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

Our Ref: PPDA/UDC/001

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BID PREPARATORY AUDIT REPORT ON SELECTED PROCUREMENT PROCESSES AT UGANDA DEVELOPMENT CORPORATION

Reference is made to the above subject.

In accordance with Section 8 (j) (i) of the Public Procurement and Disposal of Public Assets (PPDA) Act Cap. 205, the Public Procurement and Disposal of Public Assets Authority conducted a Bid Preparatory Audit of selected procurement processes at Uganda Development Corporation (UDC). The audit was undertaken to assess compliance with the PPDA legal and regulatory framework prior to the closure of bidding, with the objective of identifying weaknesses that could compromise competition, transparency, accountability and value for money.

The following two procurements were selected for the assessment:

1. Procurement of an events management firm to organise the Uganda Industrialization Summit 2026 under Ref No. UDC/NCONS/26-27/00001; and
2. Procurement of consultancy services to undertake a comprehensive feasibility study and detailed design for the establishment of a Plug-and-Play Industrial Estate at Bukasa Port under Ref No. UDC/CONS/2026-2027/00001.

The objectives of the audit were to:

i. Establish whether the public procurement and disposal planning and initiation processes were conducted in a manner which promotes transparency, accountability and fairness in accordance with the PPDA Act Cap. 205, the PPDA Regulations, 2023 and the PPDA Guidelines; and

ii. Establish whether the solicitation documents issued to the bidders were prepared in accordance with the provisions of the PPDA Act Cap. 205, the PPDA Regulations, 2023 and the PPDA Guidelines.

The scope of the bid preparatory audit entailed a review of the procurement plan, procurement requisition forms, solicitation documents and bid notices, as well as the

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approvals by the Contracts Committee of the procurement method, the Evaluation Committee and the solicitation documents.

The Authority identified the following exceptions with regard to the preparation of the bidding documents for the attention of management.

1.0 Whether the public procurement and disposal planning and requisitioning processes were conducted in a manner which promotes transparency, accountability and fairness in accordance with the PPDA Act Cap. 205, the PPDA Regulations, 2023 and the PPDA Guidelines

The review of the procurement plan, the requisitioning records and the related Contracts Committee approvals for the two procurements did not identify any exceptions for the attention of management under this objective.

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

2.1 Restrictive and inconsistent eligibility and qualification criteria in the bidding document for the Events Management Firm

Sections 51 of the PPDA Act Cap. 205 requires procurement proceedings to be conducted in a manner that maximises competition and achieves economy, efficiency and value for money.

The review established the following inconsistencies and restrictive requirements in the bidding document:

i. Section 3 required five (5) years' general experience and a Team Leader/Event Manager with five (5) years' experiences, while the Terms of Reference (Section 6) required the firm to have at least ten (10) years' experience in organising high-level conferences and a Project Director/Team Lead with a minimum of ten (10) years' experience managing head-of-state level international conferences. The two sets of requirements contradict each other and were not reconciled;

ii. Section 3 required three (3) similar assignments in the last five (5) years, while the Terms of Reference required proven experience in the last three (3) financial years, creating a further contradiction; and

iii. The financial capacity criterion required audited accounts for the "last 2–3 years" and "evidence of sufficient liquidity/resources" on a pass/fail basis without a fixed number of years for the audited books of accounts or a measurable threshold for liquidity/resources leaving the assessment to the discretion of the evaluators.

The inconsistencies create uncertainty and subjectivity as to which criteria will be applied at evaluation. while the restrictive requirements may exclude or discourage capable firms from bidding thereby reducing competition, value for money and exposing the process to complaints and administrative review.

The Head, Procurement and Disposal Unit and the User Department should harmonise the qualification requirements to make them clear, measurable and proportionate to the procurement and broaden the experience criterion to cover conferences of comparable size and value and complexity. The revised requirements should be approved by the Contracts Committee and issued to all bidders through an addendum.

2.2 Contradictory and incomplete arrangements for the issuance of the bidding documents and erroneous contact details (both procurements)

Section 48 of the PPDA Act Cap. 205 requires all procurement proceedings to be conducted in a manner that promotes transparency, accountability and fairness. Regulation 52 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 requires bid notices to be published with accurate information, while Regulation 57(5) requires the price of the bidding documents to be approved by the Contracts Committee before the bid notice is issued and to be included in the bid notice.

The review established the following:

i. Procurement of an events management firm to organise the Uganda Industrialization Summit 2026: The Abridged Bid Notice stated that the bidding document "shall be inspected and issued by email" without disclosing that issuance was subject to payment of the non-refundable fee of UGX 100,000 contrary to the Invitation to Bidders which required purchase of the document at a non-refundable fee payable "through any local bank without providing the account number for payment, e-mail address and website details in the notices which was erroneous ";

ii. Procurement of consultancy services to undertake a comprehensive feasibility study and detailed design for the establishment of a Plug-and-Play Industrial Estate at Bukasa Port: The Invitation to Consultants likewise required purchase of the Request for Proposals at a non-refundable fee of UGX 100,000 "through any local bank" without providing the account number for payment, e-mail address and website details in the notices which was erroneous; and

Bidders would be treated unequally, with some paying for the document while others obtain it free of charge and prospective bidders may abandon the process because the payment details are missing or their e-mails fail to deliver. This reduces transparency and participation and exposes both the processes to complaints and administrative review.

The Head, Procurement and Disposal Unit should issue clarifications for both procurements either confirming free issuance by e-mail or if a fee is retained, stating the exact bank and account details and applying the requirement uniformly and confirming the single correct e-mail address and website. All electronic contact points should be verified before publication of future notices.

2.3 Ambiguous and incomplete Statement of Requirements in the Events Management procurement

Regulation 36 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 requires the statement of requirements for non-consultancy services to include among others, a list of the specific tasks to be performed, a completion schedule and a schedule of deliverables. Regulation 42(a) of the same Regulations requires the Procuring and Disposing Entity to ascertain that the statement of requirements defines the requirement precisely and in a manner that leaves no doubt or assumption by a bidder, while Regulation 42(d) requires the basis of the prices and costs to be adequately defined so that they can be meaningfully compared. Regulation 60 provides for pre-bid meetings to allow potential bidders to seek clarification or access to the sites.

The review established that the Terms of Reference were ambiguous and incomplete in the following respects:

i. The expected number of Summit delegates was not stated; only the Gala Dinner was quantified (300 pax) and the numbers of Heads of State, VIPs and ordinary delegates were not indicated;

ii. The venue was not identified, being described only as "indoor and outdoor event venues as approved by UDC" and "the Hotel Management", Additionally, the exact period for was not stated;

iii. It was not stated whether venue hire, catering, delegate accommodation and airport transfers ("where applicable") are payable by the provider so that the bidder quotes for them within the bid price;

iv. The scope items listed under the Terms of Reference (items A to H) were generic without units of measure or quantities on which quotations can be based. For instance, the requirement for modular exhibition booths stated a minimum of twenty (20) booths without a maximum and it was not clear whether bidders are required to quote per unit/piece;

v. The Price Schedule in Section 4 was a blank template with no priced activity list or bill of quantities; andNo pre-bid meeting or site visit was provided for despite the multi-venue, security-sensitive nature of the event involving VVIP protocol and state security liaison.

In the absence of quantities and units of measure, bidders will interpret the requirements differently, price the largest cost drivers on assumptions and submit widely divergent, non-comparable and ambiguous quotations. This creates subjectivity in determining the Best Evaluated Bidder and raises the risk of abnormally low or highly priced bids, administrative reviews and additional costs through contract variations thereby compromising value for money and complicating contract management.

The Head Procurement and User Department through an internal working group should revisit the Terms of Reference and provide complete, measurable planning parameters including the estimated number of delegates per day (Heads of State, VIPs and ordinary delegates), the confirmed or shortlisted venue(s), the event dates, the number of exhibition days, the minimum and maximum quantities of cost items such as exhibition booths and an explicit statement of the cost items that will make up the final bid price. In doing so, guidance may be sought from the Uganda Convention Bureau, the Agencies responsible for guiding specifications for such conferences.

The Procurement and Disposal Unit should issue a structured priced activity schedule with units of measure so that all bidders price the same items and should convene a pre-bid meeting (with a virtual option), extend the bidding period accordingly and circulate the minutes and addenda to all bidders in accordance with ITB Clause 10.5 of the bidding document.

2.4 Incomplete key personnel requirements rendering parts of the technical scoring matrix incomparable

Regulation 36 (3) (h) of the PPDA (Consultancy Services) Regulations, 2023 requires the terms of reference to state the required key personnel and their minimum qualifications. Regulation 38 of the same Regulations requires the evaluation criteria to be stated in the request for proposals with the total points for all criteria amounting to one hundred and the evaluation to be conducted in accordance with those criteria without amendment. The scoring matrix in Section 3 of the Request for Proposals expressly states the experience sub-score of each expert to the "Minimum Experience (as per the TORs)".

The review of the consultancy services to undertake a comprehensive feasibility study and detailed design for the establishment of a Plug-and-Play Industrial Estate at Bukasa Port established the following:

i. Table 3 of the Terms of Reference contains no minimum academic qualifications or experience for three of the fifteen key experts namely the Geotechnical Engineer, the Water and Sanitation Engineer and the Quantity Surveyor/Cost Engineer even though Section 3 individually scores these experts (1.4, 1.2 and 1.6 points respectively) against criteria referenced to the TOR's;

ii. The academic qualification sub-scores (60%, 80% and 100% for Bachelor's, Master's and Doctoral degrees) combined with a further 40% for professional registration exceeds 100% of the sub-score without explanation of how the elements combine.

Consultants cannot determine what qualifications to propose for the three unspecified expert's requirements under section 3 of the bidding document and evaluators have no objective baseline against which to award the corresponding 4.2 points, inviting inconsistent scoring. The inconsistent bands and over allocated sub-scores compound the subjectivity and expose the technical evaluation to unnecessary complaints and administrative review.

The Head, Procurement and Disposal Unit and the User Department should complete Table 3 of the Terms of Reference with measurable minimum qualifications and experience for the Geotechnical Engineer, the Water and Sanitation Engineer and the Quantity Surveyor/Cost Engineer.

The Head, Procurement and Disposal Unit should issue an addendum aligning the experience required with each expert given a minimum and ensuring that the academic and professional registration sub-scores sum up to one hundred percent.

2.5 Contradictory durations in the Consultancy procurement (36 weeks versus 38 weeks)

Regulation 36 (3) (f) of the PPDA (Consultancy Services) Regulations, 2023 requires the terms of reference to state the duration of the assignment and the timetable for its implementation and Regulation 34 (5) (a) requires the request for proposals to define the terms of reference in a precise form and in a manner that leaves no doubt or assumption by a consultant or consulting firm.

The review established the following:

i. Paragraph 2 of the Terms of Reference states that all tasks shall be completed "within the time-frame of 36 calendar weeks (9 months)", while Table 2 of the same Terms of Reference schedules the final deliverable (D7 – Final Detailed Design Report and Tender-Ready Package) at Week 38;

ii. The Proposal Data Sheet (ITC 13.1) states the estimated level of effort as "38 calendar weeks (9 months)", while the technical evaluation criterion 3.3 assesses work plans against a "36weeks timeframe"; and

iii. The Special Conditions of Contract (GCC 18.1) state the completion period as "38 calendar weeks (9 months) working days from commencement date".

The Consultants cannot tell whether to plan and price for 36 weeks or 38 weeks following a calendar or working-day basis risking the unfair elimination of workplans under criterion 3.3 and the completion date from which delay and liquidated damages would run is uncertain.

The Head, Procurement and Disposal Unit should issue an addendum clearly stating a single assignment duration expressed in one unit of time only (calendar weeks or working days and not both), harmonize across paragraph 2 and Table 2 of the Terms of Reference, the Proposal Data Sheet, evaluation criterion 3.3 and GCC 18.1 and correct the completion period.

In light of the audit findings and recommendations, the Authority accordingly concludes that the solicitation documents for both procurements require revision to address the identified non-compliance before the procurement proceedings progress. The Head, Procurement and Disposal Unit should ensure that the amendments are approved by the Contracts Committee and that revised solicitation documents or addenda are issued to all bidders. Please share with the Authority the revised bidding documents after addressing the issues raised.

The Accounting Officer remains responsible for ensuring value for money and for the conduct of the procurement processes to completion in accordance with the provisions of the PPDA Law.

Miriam Bigirwa Nyakamadi
FOR: EXECUTIVE DIRECTOR

cc: The Chairman, Contracts Committee

cc: The Head, Procurement and Disposal Unit