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

Our Ref: PPDA/AHPC/01

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The Registrar
Allied Health Professionals' Council
P.O. Box 7272
KAMPALA

BID PREPARATORY AUDIT REPORT ON SELECTED PROCUREMENT PROCESSES AT THE ALLIED HEALTH PROFESSIONALS' COUNCIL

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 three procurement processes at the Allied Health Professionals' Council. The audit was undertaken to assess compliance with the PPDA legal and regulatory framework prior to the commencement of bidding, with the objective of identifying weaknesses that could compromise competition, transparency, accountability and value for money.

The following were the three procurements selected for the assessment:

1. Supply of Tonners and Computer consumables under framework Ref No. AHPC/SUPLS/2026-2027/00003.
2. Provision of Internet under framework contract Ref No. AHPC/NCONS/2026-2027/00004.
3. Supply and delivery of assorted office stationery under framework Ref No. AHPC/SUPLS/2026-2027/00005

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, PPDA Regulations, 2023 and PPDA Guidelines 2024; and

ii. Establish 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 2024.

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The scope of the bid preparatory audit entailed a review of the procurement plan, procurement requisition forms, solicitation documents, bid notices as well as approvals of the Contracts Committee of the procurement method, Evaluation Committee and solicitation document.
The Authority identified the following exceptions with regard to procurement planning, requisitioning and bidding document preparation 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, PPDA Regulations, 2023 and PPDA Guidelines

1.1 Initiation of procurements with estimated cost above the procurement plan value
Section 61(2) of the PPDA Act Cap. 205 requires that a procurement shall only be initiated or continued where funding in the full amount required over the contract period has been confirmed as available before any contractual commitment is made.

The audit established that two procurements were initiated using estimated procurement values that exceeded the approved procurement plan provisions in Table 1 below. The Entity did not provide evidence that additional funding had been secured or that the procurement plan had been revised to accommodate the increased procurement values before initiation.

Table 1: Procurements with estimates above the procurement plan value

No.	Subject of Procurement	Planned and Budgeted Cost (UGX)	Estimate Value on the Form 5 (UGX)	Variance (UGX)
1.	Supply of tonners and computer consumables under framework (for 2 years) Ref No. AHPC/SUPLS/2026-2027/00003	160,000,000	243,074,250	83,074,250
2.	Supply and delivery of assorted office stationery under framework (for 2 years) Ref No. AHPC/SUPLS/2026-2027/00005	185,000,000	293,301,028	108,301,028

Initiating procurements with estimated values that exceed the approved procurement plan without first confirming the availability of additional funding undermines budgetary discipline and increases the risk of entering into contractual commitments that cannot be fully financed.

This may result in delayed or cancelled procurement processes, accumulation of domestic arrears, delayed payments to provider hence contract implementation challenges and disruptions. The practice also weakens the credibility of the procurement planning process and exposes the Entity to audit queries and non-compliance with the PPDA legal framework.

The Accounting Officer should confirm availability of additional funding for the above procurements in accordance with Regulation 4 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. In future procurements he/she should ascertain that all procurement estimates are consistent with the approved procurement plan and available budget before procurement initiation.

1.2 Failure to complete the funds availability section of the requisition form

Regulation 4 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 states that "*The availability of funds shall be evidenced by budgeted or supplementary funds for the current financial year or an allocation for subsequent years*".

The Authority established that in all the three procurements reviewed, the section of funds availability was not completed. This exposes the Entity to a risk of conducting procurement transactions for which funds are not available and may inhibit the Entity's ability to prioritize in the event the budget balance is found to be low.

The User Departments, in consultation with the Finance/Accounts Department, should always indicate the amount of funds available from their budget allocation prior to confirmation of funding by the Accounting Officer in accordance with Regulation 4 (1) and (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non -Consultancy Services) Regulations, 2023.

2.0 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 2024

2.1 Use of brand names

Regulation 38(1) and (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 prohibits Procuring and Disposing Entities from specifying particular trademarks, brand names, patents, manufacturers or proprietary products unless there is no other sufficiently precise or intelligible means of describing the procurement requirement. Where such reference is unavoidable, it shall be accompanied by the words "or equivalent" to allow equivalent products to compete.

The review established that the two solicitation documents for supply and delivery of assorted office stationery and supply of tonners and computer consumables referenced proprietary brands including "BIC Pens" stapling machines "HP 45 Kangaroo" Staple wires "24/6-1m Kangaroo", "Tonner Epson BK 103" and "Tonner Canon C-EXC67" without including the qualifying phrase "or equivalent".

The use of brand-specific specifications without permitting equivalent alternatives unnecessarily restricts competition by favouring particular manufacturers or distributors while excluding other suppliers capable of providing products that meet the required functional and performance standards. This may reduce bidder participation, limit competition, increase procurement costs and compromise the achievement of value for money.

The Procurement and Disposal Unit, in consultation with the User Department, should revise the technical specifications to remove unnecessary references to proprietary brands. And harmonise the requirement in light of Regulation 38(1) and (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.2 Failure to provide for the margin of preference
Section 62 of the PPDA Act Cap. 205 requires Procuring and Disposing Entities to apply the 7prescribed margin of preference when conducting procurements using Open Domestic Bidding or Open International Bidding, where applicable.

The review established that all three solicitation documents expressly stated that a margin of preference would not apply despite the procurements being conducted using the Open Domestic Bidding method.

Failure to apply a margin of preference denies eligible national providers and local manufacturers the statutory benefits intended under Government policy to promote local content, industrialisation and value addition. This limits opportunities for local enterprises to compete on an equitable basis, undermines the achievement of national socio-economic objectives and exposes the procurement process to complaints, administrative review and potential nullification for non-compliance with the PPDA legal framework.

The Head, Procurement and Disposal Unit should revise the solicitation documents to incorporate the margin of preference in accordance with Section 62 of the PPDA Act Cap. 2025 before the bidding process proceeds.

2.3 Failure to specify the Evaluation Methodology to be applied
Regulation 5(1) of the PPDA (Evaluation) Regulations, 2023 states that "*the evaluation of bids shall be conducted in accordance with the evaluation criteria specified in the bidding documents*".

The review of the three solicitation documents established that under Section 3: Evaluation methodology and criteria, the Entity did not specify the evaluation methodology to be applied but rather stated that "*the evaluation methodology to be used for the evaluation of bids received shall be according to the type of procurement; Technical compliance Selection for supplies and Non-Consultancy Services and Quality and Cost Based Selection for consultancy services*".

Failure to specify the evaluation methodology to be applied on a specific procurement creates uncertainty as to the basis on which bids will be evaluated and exposes the procurement process to subjective assessment.

The Head, Procurement and Disposal Unit should revise the solicitation documents and specify the Evaluation methodology to be used in accordance with Regulation 5(1) of the PPDA (Evaluation) Regulations 2023.

2.4 Failure to state the exact bid validity date

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 up to which a bid shall be valid*".

The audit noted that in Bid Data Sheet (ITB 20.1) of all the three solicitation documents, the Entity indicated the bid validity period as 60 working days instead of indicating the specific bid validity date.

This creates ambiguity over the period by which bids remain valid, increased risk of inconsistent interpretation, disputes, procurement delays and award of contract based on expired bids. In addition, failure to state a date up to which a bid shall be valid may cause unnecessary complaints since different people calculate and interpret working days differently based on either nationality, faith and others.

The Head, Procurement and Disposal Unit should amend the bidding documents to state the exact date up to which a bid shall be valid in accordance with Regulation 62(1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 and communicate to all bidders.

2.5 Failure to require submission of a Performance Securing Declaration Form by local providers

PPDA Guidelines No. 3 (3.1) (ii) of 2026 states that "*Performance security in the form of a Bank Guarantee shall not be required for procurement of consultancy services, supplies, works and non-consultancy services under all procurement bidding methods for local providers. A Performance Securing Declaration shall instead be required*".

GCC 18.3 of the bidding document requires bidders to submit a performance security of 5% in form of a bank Guarantee. However, Guideline No.3/2026 issued on 1st July 2026 states that performance security shall be required for supplies/works under all procurement methods for providers that are not local, and a Performance Securing Declaration for local providers. The Entity did not require submission of a Performance Securing Declaration Form by local providers yet the procurement was open to both foreign and local firms in the three procurements assessed.

This is likely to discourage potential national bidders who find a challenge to submit a Performance Security in form of Bank Guarantees at the time of contract implementation. In addition, this may constrain local providers or result to risk award of contracts to local providers who are not adequately committed to meet contractual obligations.

The Procurement and Disposal Unit should harmonise the requirement in light of the Guideline, considering both non-local and local providers.

2.6 Failure to indicate the form of bid security in the solicitation documents

Regulation 63 (4) (b) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 states "*A Procuring and Disposing Entity* *shall require bid security to be in a form and from an institution that is specified in guidelines by the Authority, after consulting the Bank of Uganda."*

ITB 21.1 of the bidding document requires bidders to submit a bid security. However, the review revealed that the form of bid security was not specified in the solicitation documents. As a result, prospective bidders were unable to access crucial procurement information necessary for informed participation in the bidding process.

Failure to indicate the form of bid security in a solicitation document creates ambiguity, broadens bidder discretion, and limits the procuring entity's legal grounds for bid rejection.

The Procurement and Disposal Unit should ensure that the solicitation documents contain all mandatory information prescribed under the PPDA Act, Regulations and Standard Bidding Documents, including the form bid security details.

2.7 Failure to require submission of the Code of Ethical Conduct for Bidders

PPDA Guideline 4 of 2024 requires all providers of supplies, works and services to sign a declaration of compliance with codes of conduct determined by the Authority from time to time. This sets out the minimum standards expected from the bidders and providers participating in public procurement and disposal processes of Government of Uganda.
The review established that the Entity did not require submission of the Code of Ethical Conduct by the bidder for all the three procurements and bidding forms did not include the Code of Ethical Conduct for bidders.

Failure to require submission of the Code of Ethical Conduct for bidders may result in reduced assurance of ethical compliance by bidders, increased risk of unethical practices, difficulty in holding bidders accountable for ethical breaches and non-compliance with the PPDA legal and regulatory framework.

The Procurement and Disposal Unit should revise the solicitation documents to include the Code of Ethical Conduct for bidders in bidding Forms and require its submission by bidders and notify all bidders.

2.8 Failure to state the post-qualification criteria

The review established that in Section 3, Evaluation Methodology and Criteria (C) of the solicitation document for supply of tonners and computer consumables, the Entity committed to carry out post qualification without detailing the criteria and parameters on which post qualification shall be based. For instance, verification of previous contracts executed by the bidder, verification of financial information submitted by the bidder, facilities and resources, personnel and others.

Failure to provide for post-qualification criteria may create subjectivity while verifying the successful bidders' legal, financial and technical capacity before contract award, thereby increasing the risk of awarding contracts to unqualified/incompetent bidders.

The Head Procurement and Disposal Unit should revise the solicitation document, state the post-qualification criteria to be used and notify all bidders.
In light with the audit findings and recommendations, the Authority accordingly concludes that the solicitation documents require revision to address the identified non-compliance before the procurement proceedings progress. The Procurement and Disposal Unit should ensure that the amendments are approved by the Contracts Committee and new solicitation document or an addendum is issued. Please share with the Authority the revised bidding document 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