



**PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY**

"Regulating for Results"

**INSPECTION REPORT IN RESPECT OF THE PROCUREMENT
PROCESS FOR THE COMPLETION OF THE RESIDENTIAL
PROJECT ON PLOTS 44, 77, 548, 550 AND 551, BLOCK 191
MAGERE, IN WAKISO DISTRICT
(NSSF/WRKS/2024-2025/00045)**

ENTITY: NATIONAL SOCIAL SECURITY FUND

REQUESTER: INSPECTORATE OF GOVERNMENT

AUGUST 2026

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ACRONYMS

AO	Accounting Officer
BEB	Best Evaluated Bidder
FY	Financial Year
Ltd	Limited
NHCC	National Housing and Construction Company Ltd
NSSF	National Social Security Fund
PDE	Procuring and Disposing Entity
PPDA	Public Procurement and Disposal of Public Assets Authority
UGX	Uganda Shillings
VAT	Value Added Tax
WRKS	Works

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1.0 SUMMARY OF FACTS

1. On 20th October 2025, the procurement for construction for the completion of the residential project on Plots 44, 77, 548, 550 and 551, Block 191 Magere, in Wakiso District was initiated at an estimated cost of UGX 43,527,305,443.
2. On 31st October 2025, the Contracts Committee approved the restricted domestic bidding procurement method, the bidding document, the shortlist of bidders and the Evaluation Committee as indicated in Tables 1 and 2 below:

Table 1: Approved shortlist of bidders

S/No	Bidder	Justification for Selection
1.	National Housing and Construction Company Ltd	In honour of the directives received.
2.	Ambitious Construction Company Ltd	Bidders got from eGP and have known experience and track record in construction
3.	Excel Construction Ltd	
4.	Vambeco Enterprises Ltd	
5.	HL Construction Ltd	
6.	Cementers Uganda Ltd	

Table 2: Approved Evaluation Committee

S/No	Name	Position
1.	Mr. Abby Bakayana	Senior Manager – Real Estate Development
2.	Mr. Allan Sekajja Gitta	Project Manager
3.	Mr. William Kayondo	Senior Manager – Budgeting and Reporting
4.	Ms. Phiona Kamukama	Procurement Manager
5.	Mr. Francis Anguyoz	Assistant Quantity Surveyor (Symbion Uganda Ltd)
6.	Mr. Simon Hector Ocen	Manager – Litigation
7.	Mr. David Wanangwe	Senior Project Manager
8.	Mr. Dan Mugura	Head, Procurement and Disposal Unit
9.	Mr. Kenneth Oweru	Ag. Chief Investment Officer

3. On 29th October 2025, a pre-bid meeting was held at the project site on Plots 44, 77, 548, 550 and 551, Block 191 Magere, Wakiso District.
4. On 31st October 2025, the Contracts Committee approved Addendum No. 1.
5. On 12th November 2025, bids were received from four bidders and opened on the same day. The record of the opening of bids is indicated in Table 3 below:

Table 3: Record of opening of bids

S/No	Bidder	Price Read Out (UGX)
1.	National Housing and Construction Company Ltd	40,978,937,889
2.	Excel Construction Ltd	51,435,879,908
3.	Cementers Uganda Ltd	45,328,300,069
4.	Ambitious Construction Company Ltd	45,492,624,595

6. On 2nd December 2025, the evaluation of bids was completed. As per the evaluation report, Ambitious Construction Company Ltd was recommended for the award of the contract at UGX 45,492,624,595.
7. On 9th December 2025, the Contracts Committee approved the evaluation report and awarded the contract to Ambitious Construction Company Ltd at UGX 45,492,624,595.
8. On 16th December 2025, the Notice of Best Evaluated Bidder was displayed with a date of removal of 2nd January 2026.
9. On 16th April 2026, the Solicitor General cleared the draft contract for signature.

2.0 OBJECTIVES OF THE INSPECTION

In accordance with Section 8 (1) (i) of the PPDA Act, Cap 205, the Authority instituted an inspection into the matter with the following objectives:

1. To establish whether the Entity ignored a Presidential Directive;
2. To establish whether Ambitious Construction Co. Ltd was eliminated during the procurement process, then re-emerged as the best evaluated bidder; and
3. To establish whether there was an unjustified escalation of cost leading to a loss of UGX 6 Billion.

3.0 LAW APPLICABLE

- i. The Public Procurement and Disposal of Public Assets Act, Cap 205; and
- ii. The Public Procurement and Disposal of Public Assets Regulations of 2023.

4.0 METHODOLOGY

In reviewing the application, the Authority adopted the following methodology:

- a) Review and analysis of the procurement action file. The records reviewed included the following:
 - i. Invitation to bid;
 - ii. Bid invitation;
 - iii. Record of issue and receipt of bids;
 - iv. Record of bid opening;
 - v. Bids submitted by respective bidders;
 - vi. The evaluation report;
 - vii. Contracts Committee meeting minutes; and
 - viii. Bids submitted by bidders.
- b) Interviews were held with the individuals indicated in table 3:

Table 4: Persons interviewed

S/No	Name	Position
National Social Security Fund		
1.	Mr. Gerald Paul Kasaato	Deputy Managing Director
2.	Mr. Dan Mugura	Chief Procurement and Disposal Officer

S/No	Name	Position
3.	Ms. Phiona Kamukama	Procurement Manager

5.0 FINDINGS BY THE AUTHORITY

5.1 *Whether the Entity ignored a Presidential Directive*

1. The Authority reviewed the procurement action file and noted that:
 - i. In April 2017, the Fund entered into a design and build agreement with Complant Engineering & Trade (U) Ltd to deliver 160 affordable residential units on land situated on Plots 8, 44, 77, and 78, Block 191, Kyanja/Magere, Wakiso District. After achieving only 42% physical progress and citing financial constraints, the contractor requested termination. The Fund formally terminated the contract in 2021. As a result of the cancellation, the Fund resolved that a consultant be procured to undertake a review of the works already executed and a new Contractor be procured to complete the project.
 - ii. On 2nd October 2023, H.E. the President of Uganda issued a directive instructing Ministries, Departments, and Agencies (MDAs) to directly procure National Housing and Construction Company Ltd (NHCC) for planned and budgeted works, services, and construction supplies. (*Annex 1*).
 - iii. On 26th March 2024, the Rt. Hon. Prime Minister communicated the directive to MDAs, reinforcing the requirement to engage NHCC under direct procurement. (*Annex 2*).
 - iv. On 25th June 2024, the Minister of Finance, Planning and Economic Development guided all Accounting Officers to implement the directive and directly procure NHCC. (*Annex 3*).
 - v. On 5th August 2024, NHCC formally wrote to NSSF requesting to be directly procured to complete the Kyanja Housing Project, citing the Presidential directive, Prime Minister's guidance, and Minister of Finance's communication. (*Annex 4*).
 - vi. On 20th November 2024, NSSF wrote to the Public Procurement and Disposal of Public Assets Authority (PPDA) seeking guidance on whether direct procurement of NHCC was permissible under the PPDA Act, Cap. 205. (*Annex 5*).
 - vii. On 28th November 2024, the Authority responded, advising that the Fund could, with approval of its Contracts Committee, directly procure NHCC in accordance with Section 91 of the PPDA Act, Cap. 205, subject to due diligence and value-for-money assessment. (*Annex 6*).
2. The Authority noted that despite the directives and the guidance from the Authority, the Fund proceeded to use the restricted domestic bidding procurement method, shortlisting NHCC alongside private firms, under the claim of increasing competition, as approved by the Contracts Committee on 31st October 2025.
3. Mr. Dan Mugula, Head, Procurement and Disposal Unit, stated during an interview that, the Fund undertook a due-diligence on the projects undertaken by National Housing and Construction Company Ltd before commencement of the procurement process, during which it was established that NHCC had neither the experience, turnover, nor equipment to undertake the works in an expedient manner given the deteriorating nature of the site.

4. The Authority, however, found that despite requests during the interview for submission of the due-diligence report, no report was ever submitted for review, which implies that a due-diligence on the capacity of National Housing and Construction Company Ltd may not have ever been undertaken.
5. Mr. Nicholas Mbeine, Head, Procurement and Disposal Unit at National Housing and Construction Company Ltd stated during an interview that the Fund did not undertake a due diligence of NHCC. Mr. Mbeine further stated that NHCC was simply invited to bid alongside other bidders during the first and second procurement processes.
1. From the above, the Authority established that the Fund's decision to apply restricted domestic bidding for the completion of the Kyanja Housing Project was not in line with the Presidential Directive, though NHCC participated in the subsequent procurement processes.

Conclusion

The Authority concludes that the Fund's decision to apply Restricted Domestic Bidding for the completion of the Kyanja Housing Project was irregular. The records show that clear directives were issued by H.E. the President, reinforced by the Prime Minister and the Minister of Finance, and further supported by PPDA's formal guidance permitting Direct Procurement of NHCC under Section 91 of the PPDA Act, Cap. 205. By resorting to restricted bidding without conducting due diligence on NHCC, the Fund disregarded lawful instructions and undermined the policy objective of building local capacity through NHCC.

In light of the above, the Authority found **merit** in the Ground raised.

5.2 *Whether Ambitious Construction Co. Ltd was eliminated during the procurement process, then re-emerged as the best evaluated bidder*

1. The Authority reviewed the procurement action file and established that the procurement for completion of the Kyanja Housing Project was first initiated on 6th June 2025. During this process, bids were received and evaluated from five bidders. All bidders, including Ambitious Construction Company Ltd, were rejected at the preliminary evaluation stage for failing to meet the eligibility requirements.
2. In line with Section 81 of the Public Procurement and Disposal of Public Assets Act, Cap. 205, *"An Accounting Officer may cancel a procurement or disposal process at any time prior to the award of contract, where there is evidence of irregularity, lack of funding, or where no responsive bids are received."* The Entity lawfully cancelled the procurement and communicated the cancellation to bidders on 4th September 2025.
3. Subsequently, a new procurement process was initiated on 20th October 2025. Under the law, cancellation of a procurement process effectively nullifies the earlier evaluation outcome. This means that all bidders, including those previously eliminated, are entitled to participate afresh in the re-tender. The Entity, therefore, invited all bidders from the first process, namely, National Housing and Construction Company Ltd, Ambitious Construction Company Ltd,

Excel Construction Ltd, Vambeco Enterprises Ltd, HL Construction Ltd, and Cementers Uganda Ltd, to submit bids again.

4. On 2nd December 2025, evaluation of the re-tendered bids was completed. Ambitious Construction Company Ltd met the eligibility and qualification requirements in the second process and was recommended for award at UGX 45,492,624,595. On 9th December 2025, the Contracts Committee approved the evaluation report and awarded the contract accordingly. The Notice of Best Evaluated Bidder was displayed on 16th December 2025, with a removal date of 2nd January 2026.
5. The Authority therefore finds that the allegation that Ambitious Construction Company Ltd was eliminated and subsequently irregularly re-emerged as the Best Evaluated Bidder is unfounded. The bidder was lawfully eliminated in the first procurement process, which was cancelled in accordance with Section 81 of the Public Procurement and Disposal of Public Assets Act, Cap. 205, on the ground that no responsive bids were received. Following the cancellation, a fresh procurement process was initiated in which all bidders, including Ambitious Construction Company Ltd, were afforded equal opportunity to compete. In the re-tender, Ambitious Construction Company Ltd satisfied the eligibility and qualification requirements and was recommended for award as the Best Evaluated Bidder. This sequence of events was consistent with the law, adhered to the principles of transparency and fairness under Section 46 of the PPDA Act, Cap. 205, and did not constitute an irregularity.

In light of the above, the Authority found **no merit** in the Ground raised.

5.3 Whether there was an unjustified escalation of cost leading to a loss of UGX 6 Billion

1. The Authority reviewed the procurement action file and noted that the procurement was initiated on 21st October 2025 at an estimated cost of UGX 43,527,305,443.
2. On 12th November 2025, bids were received from four bidders and opened on the same day. The record of the opening of bids is indicated in Table 5 below:

Table 5: Record of opening of bids

S/No	Bidder	Price Read Out (UGX)
1.	National Housing and Construction Company Ltd	40,978,937,889
2.	Excel Construction Ltd	51,435,879,908
3.	Cementers Uganda Ltd	45,328,300,069
4.	Ambitious Construction Company Ltd	45,492,624,595

3. The Authority noted that the average price quoted by bidders was UGX 45,808,935,615, which was UGX 316,311,020 higher than the price of UGX 45,492,624,595 at which Ambitious Construction Company Ltd was awarded the contract. This demonstrates that the award price was not inflated but rather fell below the average market response.
4. Further, a market survey was conducted after the award of the contract, which established that the price of UGX 45,492,624,595 was within prevailing market rates. The Accounting Officer

confirmed the availability of funding for the additional UGX 1,965,319,152 above the initial estimate, ensuring compliance with Section 4 of the PPDA Act, Cap. 205, which requires that procurement financed from public funds be undertaken in accordance with the Act, and Regulation 3(2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, which requires confirmation of the availability of funds before contract award.

5. The allegation of an unjustified escalation of cost leading to a loss of UGX 6 billion was, therefore, untrue. The difference between the initial estimate and the final contract price was explained by prevailing market conditions, confirmed through a post-award market survey, and validated by the Accounting Officer's confirmation of funding. The award price was below the average of all bids received, demonstrating value for money and compliance with statutory requirements.

In light of the above, the Authority found **no merit** in the Ground raised.

6.0 RECOMMENDATIONS

In light of the above, the Authority recommends strict adherence to lawful directives. The Fund should ensure that Presidential directives, Ministerial guidance, and statutory advice from the Authority are implemented, in line with Section 10 of the PPDA Act, Cap. 205.