



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

Our Ref: PPDA/NCS/166

25th September 2026

The Accounting Officer
National Council of Sports
P.O. Box 20077
KAMPALA

REPORT ON BID PREPARATORY AUDIT FOR THE SUPPLY OF TWO DOUBLE CABIN PICKUPS TO FACILITATE SUPERVISION WORKS FOR THE CONSTRUCTED STADIA AND TRAINING FACILITIES AND THE PROVISION OF ALL RISK, MACHINERY BREAKDOWN, PVT AND PUBLIC LIABILITY INSURANCE FOR HOIMA CITY STADIUM AT THE NATIONAL COUNCIL OF SPORTS

Reference is made to the above subject.

In accordance with Section 8(1) (j) (i) of the Public Procurement and Disposal of Public Assets (PPDA) Act, Cap. 205, the Authority conducted bid preparatory audits for the above procurement transactions. The audit covered procurement planning, requisitioning, preparation of solicitation documents, approvals, and compliance with the PPDA Act, Cap. 205, PPDA Regulations, 2023 and applicable Guidelines.

This involved document review, interviews with procurement staff, examination of procurement records and comparison with the legal framework.

The purpose of the audit was to establish whether the initial procurement processes and the solicitation documents issued to the bidders were prepared in accordance with the provisions of the PPDA Act Cap. 205 and PPDA Regulations, 2023.

The specific objectives of the audit were to establish whether;

1. The procurement planning and initiation processes were conducted in a manner which promotes transparency, accountability and fairness in accordance with the PPDA Act Cap. 205, PPDA Regulations, 2023 and PPDA Guidelines; and
2. The solicitation documents issued to the bidders were prepared in accordance with the provisions of the PPDA Act, Cap. 205, PPDA Regulations, 2023 and PPDA Guidelines;

The Authority identified the following exceptions with regard to the objectives mentioned above for the attention of management.

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1.1. High cost of bidding documents issued to bidders

Regulation 57(4) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 provides that bidding documents may be sold only to recover the costs of printing, copying and distribution and that the price charged shall not include any profit.

The audit noted that the Entity charged UGX 200,000 per set of bidding documents for the provision of all risk, machinery breakdown, PVT & public liability insurance for Hoima City Stadium, without demonstrating that the amount reflected the actual costs of printing, copying and distribution of the 100 pages bidding document.

Implication

Charging bidding document fees that do not reflect the actual cost of solicitation bid reproduction may discourage prospective bidders, particularly small and medium enterprises, from participating in the procurement process. This may reduce competition, limit value for money and undermine the principles of fairness, transparency and equal access to public procurement opportunities.

Recommendation

The Head, Procurement and Disposal Unit and the Contracts Committee should, in future, ensure that fees charged to bidders for bidding documents are limited to the costs of printing, photocopying and distribution of the bidding documents, in accordance with Regulation 57(4) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

1.2 Restrictive experience requirement in the bidding document

Section 49 of the PPDA Act Cap. 205 *requires all procurement and disposal to be conducted in a manner to maximize competition and achieve value for money.*

Further, Regulation 47(5) of the PPDA (Rules and Methods for Procurement Supplies, Works and Non-Consultancy Services), 2023 states that: *"The evaluation criteria shall not be drafted in a way which restricts competition, unless the criteria is required to meet the objectives of the procurement or is in accordance with a preference or reservation scheme."*

The Authority noted that under ITB 15.1 of the Bid Data Sheet for the provision of all-risk, machinery breakdown, PVT and public liability insurance for Hoima City Stadium, the Entity required bidders to provide proof that the company had been in existence for at least 20 years. In addition, bidders were required to provide evidence of having provided insurance services through at least three contracts, each with premiums of not less than UGX 800,000,000, within the last three years.

The Authority noted that the requirement for a bidder to have been in existence for at least 20 years was not directly relevant to demonstrating its capacity to perform the insurance services. This was

particularly restrictive because the bidding document had already required bidders to demonstrate recent and relevant experience through three high value insurance contracts, each with premiums of at least UGX 800,000,000.

Consequently, an insurance company that had been established for less than 20 years but had demonstrated the requisite recent experience and capacity to handle high value insurance contracts would have been excluded from participating or could be disqualified during evaluation solely on account of its age.

Implication

The use of restrictive requirements in bidding documents limits competition by excluding otherwise capable and experienced insurance providers. Reduced competition may, in turn, limit the Entity's ability to obtain competitive terms and value for money

Recommendation

The Head, Procurement and Disposal Unit should amend the bidding document for provision of all-risk, machinery breakdown, PVT & public liability insurance for Hoima City Stadium for by removing the requirement for bidders to provide proof of existence for 20 years under ITB 15.1 of the Bid Data Sheet in accordance with Regulation 47(5) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, and thereafter communicate the amendments to all prospective bidders through a formal addendum.

1.3 Failure to provide for the margin of preference

Section 62 of the PPDA Act, Cap. 205 requires Procuring and Disposing Entities to apply the prescribed margin of preference when conducting procurements using Open Domestic Bidding or Open International Bidding, where applicable.

The Authority established that under ITB 42.1 of the Bid Data Sheet in the bidding documents for the supply of two double cabin pickups to facilitate supervision works for the constructed stadia and training facilities and the provision of all risk, machinery breakdown, PVT and public liability insurance for Hoima City Stadium, the Entity expressly stated that a margin of preference would not apply, despite the fact that both procurements are being conducted using the Open Domestic Bidding method, which method can attract both local and foreign bidders.

Implication

Failure to apply a margin of preference denies eligible domestic providers and local manufacturers the statutory benefits intended under Government policy to promote local content.

Recommendation

The Head, Procurement and Disposal Unit should revise the bidding documents to provide for the application of the prescribed margin of preference in accordance with Section 62(1)(a) and (b) of the PPDA Act, Cap. 205 and communicate the amendments to all prospective bidders through a formal addendum.

General recommendations

The Accounting Officer should ensure that all the recommendations contained in this report are implemented before proceeding with the procurement process. Specifically, the Entity should revise the bidding documents to address all identified deficiencies and issue a formal addendum to all prospective bidders communicating the amendments made.

The bid submission deadline should also be extended to provide bidders with sufficient time to consider the amendments and prepare responsive bids.

The Entity should thereafter submit the revised bidding documents and copies of the issued addenda to the Authority for review before proceeding with the bid opening process.



Dr. Aloysius M. Byaruhanga

FOR: EXECUTIVE DIRECTOR

cc: The Chairman, Contracts Committee
cc: The Head, Procurement and Disposal Unit