



**PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY**
"Regulating for Results"

**PROCUREMENT AND DISPOSAL AUDIT REPORT FOR THE
NATIONAL HOUSING AND CONSTRUCTION COMPANY LTD FOR
THE FINANCIAL YEAR 2024/2025**

MAY 2026

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Acronyms

AO	Accounting Officer
CC	Contracts Committee
EC	Evaluation Committee
FY	Financial Year
HPDU	Head, Procurement and Disposal Unit
MKCC&MA	National Housing and Construction Company Ltd
LPO	Local Purchase Order
NOBEB	Notice of Best Evaluated Bidder
ODB	Open Domestic Bidding
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
SBD	Standard Bidding Document

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a procurement and disposal audit of National Housing and Construction Company Limited (hereafter referred to as the Company) covering 20 sampled procurement transactions undertaken in the Financial Year 2024/25.

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of National Housing and Construction Company Ltd' procurement system and processes and the disposal processes with the provisions of the PPDA Act Cap. 205, Regulations 2023 and Guidelines 2024 and assess the level of procurement performance over the audit period.

From the findings of the procurement and disposal audit exercise, the performance of the National Housing and Construction Company Ltd in the Financial Year 2024/25 was **satisfactory** with an overall weighted average risk rating of **28.63%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter Three of the audit report.

Despite the satisfactory performance, the following key exceptions were noted:

1. Failure to fully implement previous audit recommendations: The Authority found that of the eight recommendations made in FY 2022/23, only three (37.5%) were fully implemented, while five (62.5%) were partially implemented, contrary to Section 10 (2) of the PPDA Act, Cap. 205. The absence of a structured follow-up mechanism within the Entity contributed to this non-compliance. Failure to fully implement audit recommendations weakened corrective action, perpetuated recurring irregularities, and undermined the performance of the procurement and disposal function.
2. Low procurement plan implementation: The Authority found that the Company achieved only 28.8% implementation of its procurement plan, with a budget variance of UGX 12.7 billion. In addition, two procurements worth UGX 26.7 billion were conducted outside the approved plan, contrary to Section 30(d) of the PPDA Act, Cap. 205. Low implementation of the procurement plan undermined service delivery, created inefficiencies, and weakened accountability in resource utilization.
3. Inadequate solicitation documents: The Authority found that three procurements worth UGX 8.2 billion contained restrictive criteria, brand-specific references, and ambiguous requirements, contrary to Regulation 34 (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. Poor-quality solicitation documents hindered responsive bidding, reduced competition, and increased risks of disputes, delays, and inflated costs.
4. Irregularities during bidding: Three procurements worth UGX 293,879,000 had irregularities, including shortlisting of firms with the justification of being registered by the Authority whilst they were not on the PPDA Register of Providers and a lack of evidence of invitations to bidders, contrary to Regulation 53 (5) of the PPDA (Rules and Methods for Procurement of

Supplies, Works and Non-Consultancy Services) Regulations, 2023. These practices undermined transparency, fairness, and competition, exposing the Entity to low-bidder participation.

5. Irregularities during evaluation of bids: The Authority found that three procurements worth UGX 8,862,017,517 had unjustified changes in evaluation criteria, acceptance of non-responsive bids, and submission of forged statutory documents, contrary to Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023. Poor evaluation compromised fairness, value-for-money, and exposed the Entity to disputes and poor contract performance.
6. Signing of a contract based on an expired bid: The contract for voltage stabilizer maintenance at Plots 1-3 and 5, 7th Street Industrial Area, Kampala (NHCC/WRKS/2024-25/00132) worth UGX 21,707,752 was signed after bid validity had expired, contrary to Regulation 6 (1)(c) of the PPDA (Contracts) Regulations, 2023. The signed contract was void.
7. Irregular cancellation of a procurement: The procurement for supply and installation of fire detection and fire suppression system at Plot 1-3 and 5, 7th Street and plot 17 Hannington road Kampala Crested Towers (NHCC/WRKS/2024 -25/00070) awarded to East African Distributors Ltd at UGX 285,144,941 was cancelled but there was no evidence to indicate that the Contracts Committee formally cancelled the procurement. In any case, a cancellation should have been improper as an award decision had already been made. This undermined the credibility of the Contracts Committee's oversight role, and exposed the Entity to possible litigation and/or reputational damage.
8. Delayed completion of contracts: The Authority noted that three contracts worth UGX 400,857,210 were completed after expiry of their respective contract completion periods. There was, however no evidence of extension of the contracts or charging of liquidated damages worth UGX 12,842,361.85. The Entity was denied saving worth UGX 12,842,361.85 while delayed completion of contracts delays service delivery.

In light of the above exceptions, the Authority recommends the following:

1. The Accounting Officer should:
 - i. Fully implement all previous audit recommendations in accordance with Section 10 of the PPDA Act, Cap. 205
 - ii. Ensure that the Entity reviews and updates its procurement plan quarterly and ensures all procurements are aligned with approved plans, in accordance with Sections 60 (7) and (8) of the PPDA Act.
 - iii. Ensure that contracts are signed within the bid validity period or after obtaining a formal extension of bid validity from the bidder, in line with Regulation 62 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023 and Regulation 6(1)(c) of the PPDA (Contracts) Regulations, 2023.
 - iv. Task the responsible Contract Managers to show cause why disciplinary action should not be taken against them for failure to adequately supervise contracts in accordance with the contractual terms and conditions and Regulation 53 of the PPDA (Contracts) Regulations, 2023

2. The Head, Procurement and Disposal Unit should:
 - i. Eliminate brand-specific references unless justified by technical necessity in accordance with Regulation 38 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
 - ii. Clarify evaluation criteria: Define qualifications, roles and scoring benchmarks to avoid subjectivity and ensure fairness in the procurement of consultancy services in accordance with Regulation 38 of the PPDA (Procurement of Consultancy Services) Regulations, 2023.
 - iii. Ensure timely advertisement of bid notices in accordance with Section 51 of the PPDA Act, Cap. 205.
 - iv. Ensure that all shortlisted bidders receive invitations to bid and solicitation documents as approved by the Contracts Committee, in accordance with Regulation 53(5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
 - v. Ensure that Evaluation Committee members strictly adhere to the criteria set out in the solicitation document in accordance with Regulation 7 of the PPDA (Evaluation) Regulations 2023.
 - vi. Ensure that any cancellation of a procurement is formally approved and documented by the Contracts Committee in accordance with Section 81 (1) of the PPDA Act Cap. 205.

3. The Contract Managers should:
 - i. Strictly enforce contract timelines: Extensions should only be granted before contract expiry, with documented justification and approval in accordance with Regulation 52 (3) (b) of the PPDA (Contracts) Regulations, 2023.
 - ii. Enforce liquidated damages: Apply penalties for delays without approved extensions to safeguard value-for-money in accordance with the terms of signed contracts.

National Housing and Construction Company Ltd should implement the recommended action plan on **pages 24 to 25** of this report.

CHAPTER 1: INTRODUCTION

1.1 Structure of the Entity

National Housing and Construction Company Limited (NHCC) is a Ugandan construction and real estate management company, partly owned by the Government of Uganda. The Company's mandate is to increase the housing stock in the country, rehabilitate the housing industry and encourage Ugandans to own homes in an organized environment.

NHCC was established by the National Housing Corporation Act of 1964, as a government parastatal. The Act was repealed by the 1974 Decree to form the National Housing and Construction Corporation. In July 2002, the Corporation became a public limited liability company known as the National Housing and Construction Company Limited. Later, the Government of Uganda partially divested from NHCC by selling 49 percent shareholding to the Libyan African Investment Company, an investment company owned by the Government of Libya.

According to Section 28 of the PPDA Act Cap. 205, the Accounting Officer has the overall responsibility for the successful execution of procurement, disposal, and contract management in a Procuring and Disposing Entity. For the period under review, the Accounting Officer was Eng. Kenneth Kajjuka.

The Permanent Secretary/Secretary to the Treasury of the Ministry of Finance, Planning and Economic Development approved the members of the Contracts Committee listed in Table 1 below:

Table 1: Membership of the Contracts Committee

No	Name	Designation	Position on Committee
1.	Ms. Diana Kabagambe	Principal Assistant Secretary	Chairperson
2.	Ms. Clare Olaki	Principal Legal Officer	Member
3.	Mr. Isaac Singura	Senior State Attorney	Member
4.	Mr. Mbaziira M. Kaggwa	Information and Communications Technology Officer	Member
5.	Mr. Julius Zaribwegirire	Assistant Secretary	Secretary

According to Section 33 (a) of the PPDA Act, Cap 205, all procurement or disposal activities of the Procuring and Disposing Entity, except adjudication and the award of contract, are to be managed by the Procurement and Disposal Unit.

The Procurement and Disposal Unit during the Financial Year under review was headed by Mr. Nicholas Mbeine.

1.2 Background

The Public Procurement and Disposal of Public Assets Authority carried out a procurement and disposal audit of the National Housing and Construction Company Ltd that covered a representative sample of 16 procurement transactions.

The audit involved a review of procurement structures, procurement, and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act Cap 205, and PPDA Regulations 2023.

1.3 Main Audit Objectives

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of National Housing and Construction Company Ltd' procurement system and processes and the disposal processes with the provisions of the PPDA Act Cap. 205, Regulations 2023 and Guidelines 2024 and assess the level of procurement performance over the audit period.

The specific objectives of the audit of the National Housing and Construction Company Ltd were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act Cap. 205, Regulations 2023 and Guidelines with regard to the performance of the procurement structures and conduct of procurement and disposal processes;
2. Establish the level of compliance with the PPDA Act Cap. 205, Regulations 2023 and Guidelines in the conduct of procurement and disposal activities; and
3. Establish the level of efficiency and effectiveness in contract implementation, including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement process.

1.4 Audit Scope

The audit involved a review of the procurement process, disposal process, general compliance issues, and contract implementation of 16 transactions under Financial Year 2024/25 contained in *Appendix 1*.

The distribution of the sample vis-a-vis the procurement population is indicated in Table 2 below:

Table 2: Distribution of the transaction's population and sample for NHCC FY 2024 - 2025

Method	Value (UGX)			Number		
	Population	Sample	%	Population	Sample	%
Open Domestic Bidding	618,000,000	618,000,000	100	1	1	100
Request for Proposals	634,078,247	549,631,000	86.7	8	4	50
Restricted Domestic Bidding	188,300,000	188,300,000	100	1	1	100
Request for Quotations	2,452,668,207	1,080,982,572	44.1	48	7	14.6
Direct	1,259,951,783	1,163,747,752	92.3	14	7	50
Total	5,152,998,237	3,600,661,324	70	72	20	27.8

1.5 Audit Methodology

The audit was conducted in accordance with the Public Procurement and Disposal of Public Assets Act, Cap. 205, its attendant Regulations, and internationally recognized public sector auditing standards. A combination of compliance and substantive procedures was applied to assess adherence to statutory requirements and the effectiveness of procurement and contract management processes.

- i. Document Review: Solicitation documents, Terms of Reference, evaluation reports, Contracts Committee submissions, interim payment certificates, and correspondences with stakeholders were examined to verify compliance with the PPDA Act, Cap. 205, Regulations 2023 and Guideline 2024.
- ii. Interviews and Clarifications: Discussions were held with staff of the Procurement and Disposal Unit, User Departments, and Evaluation Committees to obtain explanations for observed irregularities and delays.
- iii. Data Analysis: Procurement timelines, bid evaluation records, and payment schedules were analyzed against statutory benchmarks to identify deviations, contradictions and irregularities.
- iv. Verification of Evidence: Supporting documents such as bid submissions, proposal securing declarations, and payment certificates were cross-checked for authenticity, accuracy and compliance.
- v. Physical Verification: Site visits were conducted to confirm the existence and status of verifiable assets and contract deliverables. This included inspection of works, supplies, and services to ensure that payments made corresponded to actual outputs delivered under the contracts.
- vi. Triangulation: Findings were validated by comparing documentary evidence, management responses, physical verification results and statutory requirements to ensure objectivity and reliability of conclusions.

CHAPTER 2: DETAILED AUDIT FINDINGS

2.1 Level of compliance by the Entity with the general provisions of the PPDA Act Cap. 205, Regulations 2023 and Guidelines 2024 with regard to the performance of the procurement structures and conduct of procurement and disposal processes

2.1.1 Failure to fully implement previous audit recommendations

Section 10 (2) of the PPDA Act Cap. 205 provides that the Accounting Officer shall be responsible for the implementation of recommendations made by the Authority.

The Authority noted that of the eight previous audit recommendations for the FY 2022/23 made to the Entity, three (37.5%) were fully implemented and five (62.5%) were partially implemented, as indicated in Table 3:

Table 3: Status of Implementation of Previous Audit Recommendations

No.	Recommended Action	Status of Implementation
1.	The Accounting Officer should, whenever necessary, review and update its procurement plan and ensure that procurements were capitalization has been foreseen not to be realized a revision is made to the procurement plan and submitted to the Authority and the Secretary to the Treasury in accordance with Section 58 (4) and (5) of the PPDA Act 2003.	Partially Implemented
2.	Evaluation Committees should strictly adhere to the evaluation criteria outlined in the bidding documents and firms that do not comply should be eliminated in accordance with Regulation 5 (2) of the PPDA (Evaluation) Regulations, 2023.	Partially Implemented
3.	The Accounting Officer should put in place mechanisms to encourage bidder participation while ensuring that the number of firms/bidders invited to bid is increased where request for quotations method and restricted domestic bidding to maximize competition.	Partially Implemented
4.	The Accounting Officer should prevail over Heads of Departments to nominate Contract Managers and urge them to prepare contract management plans using Form 49 in Schedule 2 and forward a copy to the Procurement and Disposal Unit for purposes of monitoring in accordance with Regulation 51 & 52 of the PPDA (Contracts) Regulations, 2023.	Partially Implemented
5.	The Accounting Officer should ensure that the Supplier (Home of Shades Uganda Ltd) reinstalls the carports before any payments are made.	Fully Implemented

No.	Recommended Action	Status of Implementation
6.	The Accounting Officer should pay providers within the stipulated timelines stated in the contract agreements. In addition, a realistic payment plan should be agreed upon between the Entity and the Contractor basing on the expected Entity's cash flow.	Partially Implemented
7.	The Accounting Officer should expedite the disposal of assets to avoid continuous deterioration that will deprive the Entity from obtaining value for money from their sale.	Fully Implemented
8.	The Accounting Officer should follow up with Electoral Commission and Ministry of Finance, Planning and Economic Development in regard to payments and ensure that reimbursement is made to facilitate the completion of works in the earliest time possible in order for the two firms to decommission the printers and complete their contractual obligations.	Fully Implemented

The audit noted that a key factor in the Entity's failure to address previous audit findings is the absence of a structured follow-up process to oversee the implementation of recommendations.

Implication

Failure to fully implement audit recommendations affects the performance of the procurement and disposal function.

Management Response

Most of the previous recommendations were implemented. Moving forward, the Entity will ensure that all the recommendations are fully implemented.

Recommendations

The Accounting Officer should implement all previous audit recommendations in accordance with Section 10 of the PPDA Act Cap. 205.

2.1.2 Low Procurement Plan Implementation

Section 60 (2) (d) of the PPDA Act Cap. 205 provides that a Procuring and Disposing Entity shall plan its procurement and disposal in a rational manner and, in particular, shall integrate its procurement budget with its expenditure programme.

A review of the Company's procurement plan, monthly reports and Contracts Committee minutes for FY 2024/25 revealed a procurement plan implementation rate of 28.8% with a budget variance of UGX 12,746,010,862 as indicated in Table 4 below:

Table 4: Procurement Plan Implementation

Analysis of procurement spend	
Total procurement budget/plan value inclusive VAT (UGX)	17,917,009,099
Total procurement spend value inclusive VAT (UGX)	5,152,998,237
Procurement plan implementation (%)	28.8%
Variance (UGX)	12,746,010,862

Source: NHCC monthly reports and submitted consolidated procurement plan

The Authority, however, noted that two procurements worth UGX 26,792,360,187.7 i.e. earthworks and drainage works for the proposed Electoral Commission Headquarters at Lweza, Lubowa and the construction of an access road to the Electoral Commission Headquarters at Lweza were conducted outside the procurement plan for the FY 2024/25 in contravention of Section 30 (d) of the PPDA Act Cap. 205.

Implications

Failure to fully implement the procurement plan affects service delivery to the intended beneficiaries.

Management Response

Management has undertaken revisions to the procurement plan, accompanied by corresponding revisions to the budget cash flow forecasts. Additionally, Finance and Procurement functions have jointly reviewed and reconciled procurement plans and cash flow projections on a quarterly basis. As recommended by the Authority, the Entity will update the procurement plan as and when the need arises.

Recommendations

- The Entity should review and update its procurement plan on a quarterly basis and, in any other case, wherever necessary, in the event certain items are not procured as planned. An updated and approved plan should be submitted to the Authority in accordance with Sections 60 (7) and 60 (8) of the PPDA Act Cap. 205.
- The Contracts Committee should, in accordance with Section 30 (d) of the PPDA Act Cap. 205, ensure that before a procurement is approved, the procurement is in accordance with the procurement plan.

2.2 Level of compliance with the PPDA Act Cap. 205, Regulations 2023 and Guidelines 2024 in the conduct of procurement and disposal activities

2.2.1 Delayed confirmation of availability of funding

Section 51 of the PPDA Act Cap. 205 provides that all procurement and disposal must be conducted in a manner that promotes efficiency.

The Authority noted delays lasting an average of 11 working days between the initiation of procurements and the confirmation of availability of funding by the Accounting Officer in two

procurements worth UGX 799,257,000, as indicated in Table 5 below, in contravention of Section 51 of the PPDA Act Cap. 205:

Table 5: Procurements in which there were delays in the confirmation of the availability of funding

No	Subject of Procurement	Date of Initiation	Date of confirmation of availability of funding	Variance of (Working Days)
1.	Provision of consultancy services for land and building valuation (NHCC/CONS/2024-25/00150) worth UGX 84,885,000	28 th January 2025	10 th February 2025	10
2.	Aluminium partitioning for the warehouse at the former NHCCL Head Offices on Plot 5, 7 th Street Industrial Area, Kampala (NHCC/WRKS/2024-25/00078) worth UGX 714,372,000	17 th September 2024	2 nd October 2024	12

Implications

- Procurement timelines are extended unnecessarily, undermining efficiency.
- Service delivery to the intended beneficiaries is delayed, affecting operational effectiveness.
- Risk of increased costs or missed opportunities due to late implementation.

Management Response

The delays were caused by the fact that, before the Accounting Officer signs off the confirmation of funds and approval to procure (PP Form 5/18), he had to ensure that these funds were available.

Authority's Comment

The Authority noted the response but observes that the Permanent Secretary /Secretary to the Treasury issued a Circular to all Accounting Officers dated 8th October 2010, advising all Accounting Officers that the commencement of procurement processes does not have to wait for a final receipt of funds on their respective accounts. Commencement of a procurement process, including bidding, evaluation and notification of award, can all take place, and contract signing can be pending until funds are received.

Recommendation

The Accounting Officer should ensure that delays in the confirmation of availability of funding are minimised to enhance efficiency in procurement processes in accordance with Section 51 of the PPDA Act Cap. 205 and the PS/ST Circular on confirmation of availability of funding dated 8th October 2010.

2.2.2 Inadequate solicitation documents

Regulation 34 (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 provides that a Procuring and Disposing Entity shall prepare evaluation criteria and description of the statement of requirements, in a manner that

determines that the supplies, works or non-consultancy services are fit for the purpose for which they are being procured and are of the appropriate quality.

The Authority noted that the solicitation documents issued to bidders in three procurements worth UGX 8,235,484,516 contained flaws as indicated in Table 6 below:

Table 6: Procurements in which inadequate solicitation documents were issued

S/No	Subject of Procurement	Issues Noted	Management Response
1.	Provision of consultancy services for land and building valuation (NHCC/CONS/2024-25/00150) worth UGX 84,885,000	<ul style="list-style-type: none"> • The Terms of Reference in the Request for Proposals document indicated that the consultant would undertake the assignment and provide three reports i.e. inception report, interim valuation report and final valuation report. The audit however, noted that the timeline by which each of the deliverables was to be provided was not indicated. • Restrictive evaluation criteria: <ol style="list-style-type: none"> i. The RFP allocated 8 points under Technical Expertise and Experience for firms that have undertaken valuation projects in Government or corporate clients worth UGX 200 billion and above. This forms part of the total 20 points for technical expertise. The audit, however, found that the requirement for the valuation projects in only Government or corporate clients was restrictive and did not cater for individuals. ii. The Request for Proposals had allocated 20 merit points to Technical Expertise and Experience, with three points awarded for firms that had been registered for over 12 years. The requirement for 12 years of registration was restrictive, as it was set at a level that appeared arbitrary and lacked a clear basis in relation to the scope and 	<ul style="list-style-type: none"> • <i>The timelines under which the Vendor would submit the reports was not shown, this was an oversight. Moving forward, we shall ensure that such timelines are clearly indicated in the bidding document.</i> • <i>Government and Corporate clients are more formal, verifiable through documentary proof than individuals.</i> <p><i>The Authority noted the response but found that restricting the allocation of points to valuation projects undertaken only for Government or corporate clients was incorrect. Firms may legitimately acquire relevant experience through assignments contracted by individuals, and such experience can be verifiable through documentary proof such as contracts, reports, or payment records. Excluding individual clients from consideration created unnecessary barriers to competition, limited the pool of qualified providers, and</i></p>

		<p>value of the current assignment. This criterion had the effect of limiting participation by otherwise qualified firms that had demonstrated competence but had not yet attained the 12-year threshold.</p>	<p><i>contravened the principle of fairness and equal treatment under the PPDA Act.</i></p> <ul style="list-style-type: none"> <i>The requirement of 12 years' experience was based on the complexity and nature of the assignment; this was done to ensure that the appropriate/ qualified vendor with the required capacities to execute the works.</i> <p><i>The Authority noted the response but found that setting a threshold of 12 years of registration was unnecessarily restrictive and lacked a clear statutory or technical basis in relation to the scope and value of the assignment. While the complexity of the works may justify requiring experienced firms, the arbitrary cut-off excluded otherwise competent providers who had demonstrated capacity but had not yet attained the 12-year mark. This weakened competition, limited equal opportunity, and contravened the principle of fairness under the PPDA Act.</i></p>
2.	<p>Earthworks and drainage works for the proposed Electoral Commission Headquarters at Lweza, Lubowa (NHCC/WRKS/2024-25/00200) worth UGX 7,960,599,517</p>	<p>The audit noted that Sub-Factor 6.2.5 required bidders to meet the condition of a minimum average turnover of UGX 7 billion, calculated from total certified payments received for contracts in progress or completed within the last six years and to choose the best three contracts. The requirement to</p>	<p><i>The requirement to select only the best three contracts was erroneously included. Moving forward, the Entity will ensure that such restrictive requirements in the bidding documents are not requested.</i></p>

		select only the best three contracts was restrictive and appeared arbitrary as it did not provide a clear justification for limiting the calculation to three contracts when turnover could reasonably be assessed across all relevant audited books of account within the stated period.	
3.	Supply, installation and configuration of a server computer and storage server (NHCC/SUPLS/2024-25/00142) worth UGX 189,999,999	<ul style="list-style-type: none"> • The specifications of the server computer, while not explicitly stating the brand name, used proprietary marketing terminology and feature naming conventions that are unique to “Dell Technologies” product lines. • The specifications of the server storage, while not explicitly stating the brand name, used nomenclature that pointed to Dell PowerVault ME5 configurations. • GCC 18.1 of the Request for Quotations document provided that liquidated damages would be at a rate of 1% but shall not exceed 5%. The audit however noted that the period of delay for which the liquidated damages would be charged was not stated. • Most likely as a result of the restrictive specifications, bidder turnout was low with only two of nine shortlisted bidders returning bids. 	<i>The Entity will undertake customised training for our teams to be able to identify brand naming and nomenclature to avoid a repeat of the same.</i>

Implications

- Providers could deliver wrong supplies, execute shoddy work or abandon sites, affecting service delivery to the intended beneficiaries.
- Poor quality solicitation documents hinder bidders from preparing responsive bids, reduce competition and increase risks of disputes, delays and inflated costs.
- Ambiguities in evaluation criteria compromise the fairness, transparency and defensibility of contract awards.

Recommendations

The Head, Procurement and Disposal Unit and Contracts Committee should:

- vii. Eliminate brand-specific references unless justified by technical necessity in accordance with Regulation 38 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
- viii. Clarify evaluation criteria: Define qualifications, roles and scoring benchmarks to avoid subjectivity and ensure fairness in the procurement of consultancy services in accordance with Regulation 38 of the PPDA (Procurement of Consultancy Services) Regulations, 2023.

2.2.3 Delays in submissions to the Contracts Committee

Section 51 of the PPDA Act Cap. 205 provides that all procurement and disposal should be conducted in a manner that promotes efficiency.

Delays in submissions to the Contracts Committee by an average of 21 working days were noted in two procurements worth UGX 274,884,999 as indicated in Table 7 below:

Table 7: Procurements in which submissions to the Contracts Committee were delayed

S/No	Subject of Procurement	Issues Noted	Management Response
1.	Provision of consultancy services for land and building valuation (NHCC/CONS/2024-25/00150) worth UGX 84,885,000	There was a period of 30 working days between the completion of evaluation on 6 th May 2025 and the submission of the combined evaluation report for the Contracts Committee's approval on 18 th June 2025.	<i>This is noted. The Entity shall ensure that administrative timelines are reduced.</i>
2.	Supply, installation and configuration of a server computer and storage server (NHCC/SUPLS/2024-25/00142) worth UGX 189,999,999	There was a period of 12 working days between the completion of negotiations on 25 th February 2025 and the submission of the outcome of the negotiations to the Contracts Committee for approval and award of contract on 13 th March 2025.	<i>This is noted. The Entity shall ensure that administrative timelines are reduced.</i>

Implication

This led to delays in service delivery.

Recommendations

- The Head, Procurement and Disposal Unit should ensure efficiency in submissions to the Contracts Committee in accordance with Section 51 of the PPDA Act Cap. 205.
- The Accounting Officer should establish a charter with timelines for submission of evaluation reports and solicitation documents to the Contracts Committee.

2.2.4 Delayed advertisement of a procurement notice

Section 51 of the PPDA Act Cap. 205 provides that all procurement and disposal must be conducted in a manner that promotes efficiency.

The Authority noted that there was a period of 32 working days between the Contracts Committee's approval of the solicitation document, procurement method and bid notice on 28th March 2024 and advertisement of the bid notice on 14th May 2025 in the procurement for provision of security services for NHCC sites and projects for three years (NHCC/NCONS/2024-25/00106) worth UGX 618,000,000.

Implication

This led to delays in service delivery to the intended beneficiaries.

Management Response

This was a result of the outstanding obligations with the Media Houses. Management has devised means to improve the cash flow of the Entity to reduce such delays.

Recommendations

- The Head, Procurement and Disposal Unit should ensure efficiency in bid advertisement in accordance with Section 51 of the PPDA Act Cap. 205.
- The Accounting Officer should establish a charter with timelines for the display of bid notices.

2.2.5 Irregularities during bidding

The Authority noted irregularities during bidding in three procurements worth UGX 293,879,000 as indicated in Table 8 below:

Table 8: Procurements in which irregularities during bidding were noted

S/No	Subject of procurement	Issues Noted	Management Response
1	Provision of consultancy services for land and building valuation (NHCC/CONS/2024-25/00150) worth UGX 84,885,000	The audit noted that in submitting to the Contracts Committee for approval of the shortlist of bidders (Peak Valuers and Surveyors, Knight Frank Valuers, Fransil Valuers and Surveyors, Wrok Valuers and Surveyors, Willpower Valuers and Surveyors and SM Cathan Consults), the justification of being on PPDA Register of Providers was fronted. The audit however found that Fransil Valuers and Surveyors, Wrok Valuers and Surveyors and Willpower Valuers and Surveyors were not on the PPDA Register of Providers.	<i>The firms were sourced from two sources, namely, the PPDA register of providers and knowledge of the market.</i> <i>The Authority noted the response but found that reliance on "market knowledge" as a source of bidders was not provided as a justification in the submission to the</i>

S/No	Subject of procurement	Issues Noted	Management Response
			<p><i>Contracts Committee. The justification presented was that all firms were on the PPDA Register of Providers, yet three of the shortlisted firms were not registered. This constituted non-compliance with Regulation 53(5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, which requires that reasons for the selection of each provider be documented and submitted for approval. The omission undermined transparency and fairness.</i></p>
2	<p>Consultancy services for Geotechnical Investigations, Structural Design and Detailing, Mechanical and Electrical Design and detailing of the Faculty of Science and Administration Blocks at Kihumuro Campus, Mbarara (NHCC/CONS/2024-25/00150) worth UGX 187,046,000</p>	<p>Low bidder participation: Of the five shortlisted firms, only two submitted bids. Further, there was no evidence of receipt of the invitation to bid by the shortlisted bidders.</p>	<p><i>The low bidder turns up is due to delayed payment of providers. The Entity is working hard to improve the cash flows.</i></p>

S/No	Subject of procurement	Issues Noted	Management Response
3	Provision of consultancy services for the provision of an Integrated Management System (NHCC/CONS/2024-25/00126) worth UGX 21,948,000	Low bidder participation. Of the six shortlisted bidders, only two submitted bids. Additionally, there was no evidence of receipt of the invitation to bid by the shortlisted bidders.	<i>The low bidder turns up is due to delayed payment of providers. The Entity is working hard to improve the cash flows.</i>

Implications

Failure to issue bidding documents to all shortlisted bidders undermines the principles of transparency, fairness, and competition in public procurement. It creates the risk of favoritism, reduces competition, and may lead to non-compliance with statutory requirements. This practice compromises value-for-money and exposes the company to potential administrative review or legal challenge. In addition, this could be the root cause of the Entity's low bidder participation during the use of restricted bidding methods.

Recommendations

The Head, Procurement and Disposal Unit should:

- Ensure that all shortlisted bidders receive invitations to bid and solicitation documents as approved by the Contracts Committee, in accordance with Regulation 53(5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
- Strengthen bidder communication and maintain evidence of invitations issued (emails, delivery records) to ensure transparency.
- Align bidder shortlists with core business capacity to encourage responsive participation and reduce risks of awarding contracts to unqualified firms.

2.2.6 Irregularities during the evaluation of bids

Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023 provides that the evaluation of bids shall be conducted in accordance with the evaluation criteria specified in the bidding documents.

Irregularities in the evaluation of bids were noted in three procurements worth UGX 8,862,017,517, as indicated in Table 9 below in contravention of Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023:

Table 9: Procurements in which irregularities during evaluation were noted

S/No	Subject of procurement	Issues Noted	Management Response
1	Earthworks and drainage works for the proposed Electoral Commission	<ul style="list-style-type: none"> • The audit noted that the solicitation document issued to bidders provided that bidders would submit evidence of the lease, hire or 	<ul style="list-style-type: none"> • <i>The lease agreement between the Vendor and the</i>

S/No	Subject of procurement	Issues Noted	Management Response
	Headquarters at Lweza, Lubowa (NHCC/WRKS/2024-25/00200) worth UGX 7,960,599,517	<p>ownership such as registration books, agreements or memoranda or purchase orders of 2-wheel loaders as CAT 960GC or equivalent. The audit noted that Engineering Trade Links Company Ltd submitted a logbook in the name of Planteaux Service Company Ltd as proof of the lease or hire of one of the two required wheel loader but did not provide a corresponding lease or hire agreement.</p> <ul style="list-style-type: none"> • Unjustified Change in Evaluation Criteria: The audit noted that Sub-Factor 6.2.5 required bidders to meet the condition of a minimum average turnover of UGX 7 billion, calculated from total certified payments received for contracts in progress or completed within the last six years, and to choose the best three contracts. However, during the evaluation, this requirement was changed to UGX 5 billion. The change in evaluation criteria was unjustified, as it altered the basis upon which bidders had prepared and submitted their bids, thereby undermining transparency and fairness in the procurement process. 	<p><i>Lessor is hereby attached.</i></p> <p><i>The Authority noted the response but found that no evidence was adduced.</i></p> <ul style="list-style-type: none"> • <i>The change in the criteria did not provide an unfair advantage or disadvantage to any of the bidders, since not all bidders possessed the requirement.</i> <p><i>The Authority noted the response but found that the change in evaluation criteria from a minimum average turnover of UGX 7 billion to UGX 5 billion contravened Regulation 5 of the PPDA (Evaluation) Regulations, 2023, which prohibits any amendment or addition to the evaluation criteria during the evaluation process. Evaluation must be conducted strictly in accordance with the criteria stated in the solicitation documents, as required under Section 76 of the PPDA Act Cap. 205. Altering the threshold</i></p>

S/No	Subject of procurement	Issues Noted	Management Response
			<p><i>after bid submission undermined transparency, fairness, and equal treatment of bidders, regardless of whether the change advantaged or disadvantaged specific firms.</i></p>
2	<p>Aluminum partitioning for the warehouse at the former NHCCL Head Offices on Plot 5, 7th Street Industrial Area, Kampala (NHCC/WRKS/2024-25/00078) worth UGX 714,372,000</p>	<p>Sub-Factor 6.2.6 of the evaluation criteria provided that bidders must meet the requirement of possession of access to or availability of financial resources such as liquid assets, lines of credit and other financial means other than contractual advance payments to meet the cash flow requirement of 500 million. The audit reviewed the bid submitted by Nabukwe Interior Solutions Co. Ltd and found that the bidder did not meet this requirement.</p>	<p><i>Please find attached the bank statement indicating access to financial resources for Nabukwe Interior Solutions Co. Ltd.</i></p> <p><i>The Authority noted the response but found that no evidence was adduced.</i></p>
3	<p>Consultancy services for geotechnical investigations, structural design and detailing, mechanical and electrical design and detailing of the Faculty of Science and Administration Blocks at Kihumuro Campus, Mbarara (NHCC/CONS/2024-25/00150) worth UGX 187,046,000</p>	<p>A review of the Tax Clearance Certificate submitted by Engineers Without Borders East Africa Consult Ltd referenced UGND250599570, revealed that the Tax Clearance Certificate was issued on 8th January 2025 for the period 21st July 2024 to 30th June 2025. However, verification of the Tax Clearance Certificate via the URA Web Portal indicated that the certificate was issued on 16th September 2024 for a tax period 21st July 2023 to 30th June 2024. This implies that the Tax Clearance Certificate was tampered with. Engineers Without Borders East Africa Consult Ltd uttered false documents and should be submitted for suspension in accordance with Section 128 of the PPDA Act Cap. 205.</p>	<p><i>Training is required to identify non-genuine documents issued by authorities.</i></p>

Implications

- Unfairness during the evaluation of bids could lead to the award of contracts to non-compliant bidders and compromises the benefits of maximum competition.
- Poor evaluation compromises value-for-money, exposes the Company to disputes, delays, and poor contract performance.

Recommendations

- The Accounting Officer should task the members of the Evaluation Committees to show cause why disciplinary action should not be taken against them for the failure to adhere to the evaluation criteria provided in the solicitation documents in contravention of Regulation 5 of the PPDA (Evaluation) Regulations, 2023.
- The Head Procurement and Disposal Unit should ensure that Evaluation Committees:
 - i. Verify statutory documents: Cross-check all tax and NSSF certificates with issuing authorities before declaring bidders compliant.
 - ii. Reject materially non-responsive bids: Disqualify bids that do not meet the set criteria in the bidding document, submit expired statutory documents or forged documents.

2.2.7 Signing a contract based on an expired bid

Regulation 6 (1) (c) of the PPDA (Contracts) Regulations, 2023 provides that a Procuring and Disposing Entity shall not issue a contract purchase order, or other communication in any form, conveying acceptance of a bid that binds a Procuring and Disposing Entity to a contract with a provider, except where the period during which no action shall be undertaken specified in Regulation 4 of the PPDA (Contracts) Regulations, 2023 has expired and the bid is valid or the bidder is willing to extend the bid validity on terms similar to the terms stated in their bid.

The Authority noted that the contract for the procurement of a contractor to undertake the voltage stabilizer maintenance at Plots 1-3 and 5, 7th Street Industrial Area, Kampala (NHCC/WRKS/2024-25/00132) worth UGX 21,707,752 was signed on 4th March 2025, 20 working days after expiry of the bid submitted by the Best Evaluated Bidder on 7th February 2025. This means the Entity accepted an offer that was legally non-existent at the time of contract signing.

Implication

The signed contract was void.

Management Response

Management takes note of the recommendation of the Authority and will ensure that such do not recur.

Recommendations

- The Accounting Officer should desist from signing contracts based on expired bids.
- The Accounting Officer should ensure that contracts are signed within the bid validity period or after obtaining a formal extension of bid validity from the bidder, in line with Regulation 62 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023 and Regulation 6(1)(c) of the PPDA (Contracts) Regulations, 2023.

2.2.8 Irregular cancellation of a procurement

Section 81 (1) of the PPDA Act Cap. 205 provides that a Procuring and Disposing Entity may, on the approval of the Contracts Committee, cancel a procurement process or a disposal process at any time, before a contract is awarded to the Best Evaluated Bidder.

The Authority noted that the procurement for supply and installation of fire detection and fire suppression system at Plot 1-3 and 5, 7th Street and plot 17 Hannington road Kampala Crested Towers (NHCC/WRKS/2024 -25/00070) was awarded to East African Distributors Ltd at UGX 285,144,941.

During an audit debrief session with the Procurement and Disposal Unit, it was indicated that the contract for the aforementioned procurement was not signed.

The Authority, however, found no evidence to indicate that the Contracts Committee formally cancelled the procurement. In any case, a cancellation should have been improper as an award decision had already been made.

Implication

This undermined the credibility of the Contracts Committee's oversight role, and exposed the Entity to possible litigation and/or reputational damage. It also weakened transparency and accountability in contract award processes.

Management Response

This is noted, and improvements will be made to ensure no recurrence of the same.

Recommendations

- The Head, Procurement and Disposal Unit should ensure that any cancellation of a procurement is formally approved and documented by the Contracts Committee in accordance with Section 81 (1) of the PPDA Act Cap. 205.
- All cancellations should be properly recorded, justified, and communicated to all stakeholders to safeguard transparency, fairness and accountability.

2.3 Level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement process

3.3.1 Irregularities during contract implementation

The Authority noted irregularities during contract implementation in four procurements worth UGX 400,857,210 as indicated in Table 10 below:

Table 10: Procurements with irregularities at contract management

No	Subject of Procurement	Observation	Management Response
1.	Supply and delivery of branded materials for	• Delivery after contract expiry: The contract indicated that the	<i>This is noted. Contract management training will be</i>

No	Subject of Procurement	Observation	Management Response
	NHCC @ 60 years (NHCC/SPLS/2024-25/00137) worth UGX 121,374,800	<p>delivery period would be two weeks after issuance of a Local Purchase Order (LPO). The LPO was issued 24th March 2025 with a maximum delivery date of 7th April 2025. It was however found that the provider did not deliver until 6th November 2025, six months after the expiry of the contract.</p> <ul style="list-style-type: none"> • Failure to charge liquidated damages: GCC 18.1 of the contract provided that liquidated damages would be charged at a rate of 1% and that the total amount of liquidated damages would not exceed 5%. Despite the provision for liquidated damages and delayed delivery of the branded items six months after the contract had expired, the Entity did not charge the provider with liquidated damages worth UGX 6,068,740. Consequently, the Entity made a financial loss of UGX 6,068,740. 	<p><i>undertaken for all Contract Managers.</i></p> <ul style="list-style-type: none"> • <i>The Company did not charge the liquidated damages because it was a result of the interruptions.</i>
2.	Procurement of a contractor to undertake the design, supply and installation of carpports at Plots 1-3 and 5, 7 th street Industrial area (NHCC/WRKS/2024 - 25/00067) worth UGX 150,524,930	<p>GCC 22.1 of the contract provided that the intended completion date for the works would be 30 working days from the commencement date, while GCC 26.1 provided that the site possession date would be immediately after contract signing. Consequently, the completion date for the works was 22nd August 2025.</p> <p>The Authority, however, found that the Contractor completed the works on 25th October 2025, which was 45 working days beyond the intended completion period.</p> <p>The Authority further found that despite the delayed completion of the</p>	<ul style="list-style-type: none"> • <i>There was restricted access to the site due to the then ongoing electoral process preparations by the Electoral commission. These delays were not caused by the contractor.</i> • <i>The Company did not charge the liquidated damages because it was a result of the interruptions by the Client, the Electoral Commission.</i>

No	Subject of Procurement	Observation	Management Response
		works and GCC 58.1 providing that the liquidated damages for the whole works are 0.1% per day of delay with a maximum amount of liquidated damages for the whole of the works being 5% of the final contract price, the Company did not charge liquidated damages totaling UGX 6,773,621.85.	
3.	Supply and installation of an air condition system for block C CTB (NHCC/SUPLS/2024-25/00072) worth 128,957,480	Delayed payment of retention: The Authority noted that the Company withheld 5% retention on the contract amounting to UGX 6,447,874. Although the Defects Liability Period expired on 21 st November 2025, the Company had not, by the time of the audit in March 2026, paid the retention to the Contractor.	<p><i>There was no demand notice from the supplier for the retention.</i></p> <p><i>The Authority noted the response but found that the Entity was obligated to release the retention amounting to UGX 6,447,874 upon expiry of the Defects Liability Period on 21st November 2025, irrespective of whether a demand notice was issued by the Contractor. Retention is a contractual obligation intended to secure performance during the defects liability period, and once that period lapses without defects, the funds must be paid. Failure to release the retention constituted weak contract management and non-compliance with contractual terms, exposing the Entity to potential claims and reputational risk.</i></p>

Implications

- An indicator of ineffective contract supervision.
- Leads to delayed service delivery.

Recommendations

- The Accounting Officer should task the responsible Contract Managers to show cause why disciplinary action should not be taken against them for failure to adequately supervise

contracts in accordance with the contractual terms and conditions and Regulation 53 of the PPDA (Contracts) Regulations, 2023.

4. The Contract Managers should:

- iii. Strictly enforce contract timelines: Extensions should only be granted before contract expiry, with documented justification and approval in accordance with Regulation 52 (3) (b) of the PPDA (Contracts) Regulations, 2023.
- iv. Enforce liquidated damages: Apply penalties for delays without approved extensions to safeguard value-for-money in accordance with the terms of signed contracts.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall Performance Audit Conclusion

The performance of the National Housing and Construction Company Ltd for the FY 2024/2025 was **satisfactory**, with an overall weighted average risk rating of **28.63%**.

3.2 Entity's Performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in Table 11 below:

Table 11: Risk Computation

Risk category	No.	No. %	Value (UGX)	Value %	Weights	Total weighted Average	
						By No.	By Value
High	2	10	343,146,930.00	9.53	0.6	6	5.72
Medium	4	20	1,376,562,940	38.23	0.3	6	11.47
Low	7	35	602,258,454	16.73	0.1	3.5	1.67
Satisfactory	7	35	1,278,693,000	35.51	0	0	0.00
Total	20	100	3,600,661,324	100	1	15.5	18.86

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{15.5 \times 100}{60} = 25.83\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{18.86 \times 100}{60} = 31.43\%$$

$$\text{The average weighted risk rating} = \frac{25.83 + 31.43}{2} = 28.63\%$$

The risk rating is as follows:

Table 12: Risk Rating

Risk Rating (%)	Description of Performance
0 – 30	Satisfactory
31 – 70	Moderately satisfactory
71 – 100	Unsatisfactory

Figure 1: Risk Rating by Number of Contracts

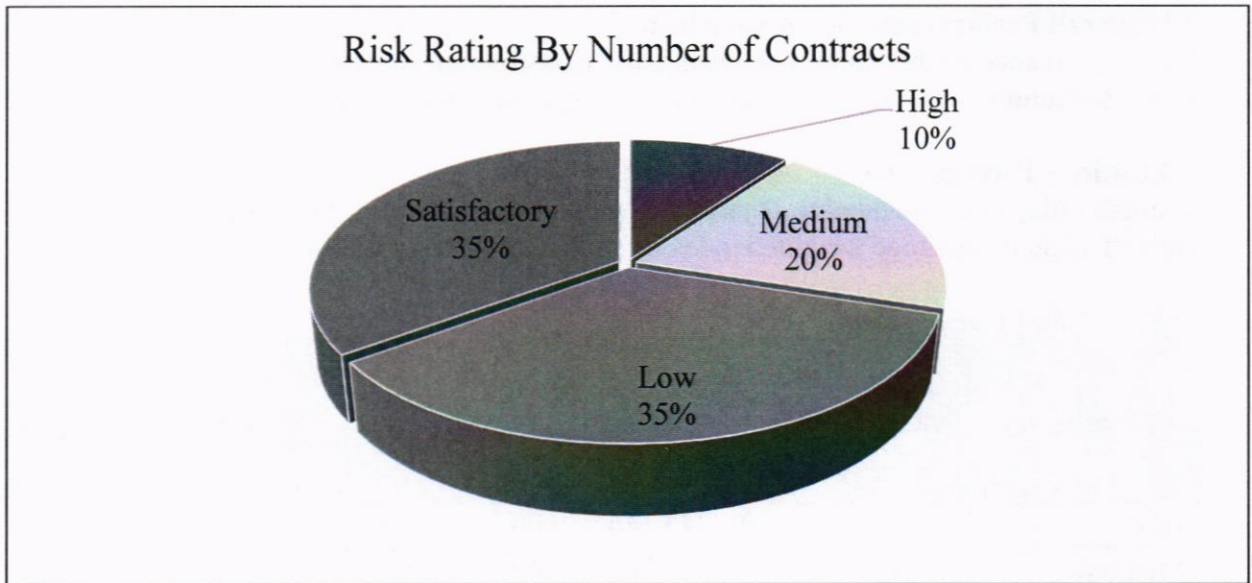
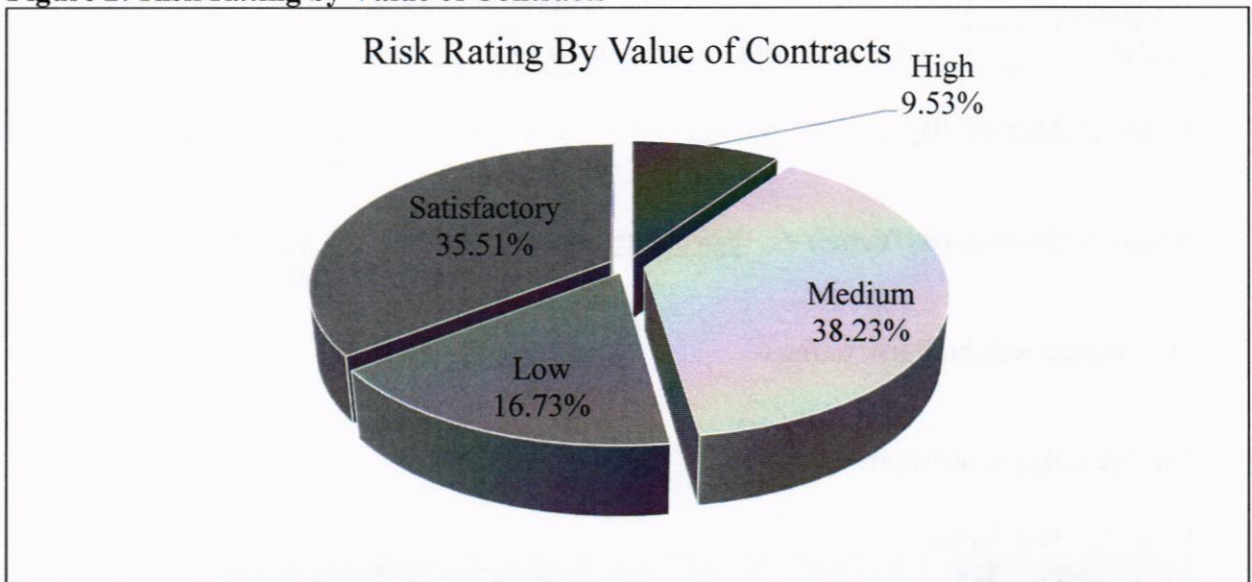


Figure 2: Risk Rating by Value of Contracts



3.3 Recommended Action Plan

The National Housing and Construction Company Ltd should implement the following recommendations within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 7: Action plan

Origin	Recommended Action	Time frame for implementation
Accounting Officer	<ul style="list-style-type: none"> • Fully implement all previous audit recommendations in accordance with Section 10 of the PPDA Act, Cap. 205 • Ensure that the Entity reviews and updates its procurement plan quarterly and ensures all procurements are aligned with approved plans, in accordance with Sections 60 (7) and (8) of the PPDA Act. • Ensure that contracts are signed within the bid validity period or after obtaining a formal extension of bid validity from the bidder, in line with Regulation 62 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023 and Regulation 6(1)(c) of the PPDA (Contracts) Regulations, 2023. • Task the responsible Contract Managers to show cause why disciplinary action should not be taken against them for failure to adequately supervise contracts in accordance with the contractual terms and conditions and Regulation 53 of the PPDA (Contracts) Regulations, 2023. 	Immediately
Head of the Procurement and Disposal Unit	<ul style="list-style-type: none"> • Eliminate brand-specific references unless justified by technical necessity in accordance with Regulation 38 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. • Clarify evaluation criteria: Define qualifications, roles and scoring benchmarks to avoid subjectivity and ensure fairness in the procurement of consultancy services in accordance with Regulation 38 of the PPDA (Procurement of Consultancy Services) Regulations, 2023. • Ensure timely advertisement of bid notices in accordance with Section 51 of the PPDA Act, Cap. 205. 	Continuous

Origin	Recommended Action	Time frame for implementation
	<ul style="list-style-type: none"> • Ensure that all shortlisted bidders receive invitations to bid and solicitation documents as approved by the Contracts Committee, in accordance with Regulation 53(5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. • Ensure that Evaluation Committee members strictly adhere to the criteria set out in the solicitation document in accordance with Regulation 7 of the PPDA (Evaluation) Regulations 2023. • Ensure that any cancellation of a procurement is formally approved and documented by the Contracts Committee in accordance with Section 81 (1) of the PPDA Act Cap. 205. 	
Contract Managers	<ul style="list-style-type: none"> • Strictly enforce contract timelines: Extensions should only be granted before contract expiry, with documented justification and approval in accordance with Regulation 52 (3) (b) of the PPDA (Contracts) Regulations, 2023. • Enforce liquidated damages: Apply penalties for delays without approved extensions to safeguard value-for-money in accordance with the terms of signed contracts. 	Immediately

APPENDIX 1: SAMPLE LIST FOR THE AUDIT OF NATIONAL HOUSING AND CONSTRUCTION COMPANY LTD FOR FY2024/25

No.	Procurement reference	Subject of procurement	Method of procurement	Provider	Contract sum (UGX)	Risk Rating
1.	NHCC/WRKS/2024 -25/00067	Procurement of a contractor to undertake the design, supply and installation of carports at Plots 1-3 and 5, 7 th street Industrial area	Quotation method	Gefla General Services Ltd	150,524,930	High Risk
2.	NHCC/CONS/2024 - 25/00129	Consultancy services for geotechnical investigations, structural designs, detailing, mechanical, electrical design and detailing for the faculty of science and administration blocks at Kihumuro campus, Mbarara	Proposal method	Engineers without boards East Africa Consult Ltd	187,046,000	Medium Risk
3.	NHCC/WRKS/2024 -25/00070	Supply and installation of fire detection and fire suppression system at Plot 1-3 and 5, 7 th street and plot 17 Hannington road Kampala crested towers	Quotation method	East African Distributors Ltd	285,144,941	Medium Risk
4.	NHCC/SPLS/2024 - 25/00072	Supply and installation of an air condition system for block C CTB	Quotation method	Thermocool Uganda Ltd	128,957,480	Low Risk
5.	NHCC/SPLS/2024 - 25/00002	Supply and installation of lifts for Jasmine Apartments Naalya	Direct procurement	Elecon Lift Co (U) Ltd	207,000,000	Satisfactory
6.	NHCC/SPLS/2023 - 24/00064	Supply of assorted concrete products for Jasmine Apartments Naalya	Quotation method	Karya Group Investments Ltd	124,670,422	Low Risk
7.	NHCC/WRKS/2024 -25/00078	Procurement of a contractor to undertake aluminum partitioning for the warehouse at former	Direct procurement	Nabukwe Interior Solutions Co Ltd	714,372,000	Medium Risk

No.	Procurement reference	Subject of procurement	Method of procurement	Provider	Contract sum (UGX)	Risk Rating
		NHCC head offices plot 5, 7 th street Industrial are				
8.	NHCC/SPLS/2024 - 25/00046	Procurement of assorted furniture for Block B at Crested Towers building	Restricted domestic bidding	Footsteps Furniture Company Ltd	188,300,000	Satisfactory
9.	NHCC/CONS/2024 - 25/00150	Provision of consultancy services for land and building valuation for NHCC	Proposals method	SM Cathan property Consults Ltd	84,885,000	Satisfactory
10.	NHCC/SPLS/2024 - 25/00137	Supply and delivery of branded materials for NHCC @ 60 years	Quotations	Graphic Systems (U) Ltd	121,374,800	Low Risk
11.	NHCC/CONS/2024 - 25/00128	Consultancy services for Environmental and Social Impact Assessment (ESIA) and traffic impact	Proposals	Engineers without Borders East Africa Consult Ltd	192,622,000	High Risk
12.	NHCC/CONS/2024 - 25/00128	Consultancy services for design review and value engineering of proposed construction of Bugolobi apartments on Plot 1A, Luthuli rise, 5 th Close, Bugolobi	Proposal	Cornerstone Design & Engineering Ltd	85,078,000	Satisfactory
13.	NHCC/NCONS/2024 -5/00001	Procurement of Content Development, Design, Printing and Publication of The Souvenir Magazine and Documentary for NHCC @ 60 years	Direct Procurement	8M Construction Digest Ltd	90,000,000	Low Risk
14.	NHCC/SUPLS/ 2024 -2025/00142	Supply and installation of configuration of a server computer and storage server.	Request for Quotation	International Business Solutions Limited	189,999,999	Medium Risk

No.	Procurement reference	Subject of procurement	Method of procurement	Provider	Contract sum (UGX)	Risk Rating
15.	NHCC/CONS/ 2024 - 25/00125	Supply and delivery of Assorted Office Furniture for the Boardroom.	Request for Quotation	Oval plaza	80,310,000	Satisfactory
16.	NHCC/NCONS/ 2024 -25/00106	Provision of security services for NHCC sites and Projects for three years.	Open Domestic Bidding	Arrow Security Systems Ltd	618,000,000	Satisfactory
17.	NHCC/WRKS/ 2024 -25/00132	Procurement of a contractor to undertake the Voltage Stabilizer Maintenance at plot 1-3 & 5, 7th Street Industrial Area, Kampala.	Direct Procurement	L&S Company	21,707,752	Low Risk
18.	NHCC/CONS/ 2024 - 2025/00126	Provision of consultancy services for Integrated Management Systems Proposals (IMS)	Direct Procurement	LMS Certification Services Limited	21,948,000	Low Risk
19.	NHCC/NCOS/ 2024 - 25/00158	Provision of Office Space for the NHCC Western Regional Offices	Direct Procurement	Winfred Jessica Mpaabwa	93,600,000	Low Risk
20.	NHCC/CONS/ 2024 - 25/00169	Provision of Consultancy services for Review, Update and Development of Job descriptions and Person Specifications for various positions on the current and proposed	Direct Procurement	Vetting Processes International	15,120,000	Satisfactory
TOTAL					3,600,661,324	

APPENDIX 2: RISK RATING CRITERIA

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry a risk to the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	Planning: Lack of or failure to procure within the approved plan	This implies emergencies and the use of the direct procurement method which affects competition and value for money.
		Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals, and usurping the powers of the PDU.	This implies the use of less competitive methods which affects transparency, accountability, and value for money.
		Evaluation: Use of inappropriate evaluation methodologies or failure to conduct an evaluation.	This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend an award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files namely; solicitation documents, submitted bids, evaluation report, and contracts.	This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries

RISK	DESCRIPTION	AREA	IMPLICATION
MEDIUM	Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.	Planning: Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		Bidding Process: Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-qualified firms and splitting procurement requirements.	This implies lack of efficiency, standardisation and avoiding competition.
		Procurement Structures: Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety.	

RISK	DESCRIPTION	AREA	IMPLICATION
		Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.	Planning: Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and a lack of transparency.

SATISFACTORY

Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the procurement process based on the records available at the time.