen and desisting from the use of firewood and charcoal within the hospital premises. The audit attributed this to the Procurement and Disposal Unit working within the bidding document for the Establishment of a canteen. This contravened section 64(2) of the PPDA Act Cap 205 which states that *“a statement of requirement shall give a correct and complete description of the object of the procurement for the purpose of creating fairness and open competition”*.

The Head, Procurement and Disposal Unit and the User Department should revise the Statement of Requirements under Section 6 of the bidding document to capture the requirements relevant to the provision of car wash services in accordance with Regulation 36 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

Similarly, the Contracts Committee should henceforth initiate more stringent perusal of bidding documents issued to bidders prior to approval in accordance with Section 30(e) and 31(a)(ii) of the PPDA Act, Cap. 205.

3. Excessive bid security amount

Guideline 1.1(ii) of the PPDA Guideline No. 3/2024 on Bid Securities and Performance Securities indicates that a bid security should not exceed 1% of the estimated value of procurement. In the procurement of the two Double Cabins (Lot 1) and the procurement of a Station Wagon (Lot 2), the Entity exceeded the 1% provided for. Under Lot 1 (procurement of double cabins), the Entity requested for a bid security of UGX 10,000,000 which was 2.3% of the estimated value of UGX 449,125,000, exceeding the prescribed 1% by 1.3%.

In Lot 2 (Procurement of a station wagon), the Entity requested for a bid security of UGX 8,000,000, which was 2.3% of the estimated value of UGX 346,000,000, which exceeded the prescribed 1% by 1.3%. Excessive bid security amounts may discourage bidders from participating in a procurement process, hence limiting competition.

The Head, Procurement and Disposal Unit should amend the bid security amount for both lots to be below the 1% provided for in accordance with Guideline 1.1(ii) of the PPDA Guideline No. 3/2024 on Bid Securities and Performance Securities.

4. Provision of insufficient period for the display of the Best Evaluated Bidder Notice

The Authority noted that in bid advert and the planned procurement schedule in the bid notice in the bidding documents for the Provision of car washing services and the Establishment of a canteen, the Entity provided only two working days for the display and communication of Best Evaluated Bidder Notice, contrary to the ten working days required Regulation 3(1) of the PPDA(Contracts) Regulations, 2023.

The Procurement and Disposal Unit amend the bidding document and issue an addendum indicating that the display period of the Best Evaluated Bidder Notice shall be 10 working days in accordance with Regulation 3(1) of the PPDA(Contracts) Regulations, 2023.

5. Failure to state the actual date within which a bidder can seek clarification.

The Authority noted that the Entity failed to state the period for seeking clarification by bidders under ITB 7.1 of the Bid Data Sheet in the bidding documents for the Establishment of Canteen and Provision of car washing services. The Entity stated that the “Procuring and Disposing Entity will respond to any request for clarification provided that such request is received not later than” without any indication of the date, contrary to Regulation 59 (l) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 that requires an Entity to state the date by which clarification can be sought.

The Head Procurement and Disposal Unit should revise the bidding documents for the Establishment of Canteen and Provision of car washing services to include the actual date within which a bidder can seek clarification from the Entity in accordance with Regulation 59 (l) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

6. Erroneous request of both bid security and bid securing declaration

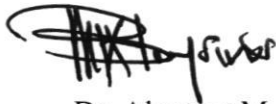
Whereas Regulation 63(1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 requires that a bidding document shall state any requirement for a bid security **OR** a bid securing declaration, the Authority noted that the Entity requested for both bid security and bid securing declaration under ITB 19.1 of the Bid Data Sheet in the bidding documents for the Establishment of the Hospital Canteen and the Provision of car washing services. Similarly, an Entity is obligated to request for bid security under open domestic bidding procurement method in accordance with PPDA Guideline 3/2024.

The Head, Procurement and Disposal Unit should amend ITB 19.1 of the Bid Data Sheet in the bidding documents for the Establishment of the Hospital Canteen and the Provision of car washing services in accordance with PPDA Guideline 3/2024 and Regulation 63(1)

of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023.

Conclusion

The purpose of this letter is to forward to you the results of the bid preparatory audit exercise. In order to administer and enforce compliance with the provisions of the PPDA Act Cap. 205 and PPDA Regulations 2023, the Entity is required to implement the recommendations of the Authority contained in this letter by amending the bidding document, issuing an addendum and extending the bidding period to allow bidders sufficient time to incorporate these changes.



Dr. Aloysius M. Byaruhanga

FOR: EXECUTIVE DIRECTOR

cc: The Chairman, Contracts Committee
cc: The Head, Procurement and Disposal Unit