



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

Our Ref: PPDA/MEAC/021

20th August 2025

The Permanent Secretary
Ministry of East African Community Affairs
P.O. Box 7343
KAMPALA

BID PREPARATORY AUDIT REPORT FOR PROVISION OF HOTEL SERVICES AND CATERING SERVICES UNDER FRAMEWORK

Reference is made to the above subject.

On 18th August 2025, the Public Procurement and Disposal of Public Assets Authority (hereinafter "PPDA or the Authority"), in accordance with Section 8 (1) (j) (i) of the PPDA Act Cap. 205, conducted a bid preparatory audit at the Ministry of East African Community Affairs for hotel services (MEACA/NCONS/2025-2026/00001) and catering services (MEACA/NCONS/2025-2026/00002) under framework contract.

The objectives of the bid preparatory audit were to:

1. Establish whether the public procurement planning and requisitioning processes were conducted in accordance with the PPDA Act Cap. 205, PPDA Regulations 2023 and PPDA Guidelines; and
2. Establish whether the solicitation document issued was drafted in a manner which promotes transparency, accountability and fairness to the bidders in accordance with the provisions of the PPDA Act Cap. 205, PPDA Regulations 2023 and PPDA Guidelines.

The scope of the bid preparatory audit entailed a review of the procurement requisition forms, solicitation documents and bid notice as well as the approvals of the Contracts Committee. The areas of the solicitation documents analyzed were; Instructions to Bidders, Bid Data Sheet, Evaluation Methodology and Criteria, Bidding Forms and the Special and General Conditions of Contract.

The Authority noted that the procurement process was handled on the e-GP system and has identified the following exceptions with regard to the procurement planning and requisition processes as well as the solicitation documents for the attention of management.

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1.1 Whether the public procurement planning and requisitioning processes were conducted in accordance with the PPDA Act Cap. 205, PPDA Regulations 2023 and PPDA Guidelines

1.1.1 Delayed confirmation of the budget by the Head of Finance

The audit noted that whereas the procurement was initiated on 14th July 2025, the Head of Finance confirmed the budget on 29th July 2025 two weeks later contrary to Section 51 of the PPDA Act Cap. 205. Delay to confirm the budget slows down the procurement process thus impacting project timelines.

The Authority recommends that the Head of Finance should expedite the confirmation of the budget to achieve efficiency in the procurement processes in accordance with Section 51 of the PPDA Act Cap. 205.

2.1 Whether the solicitation document issued was drafted in a manner which promotes transparency, accountability and fairness to the bidders in accordance with the provisions of the PPDA Act Cap. 205, PPDA Regulations 2023 and PPDA Guidelines

2.1.1 Publishing the tender before obtaining Contracts Committee's approval

The Procurement and Disposal Unit published the tender for hotel services on 5th August 2025 and catering services on 6th August 2025 before obtaining the Contracts Committee's approval of the Open Domestic Bidding method and bidding document on 7th August 2025 contrary to Section 31 (1) (a) (i) & (ii) of the PPDA Act Cap. 205. This undermines the oversight role of the Contracts Committee and could result in the issuance of poor-quality bidding documents.

The Head, Procurement and Disposal Unit should desist from publishing tenders before obtaining the Contracts Committee's approval in accordance with Section 31 (1) (a) (i) & (ii) of the PPDA Act Cap. 205.

2.1.2 Inadequate preliminary eligibility criteria

The Authority noted the following inadequacies in the preliminary eligibility criteria for the hotel services and catering services:

- i. The Entity requested for a "tax clearance certificate addressed to MEACA" for catering services and a "tax clearance certificate" for hotel services without specifying the validity period which may result in providers submitting invalid tax clearance certificates; and
- ii. Despite requesting bidders to submit a bid securing declaration and price schedule, the Entity did not upload the formats of the bid securing declaration and price schedule onto the e-GP system contrary to Regulation 45 (b) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. Providers may omit crucial details leading to submission of incomplete bids thus making evaluation challenging.

The Head, Procurement and Disposal Unit should fully and comprehensively detail the validity period of the tax clearance certificate and attach formats of the bid securing declaration and price schedule in the bidding documents for hotel services and catering services in accordance with Section 76 (2) of the PPDA Act Cap. 205.

2.1.3 No provision for assessment against public health standards

Section 65 of the PPDA Act Cap. 205 provides that Procuring and Disposing Entities shall at all times use industry standards defined and codified by internationally recognized trade associations and professional bodies in the appropriate fields.

The Authority noted that, in the procurement for catering services, the Entity did not provide for preliminary eligibility criteria to assess bidders' adherence to food safety and hygiene standards, licensing requirements and potential environmental regulations such as requesting for submission of a valid business license issued by the Kampala Capital City Authority.

The Head, Procurement and Disposal Unit should make provision for bidders' adherence to food safety and hygiene standards as well as licensing requirements in the procurement for catering services in accordance with Section 65 of the PPDA Act Cap. 205.

2.1.4 Inadequate statement of requirements

Section 64 (2) of the PPDA Act Cap. 205 provides that a statement of requirements shall give a correct and complete description of the object of the procurement or disposal activity for the purpose of creating fair and open competition.

- i. In the procurement for catering services, the Entity did not detail the period of performance of the framework contract and the estimated number of staff for whom the catering services were being procured; and
- ii. In the procurement for hotel services, the Entity did not detail the period of performance of the framework contract which makes it difficult for the providers to prepare responsive bids.

The Procurement and Disposal Unit should indicate that period of performance of the framework contracts along with the estimated number of staff for whom the catering services are being procured in accordance Section 64 (2) of the PPDA Act Cap. 205.

2.1.5 No inclusion of the draft contract

Section 67 (2) of the PPDA Act Cap. 205 provides that all solicitation documents shall:

- a. Detail the terms and conditions which shall apply to any resulting contract; and
- b. Contain the General Conditions of Contract or a statement of the General Conditions of Contract which shall apply.

The Entity uploaded an attachment without the General Conditions of Contract and Special Conditions of Contract contrary to Section 67 (2) of the PPDA Act Cap. 205. The Entity only uploaded the formats of the bid submission sheet, bid security, Code of Ethical Conduct and beneficial ownership declaration. Undefined contractual terms and conditions can create ambiguities which makes it challenging to enforce contractual obligations.

The Head, Procurement and Disposal Unit should upload a complete bidding document with clearly defined General Conditions of Contract and Special Conditions of Contract for both hotel services and catering services in accordance with Regulation 45 (d) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

The purpose of this letter is to forward the findings of the bid preparatory audit exercise. In order to administer and enforce compliance with the provisions of the PPDA Act Cap. 205, Regulations 2023 and Guidelines, the Entity is required to implement the recommendations of the Authority contained in this letter.



Simon Businge

FOR: EXECUTIVE DIRECTOR

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