

PPDA/KALI/847

3rd September, 2026

The Chief Administrative Officer,
Kaliro District Local Government,
P.O. Box 56,
KALIRO.

**BID PREPARATORY AUDIT EXERCISE INTO SELECTED PROCUREMENTS IN THE
FINANCIAL YEAR 2026/2027**

Reference is made to the above subject.

The Public Procurement and Disposal of Public Assets Authority conducted a bid preparatory audit for the following procurements for the Financial Year 2026/2027 with an estimated cost of UGX 398,289,688 indicated in Table 1 below:

Table 1: List of procurements reviewed

No.	Subject of procurement	Reference No	Estimated amount (UGX)
1.	Procurement of cassava cuttings for Production Department	KALI847/SUPLS/2026-2027/00030	28,289,688
2.	Preparation of detailed engineering designs for Extension of water from Bukamba to Nawaikoke HC III	KALI 847/SRVCS/2026-2027/00014	50,000,000
3.	Phase two construction of Nairika piped water system	KALI847/WRKS/2026-2027/00013	320,000,000
	Total		398,289,688

The audit exercise involved a review of the budget, the procurement plan, the requisition form, and the solicitation documents to be issued to bidders following the Public Procurement and Disposal of Assets Act, Cap. 205, the attendant PPDA Regulations and Guidelines.

The objectives of the audit were to:

1. Ensure that public procurement planning, requisition, and shortlisting were conducted in a manner which promotes transparency, accountability, and fairness in accordance with the PPDA Act, Cap. 205, the attendant PPDA Regulations and Guidelines 2024; and

2. Establish whether the solicitation document issued to bidders was prepared in accordance with the provisions of the PPDA Act, Cap. 205, the attendant PPDA Regulations, and Guidelines 2024.

The Authority 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:

1.1. Anomalies observed during the planning and initiation stage

The Authority found the following anomalies at the planning and initiation stage:

Table 2: Anomalies found in the planning and initiation stage

S/N	Anomalies found	Recommendations
1.	Under-budgeting: The procurement plan submitted to the Authority estimated the Phase two construction of Nairika piped water system at UGX 320,000. However, the costed bills of quantities valued the works at UGX 320,000,000, a variance of UGX. 319,680,000.	The Accounting Officer should confirm in writing that the full amount of UGX 320,000,000 or update the amount in the procurement plan, to reflect the actual amount required for the Phase two construction of Nairika piped water system in accordance with Regulation 4 of the PPDA (Procurement planning) Regulations, 2023.
2.	Under-budgeting: The procurement plan submitted to the Authority estimated the Procurement of cassava cuttings for Production Department at UGX 28,289. However, the costed amount of UGX 28,289,000, a variance of UGX. 28,260,711	The Accounting Officer should confirm in writing that the full amount of UGX 28,289,000 or update the amount in the procurement plan, to reflect the actual amount required for the Procurement of cassava cuttings for Production Department in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023.
3.	Under-budgeting: The procurement plan submitted to the Authority estimated the Preparation of detailed engineering designs for Extension of water from Bukamba to Nawaikoke HC III at UGX 50,000. However, the costed amount of UGX 50,000,000, a variance of UG. 49,950,000	The Accounting Officer should confirm in writing that the full amount of UGX 50,000,000 or amend the amount in the procurement plan, to reflect the actual amount required for the Preparation of detailed engineering designs for Extension of water from Bukamba to Nawaikoke HC III in accordance with Regulation 4 of the PPDA (Procurement planning) Regulations, 2023.

1.2. Anomalies found in the bidding documents

The Authority found the following anomalies in the selected procurements:

Table 3: Anomalies found in the bidding documents

S/N	Anomalies found	Recommendations
A. PHASE TWO CONSTRUCTION OF NAIRIKA PIPED WATER SYSTEM		
1.	ITB 1.1: provided that the number and identification of lots comprising this bidding document is: one	The Entity should revise the provision to indicate “N/A” where the requirement is not applicable because the procurement is not lotted.
2.	ITB 9.3: Date: <i>[insert day, date, month and year of pre-bid meeting e.g., Monday 16th June 2022]</i>	The Entity should provide for a pre-bid meeting date given the nature of the procurement in accordance with ITB 9 of the bidding document
3.	ITB 9.5: Site visit <i>[shall/shall not]</i> be a mandatory requirement. N/A	Given the nature of the project, which involves the construction of a water system, a site visit should be made mandatory in order to mitigate the risk of contract variations.
4.	ITB 21.1: Bid Validity Validity Period: Bids shall be valid 16 th October, 2026	The bid validity period provided is too short, considering that bid closing is scheduled for 8th September 2026 . The Entity should increase the bid validity period to allow adequate time for completion of the procurement process of evaluation, the Contracts Committee approval, Display Notice of BEB of 10 working days and Clearance Solicitor General.
5.	ITB 36.1: The currency for evaluation of bids shall be SHILLINGS	The currency should be clearly indicated as UGX (Uganda Shillings) .
6.	ITB 40.3: The bidder shall submit with its bid the following documents to evidence that they qualify for a margin of preference: a. National Identification Card or Passport b. Trading License. c. Certificate of Incorporation d. Company Form 20 e. Proof of manufacturing/assembling plant in Uganda; and f. Any other document	The Entity should revise as follows: The bidder shall submit with its bid the following documents: a. National Identification Card or Passport for the Directors; b. Trading License for FY 2026/2027; c. Certificate of Incorporation d. Company Form 20; e. Remove the requirement for a manufacturing/assembling plant in Uganda, as it is not relevant to the procurement; and f. Any other document
7.	6.2.8: Specific Experience: Participation as contractor, management contractor, or subcontractor, in at least TWO contracts within the last THREE years, each with a value of at least, that have been successfully	The Entity should clearly indicate the contract value of the required specific experience.

S/N	Anomalies found	Recommendations
8.	GCC 2.1: Contract Document: The following documents also form part of the contract: <i>N/A</i>	The Entity should revise the provision to read: “The following documents shall also form part of the contract: Agreements, contractor's bid, special conditions of contract, general conditions of contract, scope of works, drawings BOQs or activity schedule, as appropriate; & any other document listed in the SCC as forming part of the Contract.”
9.	GCC 3.8: Sectional completion: Sectional completion <i>[insert is or is not]</i> permitted	The Entity should revise the provision to clearly state whether sectional completion is permitted or not.
10.	GCC 10.2 Project Manager's Decisions: The PDE's specific approval is required for: <i>[insert items for approval]</i>	The Entity should revise the requirement since the provision is ambiguous.
11.	ITB 12.1: Subcontracting: GCC Clause 12.1 on sub-contracting is modified as follows: <i>[insert the modifications]</i>	The Entity should clearly indicate whether subcontracting is permitted or not permitted, and if permitted, clearly state the conditions that apply to subcontracting.
12.	ITB 12.1: Subcontracting: The following conditions shall apply to subcontracting: <i>[insert conditions set for subcontracting]</i>	
13.	ITB 14.1: Key Personnel: The Schedule of key personnel <i>[insert is or is not]</i> part of the contract.	The Entity should clearly indicate whether key personnel are required or not required and indicate them.
14.	Insurance covers: The minimum insurance covers shall be: a. The minimum cover for insurance of the works, plant and materials is: <i>[insert the minimum percentage for insurance cover required]</i> b. The maximum deductible for insurance of the works, plant and materials is: <i>[insert the Maximum percentage for insurance cover required]</i> c. The minimum cover for insurance of equipment is: <i>[insert the minimum percentage for insurance cover required]</i> d. The maximum deductible for insurance of equipment is: <i>[insert the Maximum percentage for insurance cover required]</i>	The Entity should clearly indicate whether insurance cover(s) are required or not required.

S/N	Anomalies found	Recommendations
	e. The minimum cover for insurance of property is: <i>[insert the minimum percentage for insurance cover required]</i> f. The maximum deductible for insurance of property is: <i>[insert the Maximum percentage for insurance cover required]</i> g. The minimum cover for personal injury or death insurance is: <i>[insert the minimum percentage for insurance cover required]</i> h. The maximum deductible for personal injury or death insurance is: i. <i>[insert the Maximum percentage for insurance cover required]</i>	
15.	GCC 19.1: Site Investigation Reports: Site Investigation Report(s) <i>[insert is/are or is/ are not]</i> part of the contract.	The Entity should clearly indicate whether site investigation reports are required or not required .
16.	GCC 22.1: Completion date: The intended completion date for the whole of the works shall be: <i>[insert completion date]</i>	The Entity should specify the period within which the project is to be completed , for example, five months from the date of site handover .
17.	GCC 26.1: Site possession: The site possession date shall be: <i>[insert date of site handover]</i>	The Entity should revise the provision to read: "The site possession date shall be communicated in the commencement instruction issued by the Project Manager."
18.	GCC 37.1: Works Program: The contractor shall submit the program for the works within <i>[insert number of days or week]</i> days/weeks of contract signature.	The Entity should revise the provision by specifying the number of days/weeks from the date of contract signing within which the relevant action is required.
19.	GCC Program updates: The period between Program updates is <i>[insert number of days]</i> days The amount to be withheld for late submission of an updated Program is: <i>[insert amount and currency]</i>	The Entity should revise the provision by specifying the number of days and the amount to be withheld for late submission of an updated programme.
20.	GCC 45.1: Correction of Defects: The defects liability period is <i>[insert number of days]</i> days	The Entity should clearly state the Defects Liability Period .
21.	GCC 56: Currencies: Payments in other currencies <i>[shall/shall not]</i> be allowed	The Entity should clearly indicate that payment in other currencies shall not be permitted in accordance with the PSST circular

S/N	Anomalies found	Recommendations
22.	GCC 58.1: Retention fee: The proportion of payments retained is <i>[insert percent to be retained]</i> percent	The Entity should clearly state the percentage of the payment proportion to be retained as retention.
23.	Liquidated damages: The liquidated damages for the whole of the works are <i>[insert percentage number]</i> per day. The maximum amount of liquidated damages for the whole of the works is <i>[insert percentage number]</i> Percent of the final contract price.	The Entity should revise the provision and specify the applicable percentage for liquidated damages usually between 0.05% and 0.1% per day and total amount not exceeding 5% and 10% in accordance with user guide page 42.
24.	GCC 61.3: Advance Payment: The advance payment will be equivalent to <i>[insert percentage number]</i> and will be paid in the same currencies and proportions as the contract price. It will be paid to the contractor within <i>[insert number of days]</i>	The Entity should clearly indicate whether advance payment shall or shall not be provided.
25.	GCC 62.1: Performance Security and ESHS Performance Security: A Performance Security and, if applicable, the ESHS Performance Security <i>[insert shall or shall not]</i> be required. The Performance Security and, if applicable, the ESHS Performance Security shall be for <i>[insert percentage number]</i> of the contract price	The Entity should revise and clearly complete the required information in accordance with Guideline No. 3 of 2026 on Bid, Performance and Advance Payment Securities.
26.	GCC 68.1: Operating and Maintenance Manuals: The date by which “as built” drawings are required is: <i>[insert date]</i> . The date by which operating and maintenance manuals are required is: <i>[insert Date]</i> _	The Entity should revise the provision and clearly indicate the required date.
27.	GCC 68.2: Amount to be withheld: The amount to be withheld for failing to produce “as built” drawings and/or operating and maintenance manuals by the date required is <i>[insert amount]</i> Uganda Shillings.	The Entity should revise the provision and clearly indicate the amount to be withheld for failure to produce drawings or operation and maintenance manuals.
28.	GCC 70.1: Payment upon Termination: The percentage to apply to the value of the work not completed, representing the employer’s additional cost for completing the works, is: <i>[insert percentage number]</i>	The Entity should revise the provision and clearly indicate the percentage to be applied to the value of the works that remain incomplete

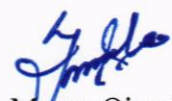
S/N	Anomalies found	Recommendations
B.	PROCUREMENT OF CASSAVA CUTTINGS FOR PRODUCTION DEPARTMENT	
1.	Validity of Bids: The bid must remain valid until: 16 th October, 2026	The Entity should revise the date to a later date , as 16th October 2026 is too close to the bid closing date of 8th September 2026 . Given the remaining stages of preparation of evaluation report, approval by the Contracts Committee and display of Notice of Best Evaluated bidder and contract signing
2.	Inadequate evaluation criteria: Documents evidence eligibility on pages 9 and 10	The Entity should include the following requirement: "A valid copy of the bidder's Trading License for FY 2026/2027." The Entity should include a requirement for evidence of similar supplies valued at an amount determined by the Entity to avoid attracting inexperienced providers.
3.	2.2 List of supplies and price schedule: a. NASE 19 Quantity 267 bags b. NAROCASS 1 Quantity 310 bags	The Entity should clearly indicate the required weight, in kilograms (Kgs), for each bag.
4.	Delivery and Documents GCC 12: The supplies are to be delivered within days/weeks/months from the date of purchase order.	The Entity should clearly specify the number of days, weeks, or months from the date of the Purchase Order within which delivery is required.
5.	Price Adjustment GCC 15.1: The price adjustment shall be:	The Entity should clearly indicate whether price adjustments are permitted or not permitted.
6.	Aggregate Liability GCC 31(b): The amendment of aggregate liability shall be;	The Entity should clearly state the aggregate liability.
C.	PREPARATION OF DETAILED ENGINEERING DESIGNS FOR EXTENSION OF WATER FROM BUKAMBA TO NAWAIKOKE HC III	
1.	Evaluation of Proposals: The evaluation of proposals will use the Quality Based methodology- page 9	The Entity should review the provision and determine what is more advantageous between Quality Based Selection and Quality & Cost Based Selection methodologies.
2.	Documents evidencing Eligibility on-page 10	The Entity should include the following: i. Technical Proposal Submission Sheet; ii. A brief methodology for performing the services; iii. A work plan indicating the inputs of all key staff; iv. Curriculum Vitae (CVs) of the key staff;

S/N	Anomalies found		Recommendations										
			v. A summary of the bidder's experience in similar assignments; vi. Financial Proposal Submission Sheet; and vii. A copy of the Breakdown of Lump Sum Price Form for each currency included in the proposal, showing all costs associated with the assignment, broken down into fees, reimbursable expenses, and miscellaneous costs.										
3.	Technical criteria: Technical proposals shall be awarded scores not exceeding the maximum number of points indicated below for each of the following criteria: <table><tr><td>Specific Experience</td><td>[5-10] points</td></tr><tr><td>Methodology Proposed</td><td>[20-50] points</td></tr><tr><td>Key Personnel</td><td>[30-60] points</td></tr><tr><td>Transfer of Knowledge</td><td>[0-10] points</td></tr><tr><td>Participation by Nationals</td><td>[0-10] points</td></tr></table>		Specific Experience	[5-10] points	Methodology Proposed	[20-50] points	Key Personnel	[30-60] points	Transfer of Knowledge	[0-10] points	Participation by Nationals	[0-10] points	The Entity should include the following: i. Clearly indicate the points allocated to each evaluation category, ensuring that the total score adds up to 100 points; and ii. Specify the minimum relevant qualifications, experience, and expertise required for each key staff member. For example, a Master's degree or Bachelor's degree in a relevant field; a minimum of three (3) years' experience in similar assignments; experience in structural design and engineering; and expertise in detailed engineering designs, as applicable.
Specific Experience	[5-10] points												
Methodology Proposed	[20-50] points												
Key Personnel	[30-60] points												
Transfer of Knowledge	[0-10] points												
Participation by Nationals	[0-10] points												
4.	GCC 8 Commencement: The Period within which the services shall have commenced is:		The Entity should provide an indicative commencement date, for example, immediately after contract signing, one week after signing the contract or a more definitive provision for commencement.										
5.	GCC 17.2 Dispute settlement: Dispute settlement shall be [insert the formal dispute settlement Mechanism preferred]		The Entity should clearly indicate the procedure for settlement of disputes.										
6.	GCC 24 Documentation for Payment: The following documentation shall be required to support invoices requesting payments:		The Entity should clearly specify the documents required to support payments, for example: • An approved Inception Report; • Draft Report; and • Final Report.										
7.	GCC 25 Payment Schedule: The payment schedule shall be:		The Entity should clearly provide the payment schedule, for example: <table><tr><th>Item</th><th>Percentage</th></tr><tr><td>Inception report</td><td>30%</td></tr><tr><td>Draft report</td><td>30%</td></tr><tr><td>Final report</td><td>40%</td></tr></table>	Item	Percentage	Inception report	30%	Draft report	30%	Final report	40%		
Item	Percentage												
Inception report	30%												
Draft report	30%												
Final report	40%												

S/N	Anomalies found	Recommendations
8.	GCC 27: Payment Period: Payment shall be made by the PDE within.... days of receipt and certification of the invoice accompanied by supporting documents	The Entity should clearly indicate the payment period, for example: <i>"Payment shall be made within thirty (30) days upon receipt and certification of the invoice, accompanied by the required supporting documents."</i>
9.	GCC 28.1 Final Payment shall be made by the PDE within ... days of receipt and certification of the invoice accompanied by supporting documents.	
10.	GCC 34.5 (c): The PDE's prior approval: The PDE's prior approval is also required for:	The Entity should clearly indicate the circumstances requiring the Entity's prior approval, for example: <i>"Any changes to this arrangement shall be subject to the prior approval of the PDE."</i>
11.	GCC 44.1: Restrictions on the use of Deliverables: The future use of deliverables is restricted as follows:	The Entity should clearly indicate the restrictions on the use of deliverables.
12.	GCC 45: A Performance Securing Declaration <i>Shall</i> be required. A Performance Security shall be for 20% of the contract price. An ES Performance Security <u>70%</u> be required. The ES Performance Security shall be for 30% of the contract price: The Performance Securing declaration shall be valid until 31 st December, 2026	The Entity should revise the provision as follows: <i>"The Entity should require a Performance Securing Declaration in the format provided by the Authority, in accordance with Guideline No. 4/2025 issued on 3rd October 2025 on Bid, Performance and Advance Payment Securities."</i>

The purpose of this letter is to forward to you the findings from the bid preparatory audit exercise for your consideration and implementation.

To administer and enforce compliance with the provisions of the PPDA Act, Cap. 205, the Accounting Officer should make revisions to the bidding documents before they are issued to the potential bidders.



Moses Ojambo

FOR: EXECUTIVE DIRECTOR

cc: Chairperson Contracts Committee

cc: Head Procurement and Disposal Unit