



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

Our Ref: PPDA/NEC/26

3rd August 2026

The Managing Director
National Enterprise Corporation
P.O. Box 3145
KAMPALA

**BID PREPARATORY AUDIT REPORT FOR PROCUREMENT OF AGRICULTURAL
MACHINERY AND IRRIGATION EQUIPMENT UNDER PROCUREMENT
REFERENCE NUMBER: NEC-60/AGRO/SUPLS/26-27/001**

Reference is made to the above subject.

In accordance with Section 8(j)(i) of the PPDA Act, Cap. 205, the Authority conducted a Bid Preparatory Audit of the procurement of Agricultural Machinery and Irrigation Equipment at the National Enterprise Corporation (NEC). The audit assessed whether the procurement planning, initiation and solicitation documents comply with the PPDA legal framework before commencement of bidding, with the aim of identifying weaknesses that could undermine transparency, competition, accountability and value for money.

The procurement comprises three lots:

1. Lot 1: John Deere Agricultural Tractors (Approx.200 HP,250 HP with telematics capability and 285 HP) and No-Till Planters.
2. Lot 2: John Deere M4040 Self Propelled Sprayers and John Deere S7600 Combine Harvesters.
3. Lot 3: Centre Pivot irrigation system including installation and commissioning.

The audit sought to establish whether:

1. Procurement planning and initiation complied with the PPDA Act, Regulations and Guidelines; and
2. The solicitation documents complied with the applicable procurement laws and standards.

The audit reviewed the approved procurement plan, procurement requisitions, solicitation documents, bid notice and Contracts Committee approvals relating to the procurement.

Head Office
PPDA - URF Towers, Plot 39
Nakasero Road
P.O.Box 3925, Kampala Uganda
Tel: +256-414-311100
Email: info@ppda.go.ug

Western Regional Office
RDC's Building, Bishop Stretcher Road,
Opposite BOU Currency Centre, Mbarara-Kabale Road
P.O. Box 1353, Mbarara, Uganda
Tel: +256-417-733800
Email: mbararaoffice@ppda.go.ug

Northern Regional Office
Plot 1, Lower Churchill Drive
P.O. Box 999, Gulu, Uganda
Tel: +256-417-432010
Email: guluoffice@ppda.go.ug

Eastern Regional Office
Oval Plaza, Plot 1, Court Road
P.O. Box 2173, Mbale, Uganda
Tel: +256-417-890100
Email: mbaleoffice@ppda.go.ug

Page 1 of 5



PPDA Uganda



@PPDAUganda



PPDA Uganda



info@ppda.go.ug

www.ppda.go.ug

The audit identified the following areas of non-compliance requiring management attention.

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 Procurements conducted outside the Procurement Plan

Section 60 of the PPDA Act requires all procurements to be included in the approved procurement plan before initiation. Any revisions to the procurement plan should be approved and submitted to the Authority.

The review established the procurement was initiated although it was not included in the approved Annual Procurement Plan for FY2026/27. The Entity did not provide evidence that the procurement plan had been revised and approved before commencement of the procurement.

Initiating procurements outside the approved procurement plan may result in irregular procurement, commitments without approved budgetary provision and non-compliance with the PPDA Act.

Recommendation

The Head Procurement and Disposal Unit should revise and obtain approval of the procurement plan before initiating additional procurements and submit the approved revisions to the Authority

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.

2.1 Incomplete Technical Specifications

Regulation 35(2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 requires technical specifications to provide a complete, precise and unambiguous description of the required supplies to enable bidders to prepare responsive bids and facilitate objective and fair evaluation.

The review established that the technical specifications for Lot 3 (Supply, Installation and Commissioning of a Centre Pivot Irrigation System) were incomplete and did not adequately define the Entity's requirements. The Statement of Requirements merely described the requirement as a "complete centre pivot irrigation system suitable for large-scale agricultural operations, including pivot structure, drive units, control system, accessories, installation and commissioning."

Specifically, the bidding document did not adequately specify:

- the number, capacity and configuration of centre pivot units;
- minimum technical requirements for major components;
- irrigation design criteria, water source details and pumping requirements;
- site information, including farm layout, topography and soil characteristics;
- the scope of civil, electrical and installation works;
- performance standards, testing and acceptance requirements; and
- warranty, training and after-sales support obligations.

Incomplete technical specifications may result in bidders making different assumptions when preparing bids, leading to non-comparable bids, difficulties during evaluation, contract variations, implementation disputes, increased project costs and the risk of procuring a system that does not meet the Entity's operational requirements, thereby compromising value for money.

Recommendation

The User Department should revise the technical specifications to comprehensively define the technical, operational and performance requirements, including design parameters, site information, scope of works, testing requirements, acceptance criteria, warranty and after-sales support. The revised solicitation document should be approved by the Contracts Committee and issued to bidders through an addendum before the procurement proceeds.

2.2 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 solicitation document and bid notice for Lots 1 and 2 specify John Deere agricultural tractors, no-till planters, self-propelled sprayers and combine harvesters without providing for equivalent products or documenting justification for restricting the procurement to a specific manufacturer. Consequently, the specifications are based on a preferred brand rather than the required functional and performance characteristics.

The use of restrictive brand specifications may limit competition, reduce the number of responsive bids, deny the Entity the benefits of competitive procurement and expose the procurement process to administrative complaints for unfair and discriminatory specifications.

Recommendation

The Procurement and Disposal Unit, in consultation with the User Department, should revise the specifications to describe the required functional, operational and performance characteristics instead of specifying a particular manufacturer. Where a brand reference is unavoidable, it should include the words "**or equivalent**" together with the minimum technical and performance requirements that equivalent products must satisfy.

2.3 Failure to Specify Bid Security Requirements for Individual Lots

Section 48 of the PPDA Act, Cap. 205 requires procurement proceedings to be conducted in a transparent, fair and accountable manner. The PPDA Regulations and Standard Bidding Documents require bidding documents to clearly specify the applicable bid security requirements.

The procurement comprises three lots and permits bidders to bid for one, two or all three lots. However, the Bid Data Sheet and bid notice require a single bid security of UGX 120,000,000 without specifying the amount applicable to each lot or the bid security required for bidders participating in multiple lots.

The absence of lot-specific bid security requirements may result in bidders submitting inadequate or excessive bid securities, leading to avoidable bid rejection, evaluation inconsistencies, bidder complaints and reduced competition.

Recommendation

The Procurement and Disposal Unit should revise the bidding document and bid notice to clearly specify the bid security applicable to each lot and provide guidance for bidders participating in multiple lots.

2.4 Advance Payment Exceeding the Statutory Limit

Regulation 43(3) of the PPDA (Contracts) Regulations, 2023 limits advance payment to 30% of the contract price. Regulation 43(4) permits a higher advance payment only with prior approval of the Secretary to the Treasury.

The bidding document provides for an advance payment of 40% for all three lots upon submission of an acceptable advance payment guarantee. However, no evidence was provided that approval had been obtained from the Secretary to the Treasury for an advance payment exceeding the statutory limit.

Providing for an advance payment that exceeds the statutory limit without the required approval may result in non-compliance with the PPDA Regulations, necessitate amendment of the bidding document or cancellation of the procurement, and expose the Entity to procurement delays, bidder complaints and contractual disputes.

Recommendation

The Procurement and Disposal Unit should revise the payment terms to comply with Regulation 43(3) by limiting advance payment to 30% of the contract price. Where a higher advance payment is justified, approval should first be obtained from the Secretary to the Treasury before issuing the solicitation documents.

2.5 Failure to Provide for a Pre-Bid Meeting and Site Visit

Section 48 of the PPDA Act requires procurement proceedings to promote transparency, fairness and competition. Regulation 60(1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 permits Procuring and Disposing Entities to hold pre-bid meetings and site visits where necessary.

The bidding document for the Supply, Installation and Commissioning of a Modern Centre Pivot Irrigation System does not provide for a pre-bid meeting or site visit despite the technical complexity of the procurement and the need for bidders to understand site conditions and design requirements.

Without a common understanding of the project requirements, bidders may prepare bids based on different assumptions, resulting in non-comparable bids, implementation disputes, contract variations and delays during contract execution.

Recommendation

The Procurement and Disposal Unit should provide for a mandatory pre-bid meeting and site visit to enable prospective bidders to obtain clarifications and familiarize themselves with the project site before bid submission.

2.6 Inadequate Advertisement of Open International Bidding Opportunity

Section 48 of the PPDA Act requires procurement proceedings to promote fairness and competition. Regulation 15(1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 requires procurements conducted

using the Open International Bidding method to be advertised in at least one publication with wide international circulation.

Although the procurement method selected was Open International Bidding, the procurement was advertised only in the *New Vision* newspaper, which does not constitute a publication with wide international circulation.

Failure to advertise internationally may limit participation by eligible international bidders, reduce competition and undermine the objectives of the Open International Bidding method.

Recommendation

The Procurement and Disposal Unit should advertise the procurement in at least one publication with wide international circulation, in addition to the required local publications, to ensure compliance with the PPDA Regulations and promote effective international competition.

Conclusion

The audit identified several deficiencies in the solicitation documents that require correction before the procurement proceeds. The Procurement and Disposal Unit should revise the bidding documents to address the issues identified, obtain the necessary approvals from the Contracts Committee, issue the revised documents through an addendum to all prospective bidders, and submit the revised solicitation documents and addendum notice to the Authority for review and confirmation of compliance.

The Accounting Officer remains responsible for ensuring that the procurement is conducted in accordance with the PPDA legal framework and achieves value for money.



Dr. Aloysius M. Byaruhanga

FOR: EXECUTIVE DIRECTOR

cc: The Chairman, Contracts Committee

cc: The Head, Procurement and Disposal Unit