



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

PPDA/RUMC/729

28th August 2025

The Town Clerk
Rukungiri Municipal Council
P. O. Box 117
RUKUNGIRI

**BID PREPARATORY AUDIT INTO THE PROCUREMENT OF A PROVIDER TO
MANAGE GARBAGE COLLECTION IN RUKUNGIRI MUNICIPALITY**

Reference is made to the above subject.

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a bid preparatory audit for the procurement of a provider for garbage collection and management Reference Number: RUKU729/SRVCS/2025-2026/00001/1 under Section 8(1)(j)(i) of the PPDA Act, Cap. 205. The audit exercise involved a review of the procurement planning, requisition/initiation and bidding document to be issued to bidders following the Public Procurement and Disposal of Assets Act, Cap. 205, the PPDA Regulations and guidelines.

The objectives of the audit were to:

1. Ensure that public procurement planning and requisition was conducted in a manner which promotes transparency, accountability and fairness in accordance with the PPDA Act, Cap. 205, and the attendant Regulations, 2023; and
2. Establish whether the bidding document issued to bidders was prepared in accordance with the provisions of the PPDA Act Cap. 205, and the attendant Regulations, 2023.

The Authority identified a number of exceptions for the attention of the Entity. The purpose of this letter therefore is to communicate the following findings and recommendations for your attention and action:

1.0 Procurement Planning and Initiation process

The following anomalies were noted:

1.1. Intention to contract the services under the Public Private Partnership (PPP) without meeting the conditions

The Public Private Partnership Act, 2015 (PPP Act, 2025) provides the following conditions for a project to qualify under the partnership arrangement:

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Section 2 (1) of the PPP Act, 2015 states that, PPPs shall apply particular to the design, construction, maintenance and operation of infrastructure or services provided under the following projects-

- (a). road, rail, subway, water and air transport facilities, including harbour and port facilities, airports and airport facilities;
- (b). information and computer technology, telecommunication and telecommunication networks;
- (c). social infrastructure, including health care facilities, correctional facilities, education facilities, accommodation facilities, public housing and court facilities;
- (d). water management facilities, including dams and water storages, water supply and distribution systems, irrigation and drainage systems and sanitation, sewerage and waste management systems;
- (e). oil pipelines, gas pipelines and gas storage, refinery, conveyance and distribution facilities;
- (f). energy-related facilities and other facilities for the generation, preservation, transmission and distribution of electricity;
- (g). sports and recreational facilities, sports grounds and space for sports and recreation, including facilities for recreational, sports and cultural activities;
- (h). tourist infrastructure facilities;
- (i). extraction and processing of mineral raw materials;
- (j). agricultural processing industries; or
- (k). any other project as the Minister may, by statutory instrument, approve.

Section 7(d) of the PPP Act, 2015, requires Accounting Officers to submit public private partnerships proposals for approval of the Public Private Partnerships Committee under the Ministry of Finance, Planning and Economic Development.

The Authority noted that the project under review did not fulfill the above-mentioned conditions and therefore can not be handled as a public private partnership. The procurement includes procurement of non consultancy services to manage garbage collection with payments recovered from actual beneficiaries of the service, which is provided for under the PPDA (Rules and Methods for Procurement of Works, Services, and Non-Consultancy Services) and the PPDA (Contracts) Regulations, 2023.

Implication

Handling the procurement as a PPP without fulfilling the conditions under the PPP Act 2015 would be an illegality.

Recommendation

The Entity should handle the project as procurement for non-consultancy services following rules and procedures enshrined under the PPDA (Rules and Methods for the Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023.

1.2. Failure to set a reserve price

The Authority noted that the Entity intended to procure a provider to manage garbage collection in the municipality. The contract consideration for the provider would be the fees paid by the residents. The Entity however, did not set the estimated value of the non-consultancy services on the Form 5 based on an assessed market price to provide assurance that the intended payment arrangement would not deprive Government of value for money contrary to Regulation 3(2)(b)

of the PPDA (Rules and Methods for the Procurement of Works, Supplies, and Non-Consultancy Services) Regulations, 2023.

Implication

Failure to undertake proper market price assessment exposes the Entity to a risk of contracting a provider at a price that would exploit the revenue benefits that would have accrued to Government.

Recommendation

The Accounting Officer should undertake a proper market price assessment on the estimated revenue collections over the projected contract price, the costs to be incurred by the successful bidder, and come up with a realistic reserve price for the revenue source in accordance with Regulation 3(2)(b) of the PPDA (Rules and Methods for the Procurement of Works, Supplies, and Non-Consultancy Services) Regulations, 2023.

2.0. The bidding document

The Authority found the following anomalies:

2.1. Failure to include a key performance indicator in the statement of requirements

The terms of reference did not include a mechanism for measuring the performance of the provider on set targets to manage the quality of the service contrary to Regulation 36 (d) of the PPDA (Rules and Methods for the Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023.

The statements of requirements did not also state the designated dumping site or area that the service provider would be dumping the collected waste.

Implication

This makes it difficult to manage the performance of the contract.

Recommendation

The Entity should identify and state the dumping site, the key deliverables of the contract, set standards and key performance indicators, and penalties to manage the performance of the provider in accordance with Regulation 36 (d) of the PPDA (Rules and Methods for the Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023. The Entity may use the measurement scale in Table 1 below for reference:

Table 1: Suggested service levels and performance standards for a garbage collection contract

Service Component	Standard	Target
Collection Frequency	Household: At least once weekly; Commercial/Public: Daily or as needed; High-density areas: Twice weekly.	100% adherence to schedule.
On-Time Performance	Collections between 8:00 am. and 6:30 pm; No collections after 6:30 pm as per the terms of reference.	Greater than 99% of collections on schedule.
Coverage	All designated zones and collection points serviced without omission.	100% coverage.

Waste Segregation and Recycling	Promote separation at source; Recycle at least 20% of collected waste (e.g., plastics, organics to compost).	Greater than 20% recycling rate, increasing by 5% annually.
Cleanliness and Spill Management	No spills or litter left post-collection; Immediate cleanup if occurs.	100% resolution within 2 hours of incident.
Equipment Reliability	Vehicles and bins maintained; No breakdowns disrupting more than 5% of routes.	Greater than 95% uptime.
Customer Service	Respond to complaints within 24 hours; Conduct annual satisfaction surveys.	Greater than 90% satisfaction rate; 100% complaints resolved within 48 hours.
Environmental Compliance	No illegal dumping; Use of NEMA-approved disposal sites as advised by the Council; Minimize emissions.	100% compliance, verified by inspections.
Health and Safety	Staff trained in protective gear usage; No accidents due to negligence.	Zero reportable incidents per quarter.

2.2. Inadequate evaluation criteria

Regulation 47(3) of the PPDA (Rules and Methods for Procurement of Works, Supplies, and Non-Consultancy Services) Regulations, 2023 requires the Entity to set evaluation criteria in the bidding document that shall be used to assess compliance with the statement of requirements, the technical and financial ability of a bidder to perform the contract and the availability of the required resources. The Authority found the criteria set was lacking as shown in Table 2 below:

Table 2: Inadequate evaluation criteria

No.	Criteria Set	Identified gap	Recommendation
1.	Past experience in garbage management for at least 3 years.	The statement lacked details on the scope, complexity, and minimum value for the previous contracts to make it easy to evaluate	Provide details on the scope, complexity and minimum value in reference to the terms of reference for example; urban waste management and disposal, innovation, segregating and recycling waste as indicated in the terms of reference.
2.	Attach tools and equipment for use.	Did not state the equipment needed with their specifications.	Assess the contract requirements and include the essential equipment that a successful bidder should possess. For example; How many garbage trucks are needed, the technology for recycling and sorting waste, means of disposal, systems for financial reporting etc.
3.	Attach a list of workers to be employed.	Did not state the key personnel needed for the assignment, their experience and qualification to aid evaluation of the bids.	Identify the key personnel necessary for the smooth running of the operations for example; a person with knowledge in project management, environmental and social safeguards, finance etc. and include them in the

			evaluation criteria with their minimum qualifications.
4.	No requirement on working capital.	The criteria did not include a section for accessing cashflows and working capital necessary to run the operations.	May require the bidders to submit their bank statements to assess their working capital against the set minimum requirements in the evaluation criteria.
5.	No price schedule in the bidding document.	The bidding document did not include a price schedule to enable the bidders to quote their commission percentage that would form a basis for financial evaluation and the contract price.	Include a price schedule in the bidding document and require bidders to quote a percentage or fixed payment based on the reserve price informed from the market price assessment.

2.3. Failure to include a contract management and reporting framework

The Entity did not include the management and reporting lines to the Procuring and Disposing Entity and the specific administrative arrangements and reporting requirements that shall apply to the non-consultancy services in the bidding document contrary to Regulation 36(e) of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023.

Implication

This makes managing relations between the contract parties difficult during contract implementation.

Recommendation

The Entity should include a framework in the contract terms covering contract management and reporting in accordance with Regulation 36(e) of the PPDA (Rules and Methods for Procurement of Works, Supplies and Non-Consultancy Services) Regulations, 2023. These should cover the following key areas:

1. Monitoring: The Council should be able to conduct random periodic inspections (for example; weekly) and audits (quarterly).
2. Reporting: The Provider should submit monthly reports by a given date, including KPI data, tonnage summaries, incidents, and a financial report on revenue collections.
3. The Council shall conduct satisfaction surveys before renewal in case this approach is chosen;
4. Audits: Independent audits by Government Competent Authorities like NEMA, PPDA, and the Office of the Auditor General may be conducted; Provider to provide access to records in accordance with GCC 33.1
5. Review Meetings: Periodic meetings (either quarterly or semi annual) between the Council and Provider to review performance.

2.4. Inconsistent contract period clauses

The terms of reference indicated that the contract duration was a period of one year from contract signing while Clause 20.1 of the Special Conditions of the Contract stated that the services were to run for three financial years ending 2027/2028.

Implication

This may mislead bidders into submitting non responsive bids.

Recommendation

The Entity should carefully study the factors that affect the contract duration including but not limited to; the budgeting cycle, encouraging competition, maintaining control, and previous experience from managing revenue contracts and set a contract period that maximises value for money and minimising risks for the Entity. This could in the form of one year renewable once up on satisfactory performance.

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 Ac, 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