



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

"Regulating For Results"

PPDA/ENMC/705

2nd October 2026

The Town Clerk
Entebbe Municipal Council
P O Box 34,
ENTEBBE

**BID PREPARATORY AUDIT EXERCISE FOR SELECTED PROCUREMENTS
UNDER GKMA AT ENTEBBE MUNICIPAL COUNCIL FY 2026/27.**

Reference is made to the above subject.

The Public Procurement and Disposal of Public Assets Authority (PPDA) conducted a bid preparatory audit for selected procurements at Entebbe Municipal Council. The audit exercise involved a review of the procurement planning, requisition/initiation and solicitation documents issued to bidders following the Public Procurement and Disposal of Assets Act, Cap 205, the PPDA Regulations and relevant guidelines.

Table 1: Selected procurements for the bid preparatory audit

No.	Reference Number	Subject of procurement	Amount (UGX)	Bid closing date
1.	GKMA/WRKS/26-27/00001/01	Construction of Nansana Daily Market in Nansana Municipal Council	19,458,405,387	21 st October 2026
2.	GKMA/WRKS/26-27/00001/02	Construction of Entebbe Terminal Market in Entebbe Municipal Council	26,437,217,873	21 st October 2026
3.	GKMA/SRVCS/26-27/000011	Provision of consultancy services for the construction of Nansana Daily Market in Nansana Municipal Council and Entebbe Terminal market	3,484,563,600	23 rd October 2026
Total			49,380,186,860	

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Audit Objectives

- Establish whether public procurement planning and requisition were conducted in a manner that promotes transparency, accountability and fairness, in accordance with the PPDA Act, Cap. 205, the PPDA Regulations, 2023 and attendant guidelines;
- Establish whether the solicitation documents issued to bidders were prepared in accordance with the provisions of the PPDA Act, Cap. 205 and the PPDA Regulations, 2023; and
- Assess whether the procurement processes were adequately prepared and supported by the requisite documentation prior to commencement of solicitation.

The Authority undertook this bid preparatory audit on 21st September 2026 and identified a number of exceptions requiring management's attention. This letter therefore communicates the following findings and recommendations for management's consideration and appropriate action.

1.1 Failure to Complete the Funds Availability Section

Section 61(2) of the PPDA Act, Cap. 205, provides that a procurement or disposal shall only be initiated or continued upon confirmation that funds, in the full amount required and over the required period, are available or will be made available at the time the contract commitment is made.

The Authority noted that, in all three selected procurements, the User Departments did not complete the funds availability section of Form 5, which serves as a budget tracking mechanism.

Implication

Failure to complete the funds availability section of Form 5 weakens the Entity's ability to confirm and track the availability of funds before initiating and progressing procurement transactions. This exposes the Entity to the risk of committing itself to procurements without sufficient budgetary provision, resulting in unfunded contractual commitments, delayed payments to suppliers or contractors, accumulation of domestic arrears and potential disruption of service delivery.

Recommendation

The Accounting Officer should direct User Departments to indicate the amount of funds available from their approved budget allocation at the initiation of each procurement. The Accounting Officer should thereafter confirm the availability of funds to ensure that procurements are initiated within the Entity's approved budget and available financial resources, in accordance with Section 61(2) of the PPDA Act, Cap. 205.

1.2 Failure to Sign the Record of Issue of Bidding Documents

The Authority noted that the responsible officers in the Procurement and Disposal Unit (PDU) did not sign the Record of Issue of Bidding Documents.

Implications

- Failure by the PDU to sign and confirm the issuance of Bidding Documents weakens the audit trail and accountability of the procurement process. In the absence of duly signed records, the Entity may not be able to demonstrate that the bidding documents were

issued to prospective bidders in a controlled and transparent manner or establish the dates on which the documents were issued.

- This may compromise verification of compliance with the prescribed bidding period and create uncertainty as to whether all prospective bidders were afforded equal access to the bidding documents and the same information. It may also expose the Entity to complaints and procurement disputes relating to the issuance, receipt or timing of bidding documents and limit the Authority's ability to independently verify the procurement process during an audit.

Recommendations

1. The Accounting Officer should direct the Head, Procurement and Disposal Unit (PDU), to ensure that the Record of Issue of Bidding Documents is duly completed and signed for each procurement, indicating the bidder's details, date of issue and other relevant particulars. The signed record should be retained on the respective procurement file as evidence of controlled issuance of the bidding documents in accordance with Regulation 48 (1) (2) of the PPDA (Contract) Regulations, 2023.
2. The Head, PDU should periodically review procurement files to ensure that Records of Issue of Bidding Documents are complete, duly signed and properly maintained before the procurement proceeds to subsequent stages in accordance with Section 44 of the PPDA Act, Cap. 205 and Regulation 52 (vii) (g) of the PPDA (Contracts) Regulations, 2023.

1.3 Failure to Clearly State Proposed Contract Conditions

The Authority noted that the Special Conditions of Contract (SCC) in the Standard Bidding Documents under audit did not clearly specify certain contract provisions, as detailed below:

a) GCC 1.0 (99) – Contract Start Date

The proposed contract clause provides that the commencement date shall be as stated in the commencement letter, without indicating the anticipated commencement date or the basis for determining it. Since the clause forms part of the proposed contract conditions communicated to bidders through the SBD, the absence of an indicative commencement date may limit bidders' ability to adequately plan for mobilization and factor the timing of resource deployment into their quoted prices.

b) GCC 20.1 – Completion Date: The contract provides for completion of the whole of the works within 15 calendar months without specifying the intended completion date.

c) GCC 43.1 – Defects Liability Period

The proposed contract clause provides for a 365-day defects liability period, without clearly specifying the date from which the period will commence, particularly where the works are implemented in phases or sections. The lack of clarity may result in different interpretations by bidders regarding their obligations during the defects liability period and the associated costs to be factored into their bids.

Implication

The lack of clarity in the proposed contract conditions may result in bidders making different assumptions regarding commencement and completion timelines and the duration of their

contractual obligations. This may affect the accuracy and comparability of quoted prices, create uncertainty during bid evaluation and, after contract award, increase the risk of disputes, claims, delays in implementation and additional costs to the Entity.

Recommendations

1. The Accounting Officer should direct the Head, Procurement and Disposal Unit (PDU), in consultation with the User Department, Contract Manager and other relevant technical officers, to ensure that the Special Conditions of Contract (SCC) are complete, clear and consistent with the requirements of the bidding document.
2. For each procurement, the Head, PDU should ensure that the SCC is properly completed and contains specific and unambiguous contractual dates. In consultation with the relevant technical/user department and other responsible officers, the PDU should:
 - i. **GCC 1.0 (99) – Contract Start Date:** Specify the anticipated contract commencement date, based on the circumstances and requirements of the particular procurement and the agreed arrangements for commencement of the works.
 - ii. **GCC 20.1 – Intended completion date:** Specify the intended completion date calculated from the agreed commencement date and the contractual period, rather than stating only the duration of 15 calendar months.
 - iii. **GCC 43.1 – Defects Liability Period:** Clearly specify the date from which the 365-day defects liability period shall commence, after completion of the project, including the date of completion or taking-over of the relevant phase or section where the works are implemented in phases.

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.



Dan Lukyamuzi

FOR: EXECUTIVE DIRECTOR

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