PPDA/HOIM/834

4th August 2026

The Chief Administrative Officer,
Hoima District Local Government,
P.O. Box 2,
HOIMA.

BID PREPARATORY AUDIT REPORT FOR SELECTED PROCUREMENTS IN HOIMA DISTRICT LOCAL GOVERNMENT FOR FINANCIAL YEAR 2026/2027

Reference is made to the above subject

The Public Procurement and Disposal of Public Assets Authority conducted bid preparatory audits for selected procurements for Financial Year 2026/2027 under section 8 (1) (j) (i) of the PPDA Act, Cap 205. The selected procurements are listed in Table 1 below:

Table 1: Selected procurements for bid preparatory audit

No.	Subject of Procurement	Procurement Ref. Number	Procurement Method	Procurement plan Estimates (UGX)
1.	Phase 2 (two) Construction of District Administration Block at Birungu Parish Headquarters-Administration Department	Hoima834/Wrks/2026-2027/00001	Open Domestic Bidding	950,000,000
2.	Management of revenue collection in Runga Market & Landing Site	Hoim834/Srvcs/2026-2027/00001	Open Domestic Bidding	15,400,000 per Quarter
3.	Management of slaughter fees-Kigorobya T/C	Hoim834/Srvcs/2026-2027/00027	Open Domestic Bidding	900,000 per Quarter

Source: *Sample from the bid invitation in the New Vision publication of 22nd July 2026*

The audit exercise involved a review of the procurement plan, requisition form, and solicitation document issued to bidders following the PPDA Act, Cap. 205, the attendant PPDA Regulations and Guidelines.

The objectives of the audit were to:

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1. Ensure that public procurement planning and requisitions were conducted in a manner that promotes transparency, accountability, and fairness in accordance with the PPDA Act, Cap. 205, the attendant PPDA Regulations and Guidelines;
2. Establish whether the solicitation documents issued to bidders were prepared in accordance with the provisions of the PPDA Act, Cap. 205, the attendant PPDA Regulations, and Guidelines; and
3. Ensure that the solicitation document for the procurement for collection of revenue was prepared in line with the the Ministry of Local Government Policy on Sell of Markets' Land, Development and Management in the City, Municipalities and Towns 2011.

The Authority reviewed the three solicitation documents for the procurements detailed in Table 1 above and identified a number of 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 as detailed in Tables 2 and 3 below respectively.

1. PHASE 2 (TWO) CONSTRUCTION OF DISTRICT ADMINISTRATION BLOCK AT BIRUNGU PARISH HEADQUARTERS- ADMINISTRATION DEPARTMENT

1.0 Whether the solicitation document issued to bidders was prepared in accordance with the provisions of the PPDA Act, Cap. 205, PPDA Regulations and Guidelines.

Table 2: Findings in the bidding document for Phase 2 construction of District Administration Block at Birungu Parish Headquarters -Administration Department

Instructions to Bidders Reference	Exceptions noted	Authority's recommendations
	Section 2: Bid Data Sheet	
ITB 1.1: The works consist of: Phase 2 (two) construction of Administration Block at Birungu Parish Headquarters-Administration Department **Lots:** The number and identification of lots comprising this bidding document is: The minimum and maximum number of lots a bidder may bid for is:	The Entity stated the subject of procurement instead of summary of the expected component for works to be executed. The Entity did not indicate that the lots were not applicable in this procurement.	The Entity should indicate: • The summary of the works to be executed in line with the Bills of quantities. • Expressly that this procurement is not lotted and this number of lots shall not be applicable.
ITB 9.3: The PDE shall be holding a pre-bid meeting or site visit. If a pre-bid meeting/site visit is to be held, it shall take place at: Location: Hoima District Youth Centre	The Entity was not committal on whether a pre-bid meeting or site meeting would be held.	The Entity should clearly state that a pre-bid meeting will be held indicating the venue and time. The solicitation document should clearly provide for site visits and how they will be handled.
ITB 13.1: The PDE will respond to any request for	With the deadline for receipt of bidders' requests	The Entity should clearly state that it will respond to

clarification provided that such request is received no later than 10th August 2026	for clarification being a day before bid closing of 11th August 2026, this may be too short for the Entity's to provide extensive feedback to the bidders for incorporation in their bids before bid closing.	any request for clarification provided its received not less than 5 (five) days prior to bid closure.
ITB 16.1 (a): Documents comprising the bid: Code of Conduct (ESHS): Complete and include the risks to be addressed by the Code in accordance with Section VII-Works' Requirements, e.g., risks associated with: labour influx, spread of communicable diseases, sexual harassment, gender-based violence, sexual exploitation and abuse, illicit behaviour and crime, and maintaining a safe environment etc.	The Entity did not indicate the risks to be addressed by the Code of conduct e.g., risks associated with: labour influx, spread of communicable diseases, sexual harassment, gender-based violence, sexual exploitation and abuse, illicit behaviour and crime, and maintaining a safe environment etc.	The Entity should engage the District Environment Officer and the District Community Development Officer to identity and document the risks through environmental screening to guide the Procurement and Disposal Unit on the specific ESHS requirements to incorporation in the bidding document.
The bidder shall submit Management Strategies and Implementation Plans (MSIP) to manage the following key Environmental, Social, Health and Safety (ESHS) risks.	The Entity did not provide details of the key ESHS risks i.e., Environmental, Social, Health and Safety (ESHS) risks, yet the bidder was required to submit corresponding Management Strategies and Implementation Plans (MSIP).	The District Environment Officer and District Community Development Officer should conduct environmental screening to identify and document the key ESHS risks to be addressed by the bidder in preparation of the MSIP, and submit to Procurement and Disposal Unit for incorporation in the bidding document.
ITB 21.3: The Bid Security shall be valid until 25th February 2027 (Calculated as 28 days beyond the bid validity date above).	The bid security validity is indicated 25th February 2027 instead of 28th February 2027, which is three days less than the 28 days as required, with the ITB 20.1 indicating the bid validity date as Friday 29th January 2027.	The Entity should require bidders to submit a bid securing declaration instead of bid security since this procurement is under the reservation for National providers only of below 10 billion shillings as per PPDA Guideline no. 12/2024 on reservation schemes to promote participation of local providers in public

		procurement.
ITB 40.3: The bidder shall submit with its bid the following documents to evidence that they qualify for a margin of preference:	The Entity did not indicate that a margin of preference would not be applicable since the estimated value of the procurement falls under reservation for National providers only of below 10 billion shillings as per PPDA Guideline no. 12/2024 on reservation schemes to promote participation of local providers in public procurement.	The Entity should indicate clearly state that a Margin of preference shall not be applicable.
Section 3: Evaluation Methodology		
Evaluation Methodology Reference	**Exceptions noted**	**Authority's recommendations**
Post Qualification 9.2: To qualify for award of the contract, bidders shall meet the following minimum qualifying criteria: a. Annual volume of works of at least the amount specified below; UGX 3,000,000,000 (Uganda Shillings Three Billion), *which should not exceed twice the estimated annual value of the works to be procured]* b. Experience as service provider in the provision of at least two works contracts of a nature and complexity equivalent to the Services over the last 3 years (to comply with this requirement, works contracts cited should be at least 70 percent complete) as specified below; *[Indicate the experience]*	i) The annual volume of works worth UGX 3,000,000,000 is unrealistic as its twice higher than the project estimate of UGX 950,000,000. This may limit competition by eliminating bidders who may not have executed works worth UGX 3,000,000,000 but within twice the estimated annual value of the works to be procured, who may be capable of executing the works. ii) The minimum qualifying criteria indicated under b, c and e were incomplete with no indication of the required experience, essential equipment and amount, respectively.	i) The Entity should review the criteria for annual volume /turnover of works not to exceed 50% of the estimated procurement cost. ii) The Entity should complete the criteria for b, c and e with experience, essential equipment and amount respectively as required with guidance from the District Engineer.

c. Proposals for the timely acquisition (own, lease, hire, etc.) of the essential equipment listed in below; *[Indicate the essential equipment]* d. A contract manager with five years' experience in services of an equivalent nature and volume, including no less than three years as manager; *[Indicate the experience]* and e. Liquid assets and/or credit facilities, net of other contractual commitments and exclusive of any advance payments which may be made under the contract, of no less than the amount specified below. *[Indicate amount]*		
Section 8: Special Conditions of the contract		
GCC 1.1(kk): The works consist of: Phase 2 (two) Construction of Administration Block at Birungu Parish Headquarters.	The Entity stated subject of procurement instead of the expected summary of component for works to be executed.	The Entity should clearly indicate in summary the works required to be executed by the successful bidder as detailed in the bills of quantities.

Note: *The Entity is also advised to customize the updated standard bidding documents in line with the Entity requirements without change of the substance*

2. MANAGEMENT OF REVENUE COLLECTION IN RUNGA MARKET & LANDING SITE AND MANAGEMENT OF SLAUGHTER FEES-KIGOROBYA T/C

2.1 Failure to adhere to the Ministry of Local Government Policy

The Ministry of Local Government Policy on the Sale of Markets' Land, Development and Management in Cities, Municipalities and Towns 2011 states *''no private companies or individual persons other than Market Vendors' Associations shall be allowed to develop or manage markets''*.

The Authority found that the Entity provided for individuals in the bidding document contrary to Ministry of Local Government Policy on the Sale of Markets' Land, Development and Management in Cities, Municipalities and Towns 2011.

Implication

This impacts on sustainability of Vendor Associations and the implementation of Guideline on Reservation Schemes to Promote the Participation of Registered Associations of Women Youth and Persons with Disabilities.

The Authority therefore advises as follows:

1. Management of markets should be strictly for vendors' associations. In the absence of venders' associations in the district, the Entity may appoint a district technical staff in accordance with the administrative policies of the Entity to manage and supervise the revenue collection in markets.
2. An individual not vending in the market should not register a vendors' association neither should they be a member as this would defeat the intention of having sitting tenants in the market having priority to develop and manage the markets.
3. The vendors' associations should be organized in groups based on the goods sold and services provided in the market and it is from those groups that they can choose their leaders for the respective posts in the association.
4. The vendors' association may either be registered at the district or if they have intention to operate beyond the district, they may be registered with Ministry of Trade, Industry and Co-operatives or Uganda Registration Services Bureau.
5. There is no need to first pre-qualify the associations. Where these associations are known, they should all be invited to bid under the restricted bidding method of procurement. Where they are not known, they can be invited through the open bidding method with an eligibility requirement of being a market vendor's association comprised of sitting tenants of that particular market.

2.2 Whether the solicitation document issued to bidders was prepared in accordance with the provisions of the PPDA Act, Cap. 205, PPDA Regulations and Guidelines.

Table 3: Findings under the different Sections in the bidding document for management of revenue collection of Runga market and Landing site

Bidding document reference	Exceptions noted	Authority's recommendations
Part 1: Bidding procedures		
Bid security: A Bid security shall not be required.	The Entity did not request for Bid Securing Declaration where the Bid Security is not applicable	The Entity should request for a Bid Securing Declaration prepared and submitted by the bidders, in a format that should be included in the bidding document as an addendum.
Associations: Any Association between short-listed bidders is only permitted with the prior written approval of the Procuring and Disposing Entity.	The Entity indicated the use of shortlist of bidders under Open Domestic Method which was irregular.	The Entity should open up competition for revenue collection to eligible registered market vendors associations within the specific markets in which they operate.
Section 2: Bid Data Sheet		
ITB 7.1: The Procuring and Disposing Entity will respond to any request for clarification provided that such request is received not later than	The Entity stated in days, the deadline to respond to requests for clarification from the bidders, instead of stating the exact date.	The Head, Procurement and Disposal Unit should state the exact date when the Entity will close off response to requests for clarification and the address in

Bidding document reference	Exceptions noted	Authority's recommendations
4 days prior to the deadline for submission of bids.		terms of email and telephone contact.
Part 2: Statement of Requirements		
A. Terms of Reference		
The reserve price per quarter of this revenue source is UGX 15,400,000 (Fifteen million four hundred thousand Uganda shillings only), VAT inclusive and full payment of the quoted bid price for the 2 (two) quarters will be required after the expiry of the Notice of the Best Evaluated Bidder but before Contract Signing.	• The Entity expressed the reserve price as a quarterly collection which may be misleading since the successful bidder is expected to collect revenues effective 1st September 2026, the last month of the first quarter. • The Entity requires the successful bidder to make full payment for two quarters (six months) prior to contract signing which is irregular due to absence of a contract with clear terms and conditions. • Advance payment for six months may be too restrictive in this procurement process and could compromise competition	• The Entity should indicate the revenue collection period in months and not quarters e.g., three months for clarity since the quarters will be overlapping. • The Head Procurement and Disposal Unit should; i. revise the solicitation document and indicate that advance payment will be made within five working days after contract signing and within the first days for every subsequent three months when there are clear contractual terms between the service provider and the Entity. ii. amend the documents to provide for payments to be made after contract signing as guided above since there would be legal basis to receive any payments without a contract. • The Head Procurement and Head of the User Department should consider structing a favorable payment schedule that will encourage competition among the participating vendor associations. Eg. Advance payment for a period of three months made to the Entity with in the first five working days at the begging of every three months.
B. Technical Requirements (Pass or Fail)		
(i) At least 3 (three) personnel, 2 (two) holding Uganda Certificate of Education	• The Entity requires a minimum of three personnel which may not be	• The Entity should assess the minimum number of personnel that may be adequate to manage Runga

Bidding document reference	Exceptions noted	Authority's recommendations
	sufficient to manage the Runga market and landing site concurrently. • The requirement to have personnel with a Uganda Certificate of Education is too stringent and may compromise competition.	market and landing site and mention them expressly in the solicitation document. • The Entity should request for basic requirements including but not limited to the following: - LC 1 letter as prove that the registered Vendors Associations actually operates in the specified market - Copies of National IDs (NIN for Ugandans) or passports for at least two founding/executive members. - Evidence of registration of the vendors association, Association - Copy of the constitution and articles of the Association - A registered Office or physical location or contact address for the association
(ii) List of equipment's/ tools/ machines to be used	The Entity did not specify the required tools.	The Entity should indicate the tools specifically referred to for the bidders to comply.
(iii) Evidence of the past experience for revenue sources with the reserve price exceeding UGX 7,000,000 and for revenue sources below UGX 7,000,000 no past experience shall be required.	This requirement may hinder competition especially for the newly formed and registered associations.	The Entity should clearly indicate that experience will be an added advantage but not a key requirement. Due diligence should be conducted on all known market vendors that have provided this service before with an aim of establishing how compliant they have been in making their remittances in terms of timeliness and the contractual amounts agreed.
(iv) Bidder must have a Bank statement for at least 3months from April, May and June 2026.	There is need for justification for the criteria before inclusion.	The Entity should drop this criteria as it cannot effectively assess the capacity of the bidders to pay as cash can be withdrawn any time from account.
(v) A commitment letter from the bidder to pay the quoted	This provision is irregular since no	The Entity should drop this criterion.

Bidding document reference	Exceptions noted	Authority's recommendations
price in full amount upon expiry of the Notice of the best evaluated bidder for two quarters is required.	payment should be made without a signed contract.	
(vi) Bidders are required to get a recommendation letter from the Sub-County Chief where the revenue source resides.	The Sub County may not provide the right opinion on a new bidder Vendor Associations and for the current renters, receipt of payment for the previous contract and contract management records may be sufficient.	The Entity should drop this requirement since it gives room for bias and conflict of interest.
(vii) The duration of the contract is 06 (six) months and the expected completion date is 28th February 2027.	Six months is too short a period and the revenue centres may have no operators as the Entity runs another procurement process for the same services which would not be efficient.	The Accounting Officer should consider having a contract that runs for 12 months with safe guards against nonperformance such as a Performance Securing Declaration and clear advance payment schedules every three months of the contract. For example, payments should be effected in the first five working days at the beginning of every three months. A termination clause should be included so that the contract can be terminated for failure to make advance payment as per the payment schedule. A dispute resolution clause should be included in the solicitation preferably Arbitration.
(viii) VAT is Inclusive on the reserve price therefore bidders should add it in their quotation.	The successful bidder is required to make full payment of the contract price (VAT inclusive) in line with the contract terms to the Entity. Therefore, this provision may not be required.	The Entity should drop the VAT requirement.

Bidding document reference	Exceptions noted	Authority's recommendations
(ix) Any other details or requirements relevant to the assignment	The Entity provided liberty to the bidders to submit other details or requirements relevant to the assignment, which criterion may lead to unjustified elimination of bidders who may not submit additional documentation other than what has been specificized in the bidding document.	The Entity should not provide for submission of any other requirements except those stated in the bidding document to avoid bias and unfairness at evaluation of bids. Therefore, this should be dropped from the document.
(x) The contractor shall prosecute defaulters on behalf of the district	The Entity did not provide for the applicable Law for the contractor to prosecute defaulters on behalf of the Entity	The Entity should that the contractor shall prosecute defaulters on behalf of the district in line with relevant Government of Uganda Laws.
(xi) Employ a reasonable number of competent and skilled revenue collectors, supervise, pay and discipline them independently of the District	The Entity did not provide for the minimum number of personnel required for the revenue source	The Entity should mention the minimum number of staff required per revenue source that the bidder should have.
(xii) Experience of the Association in a similar assignment.	The Entity did not give room for newly formed associations.	The Entity should give room for newly formed associations. For those that have been in existence for some time, provide for the minimum experience in form of a contract previously executed, with evidence of remittance on agreed contractual terms.
EVALUATION METHODOLOGY		
A. Documents evidencing eligibility		
Bidders will be required to submit the following documents; 1. A copy of the Bidder's income tax clearance (current) 2. A certified copy of the list of members of the association and their passport photographs. 3. A certified copy of the Society's by laws.	• The Entity did not include the requirement for submission of Bid Securing Declaration and Code of Ethical Conduct • An advance payment security in inform of a Payment receipt, won't be necessary	• The Entity should request for a Bid Securing Declaration and Code of Ethical Conduct prepared and submitted by the bidders, in a format that should be included in the bidding document as an addendum to all bidders. • The Entity should clarify the details of the Society's by laws • The Entity should require

Bidding document reference	Exceptions noted	Authority's recommendations
4. A certified copy of the powers of attorney to the signatory (ies) of the bidding process. 5. Original receipt for the purchase of Tender Documents must be submitted with the tender application. 6. A qualification form duly filled and signed by the authorized signatory. 7. Bid submission sheet duly filled and signed by the authorized signatory. 8. An advance payment security informs of a Payment receipt generated using PRN for the first 2(two) quarters of the total amount quoted is required before contract signing. 9. Relevant experience of the applicant in providing similar services with contract agreement	since payments are to be effected within a stipulated time after the contract signing. • The requirement for relevant experience of the applicant in providing similar services inform of a contract agreement should not apply to newly registered associations.	bidders to submit a registered Power of Attorney. • The Entity should consider dropping the requirement for an advance payment security in form of a Payment receipt but ask for a performance securing declaration. • The Entity should qualify the requirement for relevant experience of the applicant in providing similar services with contract agreement as applicable to Vendor Associations that have been in existence for a while and doing this business.
B. Requirements for Market Vendors Associations		
1. Certificate of registration for the Market Vendors. 2. Names of all the members in that Association. 3. Bank statements for 3 months i.e., April, May and June of 2026, (Account name should be in the names of that Association). 4. Names of the Chairperson, Secretary and Treasurer and their National Identity cards of that Association. 5. Evidence of the past experience for revenue sources with the reserve price exceeding UGX:7,000,000(Seven million Uganda shillings	These requirements are too high especially for the new Vendor Associations.	The Entity should scale down requirements to the basics of a registered Association to include but not limited to the following: • Local Council Support: Secure introductory or recommendation letters from local administrative units (such as LC1) where the vendors operate; • Copies of National IDs (NIN for Ugandans) or passports for at least two founding/executive members. • Evidence of registration of the vendors association, Association constitution and articles,

Bidding document reference	Exceptions noted	Authority's recommendations
only), for revenue sources below UGX:7,000,000(Seven million Uganda shillings only), no past experience is required. 6. Bidders are required to get a recommendation letter from the Sub-County Chief where the revenue source resides. 7. A qualification form duly filled and signed by the authorized signatory 8. Bid submission sheet duly filled and signed by the authorized signatory 9. An advance payment security inform of a PRN generated receipt for the first two quarters of the total amount quoted is required before contract signing. 10. Relevant experience of the applicant in providing similar services with contract agreement.		• Registered Office Address: A physical location or contact address for the association
Award of contract:	The Entity did not include the requirement for Performance Securing Declaration to be submitted by the eventual Best Evaluated Bidder.	The Entity should include Performance Securing Declaration in the bidding document as a requirement to be submitted by the Best Evaluated Bidder before contract signing and in a format that should be included in the bidding document.
<u>Right to review</u>: Bidders may seek an Administrative Review by the Accounting Officer in accordance with the Public Procurement and Disposal of Assets Act 2003, if they are aggrieved with the decision of the Procuring and Disposing Entity.	The Entity referred to PPDA Act 2003 which was revoked and replaced with PPDA Act, Cap. 205	The Entity should always refer to the PPDA Act, Cap. 205 as the applicable law in all Public Procurement proceedings
Section 8: Special Conditions of Contract		
GCC 26: The applicants should have paid all previous contract amounts so as to increase chances of qualification.	The Entity requires applicants to have paid all previous contract amounts which meant	The Entity should clarify on this Clause to be applicable for the current renters/ tenderers/ revenue collectors who may be

Bidding document reference	Exceptions noted	Authority's recommendations
	that only previous renters were eligible to apply for the management of Runga Market & Landing Site and yet an open bidding method was used.	required to attach evidence for the complete payments to the previous contract amounts.

3. CONCLUSION AND ADDITIONAL RECOMMENDATIONS:

The Authority noted that the bidding document for management of revenue collection in Runga Market & Landing Site was the same for the management of Slaughter fees in Kigorobya T/C and other revenue centers. The Authority, therefore provides the following recommendations for implementation by the Entity:

a) The Head, Procurement and Disposal Unit should customize the bidding document with clear terms of reference in each procurement for the provision of revenue collection services for the financial year 2026/2027 as guided in this report.

b) The User Departments and Head Procurement and Disposal Unit should ensure that the solicitation document has clear Terms of reference that will form part of the technical evaluation criteria. The Terms of reference could include but not limited to:

   i) The major objective of the procurement;

   ii) The roles and responsibilities of the contractor e.g., Collecting legal fees and issuing receipts, following up on defaulters, clear remittance procedures and account details of the employer;

   iii) List of equipment/tools/machines to be used when collecting revenue;

   iv) Evidence of previous performance and revenue remittances from previous contractors preferably within the last two years; This will not apply to newly registered vendors associations.

   v) The number for key staff required for management of each revenue source;

   vi) Key performance indicators such as collection targets, minimized collection leakages and noncompliance; and

   vii) Remedies for non-compliance.

c) The Head, Procurement and Disposal Unit should include the formats for the Code of Conduct, Bid Securing Declaration and Performance Securing Declaration in the bidding document as an addendum to the issued documents.

NB: The Accounting Officer should ensure that the above recommendations are addressed in the solicitation documents and an addendum issued to all bidders notifying them of these changes.

The bid submission deadline should be extended from 11th August 2026 to 18th August 2026 to allow bidders prepare and submit more responsive bids in light of the changes to the solicitation documents.

The Accounting Officer and Contracts Committee shall remain responsible for ensuring value for money and for the conduct of procurement in accordance with the provisions of the PPDA Act, Cap.205.

Moses Ojambo
FOR. EXECUTIVE DIRECTOR

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