

**Our Ref: PPDA/HSC/134**

29<sup>th</sup> August 2025

The Permanent Secretary  
Health Service Commission  
P.O Box 7452  
**KAMPALA**

**BID PREPARATORY AUDIT FOR THE PROCUREMENT OF MOTOR VEHICLES  
REF: HSC/SPLS/2025-2026/00013**

Reference is made to the above subject.

On 25<sup>th</sup> August 2025, the Public Procurement and Disposal of Public Assets Authority (PPDA) in accordance with Section 8 (1) (j) (i) of the PPDA Act Cap 205 conducted a bid preparatory audit for the procurement of motor vehicles for Health Service Commission Ref: HSC/SPLS/2025-2026/00013.

The objective of the audit was to establish whether the Procuring and Disposing Entity satisfied the principles of transparency, accountability and fairness in accordance with the PPDA Act, Cap 205 and PPDA Regulations 2023 in preparation of the solicitation document.

The Authority identified the following exceptions with regard to the solicitation document for the attention of management as detailed below:

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

The Authority noted that in Part 1: Section 2, Bid Data Sheet (ITB 7) of the solicitation document, the Entity stated the period to which a bidder can seek clarification in days that is 7 days prior to the bid opening date contrary to Regulation 59 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 that requires stating the date by which clarification can be sought. The omissions in the bidding document may lead to disagreements leading to unnecessary delays in the procurement process.

The Head Procurement and Disposal Unit should make a clarification on the actual date by which clarifications can be sought and issue it to all bidders immediately.

**1.2. Invalid bid validity date**

The Authority noted that in Part 1: Section 2, Bid Data Sheet (ITB 20.1) of the solicitation document, the Entity stated the bid validity period of up to 24<sup>th</sup> February 2025 yet the procurement is being conducted in the current period of August 2025 contrary to Regulation 62 (1) of the PPDA

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(Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 that require stating the date up to which a bid shall be valid. Stating an invalid bid validity date may result into bidders withdrawing bids before contract signature causing complaints and unnecessary delays.

The Head Procurement and Disposal Unit should state a valid date up to which bids shall remain valid under ITB 20.1 of the bid data sheet and notify all bidders.

### **1.3. Bid Security above the mandated threshold**

The PPDA Guideline No.3/2024 on Bid and Performance Securities states that the bank guarantee shall indicate a fixed amount and shall not exceed 1% of the estimated value of the procurement requirement. Contrary to this Guideline, the bid security in the bidding document for supply of motor vehicles exceeded 1% of the estimated cost of the procurement. Whereas the estimate for lot 1-double cabin pickups was UGX 1,252,800,000, the Entity requested for a bid security of UGX 25,000,000 (1.99%) instead of UGX 12,528,000, a difference of UGX 12,472,000 and for lot 2-station wagons was UGX 1,744,500,000, the Entity requested for a bid security of UGX 34,000,000 (1.94%) instead of UGX 17,445,000, a difference of UGX 16,555,000. This is irregular and a breach of the guideline which may reduce competition.

The Head Procurement and Disposal Unit should adhere to PPDA Guideline No.3/2024 and set a bid security requirement that does not exceed 1%.

**Other observations were noted in regard to the procurement of motor vehicles for attention of management as given below;**

### **2.1. Incorrect procurement reference number**

The Authority noted that in Part 1: Section 2, Bid Data Sheet (ITB 1.1) of the solicitation document, the Entity indicated the Reference number as HSC/SUPLS/2025-2026/00013 yet the procurement was lotted comprising of lot 1- double cabin pickups and lot 2-station wagons. This was contrary to clause 2.1.2 (e) of the (PPDA) Guideline 2/2024 which requires a separate number to be added following a five-digit number for example lot 01, 02, 03 etc where a requisition is divided into separate lots. Incorrect referencing makes identification, tracking and review of individual procurement requirements difficult.

The Head Procurement and Disposal Unit should correct the reference number provided for under ITB 1.1 of the Bid Data Sheet and throughout the bidding document.

### **2.2. Conflicting bid securities validity dates**

The Authority noted that in Part 1: Section 2, Bid Data Sheet (ITB 21.3) of the solicitation document, the Entity indicated that bid securities shall be valid up to 24<sup>th</sup> March 2026 whereas the issued advert indicated bid securities would be valid up to 28<sup>th</sup> October 2025. Such discrepancies may result in unnecessary disagreements as to whether bid securities are valid.

The Head Procurement and Disposal Unit should harmonize the bid securities validity date in the solicitation document in accordance with Regulation 63(5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

### **2.3. Approval of procurement in excess of available funds**

The Authority noted that the Entity's approved procurement plan for motor vehicles was UGX 1,955,000,000 but approved procurement of motor vehicles estimated at UGX 2,997,300,000 which was in excess of the approved procurement plan by UGX 1,042,300,000. This was contrary to Regulation 4 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 which states that a procuring and disposing Entity shall not initiate any procurement for which funds are not available or adequate in the budget of the procuring and disposing. There is a high risk of increasing arrears through over commitment of the Entity beyond its approved budget.

The Head Procurement and Disposal Unit should update the procurement plan in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023.

The purpose of this letter is to forward the findings of the bid preparatory audit exercise for implementation. The Authority recommends that the above findings are immediately rectified, necessary approvals obtained where applicable and bidders notified of the changes before bid closure.



Dr. Aloysius M. Byaruhanga  
**FOR: EXECUTIVE DIRECTOR**

cc: Chairperson Contracts Committee  
cc: Head, Procurement and Disposal Unit