



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

"Regulating For Results"

PPDA/SHEE/928

21st September 2026

The Town Clerk
Sheema Municipal Council
P. O. Box 160,
KABWOHE

BID PREPARATORY AUDIT FOR THE CONSTRUCTION OF A THREE-IN-ONE STAFF HOUSE AT KASHOZI HC III AND CONSTRUCTION OF TWO CLASSROOM BLOCKS AT MUSHANGA MIXED PRIMARY SCHOOL IN SHEEMA MUNICIPAL COUNCIL

Reference is made to the above subject.

The Public Procurement and Disposal of Public Assets Authority conducted a bid preparatory audit on the above-mentioned procurement process under section 8(1)(j)(i) of the PPDA Act, Cap 205. The audit exercise involved a review of the procurement plan, requisition form, shortlisting procedures, and solicitation document to be issued to bidders following the Public Procurement and Disposal of Assets Act, Cap. 205, the attendant PPDA Regulations, 2023, and Guidelines 2024.

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 2023, 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 2023, 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.

The Authority found the following anomalies as detailed in Tables 1 and 2 below:

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Eastern Regional Office

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Table 1: Anomalies found in the bidding document for the construction of a Two Classroom Block at Mushanga Mixed Primary School

No.	Anomalies found	Recommendations
1.	Inconsistency in procurement reference numbers and school name The Invitation to Bidders referred to the procurement under Procurement reference number SHMC 703/WRKS//2026-2027/00001, while the Instruction to Bidders quotes procurement reference number SHMC703/WRKS/2026-2027/00003 and the Statement of Requirements quotes Procurement reference number SHMC 703/WRKS//2026-2027/00001.	The Procurement and Disposal Unit should revise the bidding document and ensure that the procurement reference numbers are accurately and consistently reflected throughout the document before issuance.
2.	Section 1: Instructions to Bidders, Part 8 The Entity did not clearly indicate what is required to demonstrate the capacity to comprehend ESHS requirements.	The PDU should revise the bidding document to give clear requirements for Environmental, Social, Health and Safety guards.
3.	Anomalies were noted in the Bill of Quantities as listed below: (i). The detail in Preliminaries was not broken down to identify exactly what the contractor was going to do. It leaves room for assumption. (ii). General site hoarding using papyrus mats is not sustainable to fence off the site for the four-month contract period, considering the El Niño rains expected during the construction period. (iii). The Bills also provide for a Provisional sum of UGX 2,000,000/= for Power Supply and Connections. All items identified can be quantified and measured prior to construction. (iv). The site plan within the drawing package attached was labelled Kashozi Primary School as the Proposed Site, while the procurement under review is for Mushanga Mixed Primary School.	The PDU and the technical team should undertake a review of the BOQ and reconcile all descriptions, quantities and technical specifications to provide clear requirements for bidders.
4.	Incomplete contractual terms in the Special Conditions of Contract. (i). GCC 14.1 on insurance requirements was incomplete, as the required insurance covers and maximum deductibles were not specified.	The Procurement and Disposal Unit should revise the bidding document and provide full and clear information on the Clauses mentioned for clarity purposes in accordance with Regulation 9 of the PPDA (Contracts) Regulations, 2023.

No.	Anomalies found	Recommendations
	(ii).GCC 26.1 on disputes does not indicate the dispute settlement mechanism to be used. (iii).GCC 60.1 on Payment upon Termination: The percentage to apply to the value of the work was not completed to represent the employer's additional cost for completing the works. (iv).GCC 58.1 on Operating and maintenance manuals indicates that 'as-built drawings' are not required.	

Table 2: Anomalies found in the bidding document for the construction of a Three-in-One Staff House at Kashozi HC III

No.	Anomalies found	Recommendations
1.	Inconsistency in procurement reference numbers. The Invitation to Bidders quotes procurement reference number SHMC730/wrks/2026-2027/00002, while the Special Conditions of Contract quotes procurement reference number SHMC730/wrks/2026-2027/00001	The PDU should revise the bidding document and ensure that the procurement reference number is provided accurately and consistently throughout the document in accordance with Regulation 3(6) of the Public Procurement and Disposal of Public Assets (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
2.	Inconsistent Procurement Planning, Requisitioning, and Budget Allocation: The approved procurement plan allocation of UGX 104,000,000 is UGX 25,997,793 (25%) lower than the Engineer's Estimate of UGX 129,997,793. Compounding this mismatch, the procurement requisition was raised at UGX 130,000,000, exceeding the plan by UGX 26,000,000.	Management should reconcile the UGX 104,000,000 planned amount, UGX 130,000,000 requisition and UGX 129,997,793 Engineer's Estimate, establish and document the basis for the variance, and, where applicable, ensure that the procurement plan and budget are appropriately revised and approved before proceeding with the procurement in accordance with Regulation 3(3) (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
Bill of Quantities		
1.	i) Item No. 6 under the Bill summary outlines 0.5% Contingency amounting to UGX 548,514 of the total cost is not clearly accounted for	The Procurement and Disposal Unit and the technical team should undertake a review of the BOQ and reconcile all descriptions, quantities and technical

No.	Anomalies found	Recommendations
	with regard to the scope of works to be undertaken.	specifications to provide clear requirements for bidders.
Special Conditions of Contract (SCC)		
5.	Incomplete contractual terms Regulation 9 of the PPDA (Contracts) Regulations, 2023 requires a contract to clearly identify the obligations of each party. However, the following sections of the Special Conditions of the Contract were incomplete, as detailed below: i) GCC 14.1 on insurance requirements was incomplete, as the required insurance covers and maximum deductibles were not specified. ii) GCC 26.1 on dispute did not indicate the dispute settlement mechanism to be used. iii) GCC 60.1 on Payment upon Termination: The percentage to apply to the value of the work was not completed to represent the employer's additional cost for completing the works. iv) GCC 58.1 on Operating and maintenance manuals indicates that 'as-built drawings' are not required.	The Procurement and Disposal Unit should revise the bidding document and provide full and clear information on the Clauses mentioned for clarity purposes in accordance with Regulation 9 of the PPDA (Contracts) Regulations, 2023.

The purpose of this letter, is to forward to you the findings from the bid preparatory audit exercise for your implementation. In order to administer and enforce compliance with the provisions of the PPDA Act, Cap. 205, the Accounting Officer should ensure that revisions are made to the bidding document before it is issued to the bidders.



Moses Ojambo

For: EXECUTIVE DIRECTOR

cc: Chairperson, Contracts Committee
cc: Head Procurement and Disposal Unit