



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

"Procurement That Delivers"

**COMPLIANCE INSPECTION REPORT FOR
FINANCIAL YEAR 2023/24**

NEBBI DISTRICT LOCAL GOVERNMENT

DECEMBER 2024

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ACRONYMS

BOQs	Bills of Quantities
ESHS	Environment, Social, Health and Safety Safeguards
FY	Financial Year
GCC	General Conditions of Contract
Ltd	Limited
PPDA	Public Procurement and Disposal of Public Assets Authority
SCC	Special Conditions of Contract
TCC	Tax Clearance Certificate
UGIFT	Uganda Intergovernmental Fiscal Transfer
UGX	Uganda Shillings
VAT	Value Added Tax
WHT	Withholding Tax

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out the compliance inspection of Nebbi District Local Government that covered a sample of 10 procurement transactions under Financial Year 2023/24. The overall objective of the compliance inspection was to assess and establish the degree of compliance of Nebbi District Local Government's procurement system and processes with the provisions of the PPDA Act, 2003 and the PPDA Regulations and assess the level of procurement performance over the compliance inspection period.

From the findings of the compliance inspection exercise, the performance of Nebbi District Local Government for Financial Year 2023/24 was **moderately satisfactory** with an average weighted risk rating of **50.6%** as per the ranking in Table 24 in Chapter 3 of this compliance inspection report.

The following key exceptions were noted:

1. The Entity did not install any microscale irrigation equipment for farmers in FY 2023/2024 hence funds worth UGX 365,921,402 meant for beneficiary farmers were returned to the Consolidated Fund. This hindered the Government of Uganda's efforts to achieve its National Irrigation Policy which aims to create 1.5 million hectares of irrigated land by the year 2040.
2. The contractor, Rhema Engineering Company Limited, failed to perform its obligations specified in the contract for the construction of Ndhew and Mamba Seed Secondary Schools. Whereas the intended completion date was 27th July 2024, the contract expired and the works are still incomplete with time lapsed of 113.8% against an average physical progress of 68% and a financial progress of 37.6%. This delay has denied education services to the community, students, staff and management of Mamba and Ndhew Seed Secondary Schools.
3. Failure to dispose of obsolete assets contrary to the PPDA (Disposal of Public Assets) Regulations, 2023. As a result, assets continue to lose value through depreciation and face risks of loss or vandalism.
4. Irregular payments totaling to UGX 21,539,809 were made to providers contrary to Regulation 103 (1) of the Local Governments (PPDA) Regulations, 2006. This resulted into a financial loss to the Entity as follows:
 - i) UGX 1,210,000 paid to KLR Uganda Limited for purported water sampling and quality analysis at Lira regional laboratory and inappropriate items in the bills of quantities for the procurement of deep borehole drilling.
 - ii) UGX 4,000,000 to Ama-Obinga Company Limited for purported replacement of dead trees in the procurement for tree planting and weeding along six roads and 26 health centres.
 - iii) UGX 647,450 paid to Bilula Destiny & Family Business for unimplemented Environment, Social and Health Safety requirements in the procurement for fencing of Kalowang Health Centre III.
 - iv) UGX 15,682,359 paid to Assen Ventures Limited for purported water sampling and quality analysis at Lira regional laboratory; VAT miscalculations and inappropriate items in the bills of quantities, for construction of Got-tar Dam with animal water trough, chlorine dosing unit and water points for household use (safe water).
5. Irregular advancement of funds worth UGX 306,777,900 that exceeded 30% of the contract amounts without obtaining corresponding payment securities and approval from the

Secretary to the Treasury, contrary to Regulation 43 (3) and (4) of the PPDA (Contracts) Regulations, 2023. This exposed the Government of Uganda funds to abuse without backstopping.

6. Failure to obtain Environmental and Social performance securities from contractors in five procurements worth UGX 982,101,390 contrary to SCC (GCC) 61.1 of the signed contracts. As such, the Entity lost out on financial compensation resulting from the contractors' failure to complete their obligations on environment, health, social and safety requirements under the contracts.
7. The Entity implemented only 38.8% of its procurement plan in FY 2023/2024. The procurement plan was not amended to remove planned procurements estimated at UGX 2,613,428,542 that were not implemented contrary to Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023. Failure to execute all planned procurements denied service delivery to the intended beneficiaries.

In light of the above findings, the Authority recommends that:

1. The Accounting Officer should:
 - i) Conduct more awareness programs and also establish more demonstration sites to cover more sub-counties in the district to create awareness, train and guide farmers on the selection of the irrigation equipment in accordance with Clause 7 (Awareness Raising) of the UGIFT Micro-Scale Irrigation Program Technical Guidelines, Version 3, April 2023.
 - ii) Recommend the contractor, Rhema Engineering Company Limited, to the Authority for suspension due to failure to perform its obligations that were specified in the contract for construction of Ndhew and Mamba Seed Secondary Schools in accordance with Section 128 (e) of the PPDA Act, Cap. 205.
 - iii) Task the District Engineer to value the pending works at Ndhew and Mamba Seed Secondary Schools and commence the retendering of the pending works to enable successful completion of the project and deliver service to the intended beneficiaries.
 - iv) Dispose of the obsolete assets to avoid further depreciation of the assets and attain value for money in accordance with the PPDA (Disposal of Public Assets) Regulations, 2023.
 - v) Recover and submit to the Authority evidence of recovery of UGX 21,539,809 that was irregularly paid to the following providers:
 - a) UGX 1,210,000 from KLR Uganda Limited in the procurement for deep borehole drilling as follows:
 - UGX 810,000 for items that were irregularly included in the bills of quantities i.e., Performance Bond worth 260,000 and insurance of works, construction plant and against damage to persons and property worth UGX 550,000.
 - UGX 400,000 for purported water sampling and quality analysis at the regional laboratory-Lira.
 - b) UGX 4,000,000 from Ama-Obinga Company Limited in purported replacement of dead trees in the procurement for tree planting and weeding along six roads and 26 health centres.
 - c) UGX 647,450 from Bilula Destiny & Family Business for unimplemented Environment, Social and Health Safety requirements in the procurement for Fencing of Kalowang Health Centre III.

- d) UGX 15,682,359 from Assen Ventures Limited in the construction of Got-tar Dam with animal water trough, chlorine dosing unit and water points for household use (safe water) as follows:
 - UGX 9,482,359 in excess VAT as a result of miscalculations.
 - UGX 5,800,000 for items that were irregularly included in the bills of quantities i.e., Performance Bond worth UGX 1,000,000; insurance of works and contractor's equipment worth UGX 800,000; Third Party Insurance worth UGX 1,000,000; and Workman's Compensation Policy worth UGX 3,000,000.
 - UGX 400,000 for purported water sampling and quality analysis at the regional laboratory-Lira.
 - vi) Not pay advance to a provider that exceeds 30% of the contract price unless approval is obtained from the Secretary to the Treasury in accordance with Regulation 43 (3) and (4) of the PPDA (Contracts) Regulations, 2023.
 - vii) Terminate a contract where a provider fails to provide the required Environmental and Social performance security within the stipulated period in accordance with Regulation 12 (2) of the PPDA (Contracts) Regulations, 2023.
2. The Head Procurement and Disposal Unit should:
- i) In consultation with user departments regularly review and update the procurement plan based on the existing circumstances at the Entity in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023.
 - ii) Every three months, prepare and submit to the Accounting Officer a report on all contracts signed by the Entity, highlighting the problems encountered in managing the contracts in accordance with Regulation 52 (4) of the PPDA (Contracts) Regulations, 2023.
3. User Departments should:
- i) Not certify any payment request that contains errors/discrepancies or is supported by incorrect/incomplete documentation or is not in accordance with the terms of a contract. Such a payment request should be returned to the provider specifying the reasons for the rejection in accordance with Regulation 49 (5) of the PPDA (Contracts) Regulations, 2023
 - ii) Appraise and report on the performance of the providers to the Procurement and Disposal Unit in accordance with Regulation 52 (3) (f) of the PPDA (Contracts) Regulations, 2023.
4. The Contracts Committee should scrutinize all sections of the bidding documents for completeness and appropriateness before approving them for issue in accordance with Section 30 (e) of the PPDA Act, Cap. 205.

Nebbi District Local Government should implement the recommended action plan on Pages **35** - **37** of this report.

CHAPTER ONE: INTRODUCTION

1.1 Structure of the Entity

According to Section 28 (1) of the PPDA Act Cap 205, the Accounting Officer has the overall responsibility for the execution of procurement and disposal processes in the Entity. The Accounting Officer of Nebbi District Local Government during the Financial Year under inspection was Ms. Dorothy Ajwang. The compositions of the Procurement and Disposal Unit; the Contracts Committee and the User Departments are detailed in Appendices 7, 8 and 9 respectively.

1.2 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out the compliance inspection of Nebbi District Local Government that covered a sample of 10 procurement transactions under Financial Year 2023/24, vide Appendix 1.

1.3 Objective of the compliance inspection

The overall objective of the compliance inspection was to assess the effectiveness and efficiency of the procurement and disposal processes at the Entity and adherence to the PPDA Act, Cap. 205, attendant PPDA Regulations, and public procurement policies so as to determine the procurement performance over the compliance inspection period.

The specific objectives were to assess the:

1. Compliance of the Entity's procurement processes with the provisions of the PPDA Act, Cap 205 and any other applicable laws and identify areas for improvement to enhance procurement practices at the Entity;
2. Compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap 205 and attendant Regulations;
3. Level of application of the Environmental, Social, Health and Safety (ESHS) requirements in the procurement processes at the Entity;
4. Progress and performance of the Micro-scale Irrigation Program in Nebbi District Local Government; and
5. Entity's implementation of PPDA recommendations made in the contract audit report issued in June 2023, for the construction of Ndhew and Mamba Seed Secondary Schools.

1.4 Scope of the compliance inspection

The compliance inspection covered a sample of 10 procurement transactions worth UGX 1,633,774,710 conducted in the Financial Year 2023/2024, vide Appendix 1.

1.5 Methodology

Two Senior Officers conducted the exercise under the supervision of the Regional Manager. During the exercise, the team examined records and documents for each sampled procurement transaction and obtained relevant and sufficient evidence to derive the compliance inspection conclusions. This involved a review of the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and management.

During the compliance inspection exercise, the auditors met with the staff from the Procurement and Disposal Unit, Contracts Committee, Internal Audit and User Departments where necessary, to obtain crucial qualitative information about the internal control system and processes in place.

A debrief meeting to discuss the preliminary findings that arose during the inspection was held with the Entity management and staff on **2nd October 2024** before the auditors could embark on preparation of the management letter. The management letter was sent to the Entity on **23rd October 2024** with a requirement to submit a management response by **31st October 2024**, but the Entity submitted its response to the Authority on **14th November 2024**.

This report presents the key findings and conclusions arising from the compliance inspection exercise.

CHAPTER TWO: FINDINGS AND RECOMMENDATIONS

2.1. COMPLIANCE OF THE ENTITY'S PROCUREMENT PROCESSES WITH THE PROVISIONS OF THE PPDA ACT, CAP. 205 AND ATTENDANT REGULATIONS AND IDENTIFY AREAS FOR IMPROVEMENT TO ENHANCE PROCUREMENT PRACTICES AT THE ENTITY

2.1.1 Procurement plan implementation rate

The Authority reviewed the procurement reports submitted for the Financial Year 2023/2024 and found that the Entity procured items worth UGX 2,304,128,759 which amounted to 38.8% of the planned procurement value worth UGX 5,942,111,952. However, planned procurements estimated at UGX 3,637,983,193 were not implemented as indicated in Table 1 below:

Table 1: Procurement plan implementation rate analysis

Total procurement plan value (UGX)	5,942,111,952
Total procurement spend value (UGX)	2,304,128,759
Procurement plan implementation rate (%)	38.8%
Procurement plan implementation variance (UGX)	3,637,983,193

Implication

Failure to execute planned procurements worth UGX 3,637,983,193 denied service delivery to the intended beneficiaries.

Management response

This is noted, but was due to the following:

Table 2: Procurements not implemented

No.	Description	Amount (UGX)
1.	Procurement of contractors for the rehabilitation of roads under the National Oil Seeds Project	1,000,000,000
2.	Balance of UGIFT projects was swept back to the Consolidated Fund	199,131,542
3.	Co-funding from the beneficiary farmers of micro-scale irrigation program under UGIFT	200,000,000
4.	Mamba and Ndhew Seed Secondary Schools	973,178,000
5.	Laptop for Internal Audit Department	1,500,000
6.	Works for office operations, maintenance of roads using local labour and machine maintenance	239,619,000
Total		2,613,428,542

Table 3: Procurements undertaken but not reported

No.	Description	Amount (UGX)
1.	Micro procurement reports from Sub-Counties	70,245,313
2.	Activities under Uganda Road Fund for road works	728,699,822
3.	Nebbi General Hospital	227,880,760
4.	ICT equipment from Administration	12,000,000
5.	Stationery for Works Department	2,000,000
Total		1,040,825,895

We have taken note of the gaps and poor co-ordination. We will ensure that this does not re-occur.

Recommendations

1. The Accounting Officer should always endeavour to execute all planned procurements in order to deliver services to the community and avoid returning the unspent balances to the Consolidated Fund.
2. User departments should in writing inform the Procurement and Disposal Unit to update the procurement plan in the event that amendments are made to the departmental work plans, in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023.
3. The Procurement and Disposal Unit should for each month submit to the Authority a report on the procurement activities undertaken by the Entity including micro procurements in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.1.2 Micro procurements

The Authority observed that User Departments procured items worth UGX 70,245,313 listed in Table 4 using the micro procurement method; however, the following anomalies were noted:

- i) User departments procured these items without delegation from the Accounting Officer to perform this function;
- ii) There was no evidence of accountability in terms of delivery notes, invoices, payments and/or evidence that the user department made a comparison for at least three quotations before buying the items;
- iii) The micro procurements undertaken by the user departments were not reported to the Contracts Committee on a monthly basis; and
- iv) The micro procurements undertaken by the user departments were not reported to the Authority in the quarterly and monthly report submissions made by the Entity.

Table 4: Micro procurements irregularly implemented by User Departments

No.	User Department	Amount (UGX)
1.	Alala Sub-County	4,973,000
2.	Padwot Sub-County	1,638,000
3.	Erussi Sub-County	2,618,000
4.	Nebbi Sub-County	2,984,000
5.	Jupangira Sub-County	4,365,000
6.	Nyaravur-Angal Town Council	24,128,219
7.	Parombo Town Council	3,500,000
8.	Parombo Sub-County	2,037,000
9.	Atego Sub-County	1,980,000
10.	Ndhew Sub-County	5,636,234
11.	Acana Sub-County	4,973,000
12.	Kucwiny Sub-County	6,379,360
13.	Akworo Sub-County	5,033,500
Total		70,245,313

Implications

- User Departments usurped the powers of the Accounting Officer and also exposed the Entity to the risk of incurring domestic arrears by irregularly procuring items without evidence of availability and approval of funding.
- There was no assurance for value for money for items procured under the micro procurement method in absence of supporting documentation.
- Failure to report to the Authority all procurements undertaken by the Entity contravenes the principles of transparency and accountability in public procurement.

Management response

This is noted by management. The Accounting Officer will write to all Heads of User Departments restraining them from undertaking micro procurements without the requisite permission.

Recommendations

1. The Accounting Officer should:
 - i) Formally delegate authority to User Departments to undertake micro procurements in accordance with Regulation 22 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services), Regulations, 2023.
 - ii) Task User Departments to obtain value for money to the extent practical under the micro procurement procedure in accordance with Regulation 23 (2) (c) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services), Regulations, 2023.
2. User Departments should on a monthly basis report all micro procurements undertaken to the Procurement and Disposal Unit which in turn should:
 - i) Prepare a monthly report for the Contracts Committee in accordance with Section 33 (p) of the PPDA Act Cap. 205.
 - ii) For each month, submit to the Authority a report on the procurement activities undertaken by the Entity including micro procurements in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023.

2.1.3 Force Account Mechanism

According to the fourth quarter report dated 9th July 2024, the Entity planned and received a total of UGX 115,449,091 for roads. However, additional funding from the Road Grant worth UGX 1 billion was obtained by the Entity of which UGX 800 million was for road maintenance works and UGX 200 million was for office operations.

The Authority reviewed three files worth UGX 277,196,500 under Force Account Mechanism and found the following anomalies:

i) Hire of 10 tipper trucks (4 tonnes) to transport gravel for the rehabilitation of Acwera-Erussi road worth UGX 180,000,000

a) Irregular submission of a delivery note prior to contract signing

Whereas the contract was signed on 11th June 2024 for 30 days, the Authority found that the supplier, Ongeyowun Business Solutions Limited, submitted a delivery note of all the supplies dated 6th June 2024 to the Works Department prior to contract signing, contrary to Regulation 2 (3) of the PPDA (Contracts) Regulations, 2023.

Implication

Without a binding contract, there was a risk of delivery of items that could not meet the Entity's specifications hence failure to achieve the objective of the procurement.

Management response

This is noted. Going forward, we shall ensure that items are delivered after contract signing.

Recommendation

The Accounting Officer should not allow a provider to deliver any items before a contract is signed because a contract award decision by the Contracts Committee is not a binding contract between the Entity and the provider to allow execution of services in accordance with Regulation 2 (3) of the PPDA (Contracts) Regulations, 2023.

b) Irregular payment

The Authority found that the Entity did not adhere to the contractual payment terms before effecting payment to the contractor, Ongeyowun Business Solutions Limited, of the full contract amount of UGX 180,000,000 on 11th July 2024 (the day the contract was signed). This was contrary to:

- The contractor's quotation for hire of the 10 trucks which was based on a daily dry rate as indicated in Table 5 below, implying that for each day, the contractor was supposed to be paid UGX 6,000,000 only:

Table 5: Ongeyowun Business Solutions Limited's quotation

Description	Unit of measure	Unit rate (UGX)	Total price (UGX)
Dry rate	30 days	6,000,000	180,000,000

- The provisions under the Special Conditions of Contract as detailed in Table 6 below:

Table 6: Special Conditions of Contract

GCC Clause reference	Special Conditions of Contract
GCC 20.1	The services shall be completed/ shall be performed for a period of eight hours per day for the period in use.
GCC 22.3	The payment shall be for the number of days the trucks are being engaged for the work.

The payment for the full contract amount of UGX 180,000,000 was also contrary to Regulation 47 (1) of the PPDA (Contracts) Regulations, 2023 which provides that "*A Procuring and Disposing Entity shall not make payment to a provider under a contract for supplies, works or services without receipt of the deliverables specified in the contract.*" And Regulation 47 (2) of the PPDA (Contracts) Regulations, 2023 which provides that "*Notwithstanding Regulation (1), a Procuring and Disposing Entity may make payment to a provider before receipt of deliverables specified in the contract, where the Procuring and Disposing Entity obtains an appropriate payment security.*"

The Authority was not availed with documentation, such as number of trips made, number of trucks engaged and for how many days to justify the payment of UGX 180,000,000 that was made to the contractor.

In addition, whereas the procurement was for hire of 10 tipper trucks per day for 30 days, the Authority noted that the provider, Ongeyowun Business Solutions Limited, only owned two trucks. The other eight trucks proposed by the provider had lease agreements that were not supported by logbooks of the lessors hence uncertainty of the availability of these trucks for hire to execute the services.

Table 7 below shows the list of trucks proposed by the provider, Ongeyowun Business Solutions Limited:

Table 7: List of tipper trucks for hire

Owned trucks with evidence of log books	Lease Agreements dated 7th May 2024 without evidence of log books in the Lessor's name
1. UBF 077T – Mitsubishi Fighter (U-KFKA17E) truck	1. UBF 584S Lorry Truck FUSO from Mr. Siraji Bin Richard
2. UBH 994U – Mitsubishi Mignon (FK337CD) dump truck	2. UBK 671K Lorry Truck FUSO from Mr. Moses Okwonga
	3. UBH 577P Lorry Truck FUSO from Mr. John Kennedy Ocai
	4. UAU 645E Lorry Truck FUSO from Mr. Walter Wokorach
	5. UAP 961U Lorry Truck FUSO from Mr. Walter Wokorach
	6. UAU 879C Lorry Truck FUSO from Mr. Walter Wokorach
	7. UAX 949E Lorry Truck FUSO from Mr. Alex Komakech
	8. UBD 116U Lorry Truck FUSO from Mr. Nicholas Orwotho

Implication

There is a potential financial loss of UGX 174,000,000 (29 days' work) because the unit rate for hire of the trucks was UGX 6,000,000 per day for 30 days; however, money was paid to the provider on the same day the contract was signed without any form of accountability/justification.

Management response

Management has taken note of this irregularity and will ensure that this does not reoccur.

Authority's comment

There was no evidence submitted of completion of the services.

Recommendations

1. The Accounting Officer should:
 - i) Task the contractor, Ongeyowun Business Solutions Limited, to submit a payment security worth UGX 180,000,000 that should be valid for one to three months after the final expected completion date in accordance with Regulation 47 (2) and (5) of the PPDA (Contracts) Regulations, 2023, due to lack of evidence of completion of the services.
 - ii) Not pay advance to a provider that exceeds 30% of the contract price unless approval is obtained from the Secretary to the Treasury in accordance with Regulation 43 (3) and (4) of the PPDA (Contracts) Regulations, 2023.
2. The Head Procurement and Disposal Unit should ensure that the bidding documents and the contract state the requirement for a payment security in accordance with Regulation 47 (3) of the PPDA (Contracts) Regulations, 2023.

ii) Hire of an excavator with hydraulic jack hammer worth UGX 70,800,000

The following irregularities were noted:

• **Signing a contract with an unauthorized person**

The Authority found that the person granted the Powers of Attorney who signed the bid on behalf of the provider, Nyota Kali Trading Development SMC Limited, was Mr. Huang Gongyu- the Managing Director; however, the person who signed the contract was Mr. Li Fei (Manager) without any evidence of authorization to perform that function on behalf of the provider. This was also contrary to SCC (GCC) 3.4 of the signed contract which provided that: *“The authorized representative for the provider is Mr. Huang Gongyu.”*

Implication

The signed contract was void.

Management response

We have noted the Authority’s advice and will ensure that this does not reoccur.

Recommendation

The Accounting Officer should desist from signing contracts with persons other than a bidder’s authorized representative.

c) Irregular payments

The Authority noted that the Entity paid the contractor UGX 35,400,000 as 50% charge on machine hire on 13th June 2024 and UGX 34,482,000 on 11th July 2024 for completion of the hire services as per SCC (GCC) 22.3 of the payment schedule of the signed contract. (Note: the Entity recovered UGX 918,000 from this payment for fuel lost during hire services).

Table 8 below shows the provider’s quotation for the services:

Table 8: Nyota Kali Trading Development SMC Limited’s quotation

Description	Quantity	Unit of measure	Unit Rate (UGX)	Total Price (UGX)
Dry rate	20	Days	3,000,000 excluding fuel	60,000,000
Sub-Total				60,000,000
18% VAT				10,800,000
Grand Total				70,800,000

Whereas, the provider, Nyota Kali Trading Development SMC Limited, was paid the full contract sum of UGX 70,800,000 as per the quotation in Table 8, the Authority found that:

- i) The period between the requests for payments by the provider suggest that the services of the provider were used for only 12 working days instead of the contractual 20 working days contrary to SCC (GCC) 20.1 of the signed contract which provided that *“The services shall be completed/performed for a period of 20 working days @ UGX 3,000,000 per day.”*

The first request for payment was on 17th May 2024 after delivery of the equipment while the second and final request for payment was on 4th June 2024 after completion of the services. This implies that there were only 12 working days of engagement instead of the 20 working days in the signed contract, because 3rd June 2024 was a public holiday.

- ii) There was no evidence to confirm that the provider's services were used for 12 working days' work worth UGX 42,480,000, after taking into consideration the period between the two requests for payment.
- iii) There was no accountability/evidence to confirm that services worth UGX 28,320,000 paid to the provider for the balance of the eight working days were executed. This is because the eight working days were outside the period within which the contractor requested for full payment of the 20 working days' work.

Implications

- There was no assurance of value for money in the hire of an excavator with hydraulic jack hammer worth UGX 70,800,000 in absence of accountability records.
- The Entity potentially incurred a financial loss of UGX 28,320,000 paid for the eight working days' work without any form of justification/ accountability, given the fact that these eight working days were outside the period within which the contractor requested for full payment of the 20 working days' work.

Management response

The provider worked for 167.5 hours within the 22 days. The detailed work sheet for the Hydraulic jack hammer is available for review.

Authority's comment

The Authority reviewed the work sheet submitted by the Entity and found that:

- Services commenced prior to delivery of the equipment (excavator with hydraulic jack hammer) i.e., whereas the equipment was delivered on 17th May 2024, the worksheet shows that it was used on 15th and 16th May 2024 for 16 hours in total.
- Services were undertaken on six weekend days which were not working days i.e., on 18th May 2024; 19th May 2024; 1st June 2024; 2nd June 2024; 8th June 2024 and 9th June 2024.
- The contractor irregularly requested for final payment on 4th June 2024 purporting to have completed all the 20 working days' work, yet according to the work sheet submitted by the Entity a total of only 17 calendar days' work was undertaken by 4th June 2024. The remaining five day's work was undertaken after submission of the request for payment i.e., from 5th to 9th June 2024.

Recommendations

1. The Accounting Officer should caution the contract manager for failure to adhere to the contractual terms and conditions in the signed contract.
2. In subsequent procurements, the Contract Manager should not certify any payment request that contains errors/discrepancies or is supported by incorrect/incomplete documentation or is not in accordance with the terms of a contract. Such a payment request should be returned to the provider specifying the reasons for the rejection in accordance with Regulation 49 (5) of the PPDA (Contracts) Regulations, 2023.

iii) Supply of 293 bags of cement and other construction materials worth UGX 26,396,500

The Authority found that the statement of requirements in the bidding documents did not clearly define the specifications for the inputs in Table 9 and ultimately in the signed contract.

Table 9: Items without specifications in the bidding document and signed contract

No.	Description of supplies	Quantity	Unit of measure
	Supply of cement	293	Bag
	Supply of hardcore	30	M ³
	Supply of river sand	15	M ³
	Supply of 10-25mm aggregate	33	M ³

Implication

Ambiguous statement of requirements create room for assumption by bidders which in turn could compromise on the expected deliverables by the Entity hence failure to meet the objectives of the procurement.

Management response

We have taken note of this gap and will ensure that all specifications are indicated at the initiation stage.

Recommendations

1. The Head Procurement and Disposal Unit should provide specifications for each supply requirement in the bidding document in accordance with Regulation 35 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
2. The Contracts Committee should scrutinize all sections of the bidding documents for completeness and appropriateness before approving them for issue in accordance with Section 30 (e) of the PPDA Act, Cap. 205.

2.1.4 Poor needs assessment

In the construction of Got-tar Dam with animal water trough, chlorine dosing unit and water points for household use (safe water) worth UGX 297,972,420, the Authority found that the user department did not adequately conduct a needs assessment and this resulted into a contract variation of UGX 32,417,218 as indicated in Table 10 below:

Table 10: Additional works constituting the contract variation

No.	Description of works	Amount (UGX)
1.	Gabion construction	14,400,000
2.	Rip raps	2,225,500
3.	Trapezoidal open channel	3,510,000
4.	Erosion protection	725,000
	Sub-Total 1	20,860,500
5.	Add 5% contingency	1,043,025
	Sub-Total 2	21,903,525
6.	Add 30% profit, overheads, WHT	6,571,058
7.	Add 18% VAT	6,571,058
	Total (Grand Summary)	32,417,218

This information contained in this table was as per the request for the contract variation from the Contract Manager.

The additional works included a retaining structure (gabion box and stone ripraps) in the down-stream and soil erosion control measures in the up-stream (trapezoidal open channel finished with stone pitching).

In order to cater for this variation, the Entity traded off UGX 17,977,580 from the Environment and Social Impact Assessment (ESIA), fencing and other accumulated savings leaving a balance of UGX 14,439,638 requiring additional funding.

Whereas works were executed and completed on 30th July 2024, there was no evidence of:

- i) Confirmation of additional funds of UGX 14,439,638 by the Accounting Officer;
- ii) Approval of the contract variation by the Contracts Committee;
- iii) Approval of the contract variation by the Solicitor General;
- iv) Issuance of an amendment to the contract to reflect the changes in the contract terms;
- v) Correction of the 18% VAT that was not properly computed. The correct VAT amount should have been UGX 3,942,635 instead of UGX 6,571,058; and
- vi) The Entity undertaking ESIA before commencement of the works.

Implications

- Failure to obtain confirmation of addition funds exposed the Entity to the risk of incurring domestic arrears.
- Failure to obtain the Contracts Committee and Solicitor General's approval of the contract variation was irregular and contrary to Regulations 54 (6) (b) and (c) of the PPDA Contracts Regulations, 2023.
- Without a legally binding agreement for the additional works, the Entity was exposed to several risks such as uncapped liability, increased likelihood of disputes, lack of remedies and inability to enforce its rights.
- The Entity incurred a financial loss of UGX 2,628,423 due to miscalculation of the 18% VAT.
- There was no assurance that the Entity will be able to minimize/avoid adverse environmental and social effects before they occur.

Management response

Management has taken note of the gaps highlighted and will closely monitor to ensure that this does not reoccur. However, the implementation of the variation will be done this financial year since it is provided for in the budget.

Recommendations

1. The Accounting Officer should recover excess VAT worth UGX 2,628,423 from the contractor, Assen Ventures Limited, for construction of Got-tar Dam with animal water trough, chlorine dosing unit and water points for household use (safe water).

In subsequent procurements:

2. User Departments should:
 - i) Conduct thorough needs assessment of requirements including ESIA to guide the planning and budgeting processes at the Entity.
 - ii) Obtain the Accounting Officer's approval for commitment of the full amount of funding of the amended contract price over the required period of the revised contract in accordance with Regulation 54 (6) (a) of the PPDA (Contracts) Regulations, 2023.
3. The Head Procurement and Disposal Unit should:
 - i) Obtain the Contracts Committee's approval of the contract variation/amendment in accordance with Regulation 54 (6) (b) of the PPDA Contracts Regulations, 2023.
 - ii) Obtain the Solicitor General's approval of the contract variation/amendment in accordance with Regulation 54 (6) (c) of the PPDA Contracts Regulations, 2023.

- iii) Prepare a draft contract amendment and submit it to the Contracts Committee for approval and onward submission to the Accounting Officer for signature in accordance with Sections 33 (m) and 30 (e) of the PPDA Act, Cap. 205.

2.1.5 Irregularly costed items in the bills of quantities (BOQs)

The Authority found that the bills of quantities in three procurements worth UGX 579,620,880 included irregular items that formed part of the contract price as detailed in Table 11 below:

Table 11: Procurements with irregular items in the BOQs

No	Subject of Procurement	Exceptions																		
1.	Construction of Got-tar Dam with animal water trough, chlorine dosing unit and water points for household use (safe water) worth UGX 297,972,420	<p>The Authority found that the BOQs included irregular items and the contractor, Assen Ventures Ltd, quoted for these items that formed part of the contract price as follows:</p> <table border="1"> <thead> <tr> <th>Item No.</th> <th>Description</th> <th>Amount (UGX)</th> </tr> </thead> <tbody> <tr> <td>A110</td> <td>Performance Bond</td> <td>1,000,000</td> </tr> <tr> <td>A120</td> <td>Insurance of Works and Contractor's equipment</td> <td>800,000</td> </tr> <tr> <td>A130</td> <td>Third Party Insurance</td> <td>1,000,000</td> </tr> <tr> <td>A190</td> <td>Workmen's Compensation Policy</td> <td>3,000,000</td> </tr> <tr> <td>Total</td> <td></td> <td>5,800,000</td> </tr> </tbody> </table> <p>As a result, these items were paid for under Interim Payment Certificate No.1 on 13th June 2024.</p> <p>Implication The Entity incurred a financial loss of UGX 5,800,000.</p> <p>Management response <i>This is noted. Going forward, management will not include the above costs in the bills of quantities at the time of preparation of the BOQs. This amount will be deducted from the retention which is due to the contractor.</i></p>	Item No.	Description	Amount (UGX)	A110	Performance Bond	1,000,000	A120	Insurance of Works and Contractor's equipment	800,000	A130	Third Party Insurance	1,000,000	A190	Workmen's Compensation Policy	3,000,000	Total		5,800,000
Item No.	Description	Amount (UGX)																		
A110	Performance Bond	1,000,000																		
A120	Insurance of Works and Contractor's equipment	800,000																		
A130	Third Party Insurance	1,000,000																		
A190	Workmen's Compensation Policy	3,000,000																		
Total		5,800,000																		
2.	Tree planting and weeding along six roads (Nyaravur-Parombo-Akworo-Erussi-Goli, Goli-Kei, Akaba-Kucwiny, Agwok-Kucwiny and Kucwiny-Orango) and 26 Health Centres worth 68,898,000	<p>The Authority found that the BOQs irregularly required bidders to quote for replacement of trees that have died under beating up (pitting and planting) as follows: "Trees that have died after planting should be replaced. Conduct a survival assessment 4 weeks after planting to determine the survival percentage." This requirement should have been treated as a tree planting warranty at the provider's cost to cover certain causes of plant death.</p> <p>The provider, Ama-Obinga Company Limited, quoted UGX 4,000,000 for this requirement and was paid without evidence of replacement of dead trees.</p>																		

No	Subject of Procurement	Exceptions												
		<p>Implication The Entity incurred a financial loss of UGX 4,000,000.</p> <p>Management response <i>This is noted. Going forward, this will be corrected at preparation of BOQs and adjusted at evaluation and payment.</i></p>												
3.	Deep borehole drilling worth UGX 212,750,460	<p>The Authority found that the BOQs included irregular items and the contractor, KLR Uganda Limited, quoted for these items that formed part of the contract price as follows:</p> <table border="1"> <thead> <tr> <th>Item No.</th> <th>Description</th> <th>Amount (UGX)</th> </tr> </thead> <tbody> <tr> <td>1.1.1</td> <td>Performance Bond</td> <td>260,000</td> </tr> <tr> <td>1.1.2</td> <td>Insurance of works, construction plant and against damage to persons and property</td> <td>550,000</td> </tr> <tr> <td colspan="2">Total</td> <td>810,000</td> </tr> </tbody> </table> <p>Implication The Entity incurred a financial loss of UGX 810,000.</p> <p>Management response <i>This is noted by management and will be deducted at the time of payment of retention.</i></p>	Item No.	Description	Amount (UGX)	1.1.1	Performance Bond	260,000	1.1.2	Insurance of works, construction plant and against damage to persons and property	550,000	Total		810,000
Item No.	Description	Amount (UGX)												
1.1.1	Performance Bond	260,000												
1.1.2	Insurance of works, construction plant and against damage to persons and property	550,000												
Total		810,000												

Implication

The Entity incurred a total financial loss of UGX 10,610,000.

Management Response

This is noted and UGX 10,610,000 will be recovered from retention held.

Recommendations

The Accounting Officer should recover a total of UGX 10,610,000 and submit evidence of recovery to the Authority as follows:

1. UGX 5,800,000 from Assen Ventures Ltd in the construction of Got-tar Dam with animal water trough, chlorine dosing unit and water points for household use (safe water).
2. UGX 810,000 from KLR Uganda Limited in the procurement for deep borehole drilling.
3. UGX 4,000,000 from Ama-Obinga Company Limited in the procurement for tree planting and weeding along six roads and 26 health centres.

2.1.6 Failure to detect a double charge on VAT items

In the construction of Got-tar Dam with animal water trough, chlorine dosing unit and water points for household use (safe water) worth UGX 297,972,420, The Authority found that the best evaluated bidder, Assen Ventures Limited charged VAT twice on the items under borehole construction.

Whereas the individual quotation for the borehole construction was worth UGX 38,077,420 inclusive of VAT (vide Appendix 3), the Authority found that the contractor carried this total figure in the Grand Summary of the BOQs (vide Appendix 3) and again applied 18% VAT on the borehole construction total of UGX 38,077,420 yet this amount was already inclusive of VAT.

The evaluation committee did not notice this and as a result, the evaluated total price of UGX 297,972,420 included excess VAT charge worth UGX 6,853,936 (i.e., 18% VAT on UGX 38,077,420) for borehole construction.

Implication

The Entity incurred a financial loss of UGX 6,853,936 in excess VAT payment to the contractor, Assen Ventures Limited.

Management response

- *Management has taken note of the Authority's guidance to recover the above money from Assen Ventures Limited for excess VAT paid and it will be recovered from the payment for the variation of UGX 14,439,638.*
- *Recommendation No.2 below is noted for implementation.*

Recommendations

1. The Accounting Officer should recover UGX 6,853,936 from Assen Ventures Limited in excess VAT irregularly charged in the borehole construction requirements.
2. Evaluation Committee members should conduct financial evaluation of bids in accordance with Regulation 21 (2) (b) of the PPDA (Evaluation) Regulations, 2023.

2.1.7 Passing a non-compliant best evaluated bidder

The Authority found that the evaluation committee irregularly evaluated the provider, AMA-Obinga Company Limited (best evaluated bidder) as compliant to submission of a current trading license, yet the bidder's trading licence expired on 20th October 2023 before the bid submission deadline on 31st January 2024. This was noted in the procurement of tree planting and weeding along six roads (Nyaravur-Parombo-Akworo-Erussi-Goli, Goli-Kei, Akaba-Kucwiny, Agwok-Kucwiny and Kucwiny-Orango and 26 Health Centres worth 68,898,000.

Implication

Passing a non-compliant bidder exposed the Entity to the risk of contracting an ineligible provider that could fail to execute the supplies/services with competence.

Management response

We have noted the error and shall ensure compliance with the evaluation criteria.

Recommendation

Evaluation Committee members should adhere to the evaluation criteria set out in the bidding document during evaluation of bids in accordance with Regulation 5 (1) of the PPDA (Evaluation) Regulations, 2023.

2.1.8 Failure by contractors to submit Performance Securities

The Authority found that contractors did not submit Performance Securities in six procurements worth UGX 1,050,999,390 in Table 12 contrary to SCC (GCC) 61.1 of the signed

contract which stated that: “A Performance Security shall be required. A Performance Security shall be 8% of the contract price in form of an unconditional bank guarantee.”

Table 12: Procurements where contractors did not submit Performance Securities

No.	Subject of procurement	Contract Amount (UGX)	Contractor
1.	Construction of Got-tar dam with animal water trough, chlorine dosing unit and water points for household use (safe water)	297,972,420	Assen Ventures Limited
2.	Construction of piped water supply system (Gravity System)	280,125,510	Ferest Investment Limited
3.	Deep borehole drilling	212,750,460	KLR (U) Limited
4.	Construction of a 2-classroom block with an office and a store attached, water tank at Jupangira Primary School	105,000,000	Ongeyowun Business Solution Limited
5.	Fencing of Kalowang Health Centre III	86,253,000	Bilula Destiny and Family Business
6.	Tree planting and weeding along six roads (Nyaravur-Parombo-Akworo-Erussi-Goli, Goli-Kei, Akaba-Kucwiny, Agwok-Kucwiny and Kucwiny-Orango and 26 Health Centres worth 68,898,000	68,898,000	Ama-Obinga Company Limited
Total		1,050,999,390	

Implication

Without obtaining Performance Securities, the Entity losses out on compensation resulting from the contractors’ failure to complete their obligations under the contract.

Management response

Management has taken note of this and will ensure that this does not reoccur.

Recommendations

1. The Accounting Officer should withhold the Bid Security, annul the contract award decision and award the contract to the next best evaluated bidder in cases where a contractor fails to furnish the Performance Security within the stipulated period in accordance with Regulation 12 (2) and (3) of the PPDA (Contracts) Regulations, 2023.
2. The Head Procurement and Disposal Unit should, going forward, provide for a performance securing declaration in the bidding documents for procurements under the restricted domestic, restricted international and quotation procurement methods in accordance with Clause 2.0 (iii) of Guideline Reference: 3/2024 on Bid and Performance Securities.

2.1.9 Failure to incorporate the Solicitor General’s amendments in the provisions of the conditions of contract

The Authority found that the Entity did amend the conditions of contract prior to signing of two contracts worth UGX 510,722,880 contrary to the Solicitor General’s conditional approval of the contracts as detailed in Table 13:

Table 13: Special Conditions of Contract not amended/implemented by the Entity

No	Subject of Procurement	Exceptions												
1.	Deep borehole drilling worth UGX 212,750,460	<p>The Authority found that the Entity did not implement all of the Solicitor General’s recommendations contained in the letter dated 6th December 2023 prior to signing the contract with the contractor, KLR (U) Ltd as indicated below:</p> <table border="1" data-bbox="580 495 1366 936"> <thead> <tr> <th data-bbox="580 495 1078 568">Solicitor General’s recommendation</th> <th data-bbox="1078 495 1366 568">Paragraph 2 of the signed contract</th> </tr> </thead> <tbody> <tr> <td data-bbox="580 568 1078 936">An amendment to Paragraph 2 of the draft contract agreement incorporating the intended site of works immediately after the words “Deep borehole drilling (9 hand pump)” to read: “<i>At Rest Camp, Alwala West, Gottar, Penji Oryang East, Avurau, Omayokume, Mulyanga, Dendru and Pangidho Jupawoth.</i>”</td> <td data-bbox="1078 568 1366 936">Deep borehole drilling (9 hand pump), the site is located at Rest Camp.</td> </tr> </tbody> </table> <p><u>Management response</u> <i>This is noted for correction going forward.</i></p>	Solicitor General’s recommendation	Paragraph 2 of the signed contract	An amendment to Paragraph 2 of the draft contract agreement incorporating the intended site of works immediately after the words “Deep borehole drilling (9 hand pump)” to read: “ <i>At Rest Camp, Alwala West, Gottar, Penji Oryang East, Avurau, Omayokume, Mulyanga, Dendru and Pangidho Jupawoth.</i> ”	Deep borehole drilling (9 hand pump), the site is located at Rest Camp.								
Solicitor General’s recommendation	Paragraph 2 of the signed contract													
An amendment to Paragraph 2 of the draft contract agreement incorporating the intended site of works immediately after the words “Deep borehole drilling (9 hand pump)” to read: “ <i>At Rest Camp, Alwala West, Gottar, Penji Oryang East, Avurau, Omayokume, Mulyanga, Dendru and Pangidho Jupawoth.</i> ”	Deep borehole drilling (9 hand pump), the site is located at Rest Camp.													
2.	Construction of Got-tar Dam with animal water trough, chlorine dosing unit and water points for household use (safe water) worth UGX 297,972,420	<p>The Authority found that the Entity did not implement all of the Solicitor General’s recommendations contained in the letter dated 10th January 2024 prior to signing the contract with the contractor, Assen Ventures Ltd as indicated below:</p> <table border="1" data-bbox="580 1234 1390 2040"> <thead> <tr> <th data-bbox="580 1234 783 1308">GCC Clause Reference</th> <th data-bbox="783 1234 1102 1308">Solicitor General’s recommendation</th> <th data-bbox="1102 1234 1390 1308">Signed Contract Details</th> </tr> </thead> <tbody> <tr> <td data-bbox="580 1308 783 1532">SCC (GCC) 22.1</td> <td data-bbox="783 1308 1102 1532">Clause 22.1 be amended by adding the words “<i>after the site possession date</i>” immediately after “5 months”</td> <td data-bbox="1102 1308 1390 1532">The intended completion date for the whole of the works shall be: 5 months</td> </tr> <tr> <td data-bbox="580 1532 783 1861">SCC (GCC) 44.1</td> <td data-bbox="783 1532 1102 1861">An amendment to Clause 44.1 of the draft Special Conditions of Contract, adding, immediately after “180 days” the words “<i>after the intended completion date</i>”</td> <td data-bbox="1102 1532 1390 1861">The defects liability period is 180 days</td> </tr> <tr> <td data-bbox="580 1861 783 2040"></td> <td data-bbox="783 1861 1102 2040">The availing by the contractor of performance security of (8% of the contract price) and 2% ES</td> <td data-bbox="1102 1861 1390 2040">Not implemented. The contract was signed on 2nd February 2024 without obtaining</td> </tr> </tbody> </table>	GCC Clause Reference	Solicitor General’s recommendation	Signed Contract Details	SCC (GCC) 22.1	Clause 22.1 be amended by adding the words “ <i>after the site possession date</i> ” immediately after “5 months”	The intended completion date for the whole of the works shall be: 5 months	SCC (GCC) 44.1	An amendment to Clause 44.1 of the draft Special Conditions of Contract, adding, immediately after “180 days” the words “ <i>after the intended completion date</i> ”	The defects liability period is 180 days		The availing by the contractor of performance security of (8% of the contract price) and 2% ES	Not implemented. The contract was signed on 2 nd February 2024 without obtaining
GCC Clause Reference	Solicitor General’s recommendation	Signed Contract Details												
SCC (GCC) 22.1	Clause 22.1 be amended by adding the words “ <i>after the site possession date</i> ” immediately after “5 months”	The intended completion date for the whole of the works shall be: 5 months												
SCC (GCC) 44.1	An amendment to Clause 44.1 of the draft Special Conditions of Contract, adding, immediately after “180 days” the words “ <i>after the intended completion date</i> ”	The defects liability period is 180 days												
	The availing by the contractor of performance security of (8% of the contract price) and 2% ES	Not implemented. The contract was signed on 2 nd February 2024 without obtaining												

No	Subject of Procurement	Exceptions
		<p>performance security respectively, for the due performance of the contract) before the signing of the contract documents</p> <p>the 8% performance security and 2% ES performance security from the contractor.</p> <p><u>Management response</u> <i>This is noted for correction going forward.</i></p>

Implication

By failing to incorporate the Solicitor General's recommendations and guidance on the Special Conditions of Contract (SCC), the Entity did not adequately mitigate risks that could potentially arise during execution of these contracts i.e., disputes and litigation.

Management response

Management has taken note of the omissions. Going forward, we will ensure that this does not re-occur.

Recommendation

The Head Procurement and Disposal Unit should in preparation of final contract documents incorporate the Solicitor General's recommendations and guidance if any, before submitting the final contract document to the Accounting Officer for signature in accordance with Section 33 (m) of the PPDA Act, Cap 205.

2.1.10 Failure by contractors to submit work programs

The Authority found that the contractors in Table 14 did not submit work programs in five procurements worth UGX 982,101,390 contrary to the provisions of contract under SCC (GCC) 36.1: which provided that: "*The contractor shall submit the program for the works within five working days of contract signature.*" and SCC (GCC) 36.3 which provided that: "*The period between program updates is 30 days. The amount to be withheld for late submission of an updated program is UGX 300,000.*"

Table 14: Procurements with contractors that did not submit work programs

No.	Subject of procurement	Contract Amount (UGX)	Contractor
1.	Construction of Got-tar dam with animal water trough, chlorine dosing unit and water points for household use (safe water)	297,972,420	Assen Ventures Limited
2.	Construction of piped water supply system (Gravity System)	280,125,510	Ferest Investment Limited
3.	Deep borehole drilling	212,750,460	KLR (U) Limited
4.	Construction of a 2-classroom block with an office and a store attached, water tank at Jupangira Primary School	105,000,000	Ongeyowun Business Solution Limited
5.	Fencing of Kalowang Health Centre III	86,253,000	Bilula Destiny and Family Business
Total		982,101,390	

Implication

Without a works program, contract managers cannot measure/monitor the actual progress achieved on each activity and this can lead to time losses during contract execution.

Management response

Management has taken note of this anomaly. Going forward, we will ensure that this does not re-occur.

Recommendations

1. Contract managers should always task contractors to submit work programs as per the terms and conditions of the contract before contract execution in accordance with Regulation 52 (3) (ii) of the PPDA (Contracts) Regulations, 2023.
2. Where contractors fail to submit the work programs, the contract managers should penalize the contractors by invoking the clause on submission of work programs in the Special Conditions of Contract.

2.1.11 Advance payment anomalies

In the construction of Got-tar Dam with animal water trough, chlorine dosing unit and water points for household use (safe water) worth UGX 297,972,420, the Authority found that:

- i) On 19th June 2024, the contractor Assen Ventures Ltd requested for advance payment worth UGX 126,777,900 without submission of any corresponding payment security contrary to Regulation 43 (2) of the PPDA (Contracts) Regulations, 2023.
- ii) On 21st June 2024; the Entity entered into a Memorandum of Understanding with the contractor, Assen Ventures Ltd and DFCU Bank, Market Street Branch. Under Clause (a) of the MoU, Nebbi DLG was to transfer a sum of UGX 126,777,900 to the contractor's (Assen Ventures Ltd) account in DFCU Bank, Market Street Branch.

However, the advance payment of UGX 126,777,900 amounted to 42.5% of the total contract price (UGX 297,972,420) contrary to:

- Regulation 43 (3) of the PPDA (Contracts) Regulations, 2023 which provides that: "*A Procuring and Disposing Entity shall not make an advance payment exceeding thirty percent of the contract price.*"; and
- Item No. 6 of the Solicitor's General clearance of the original contract dated 10th January 2024 which stated that: "*In the event that the Entity shall issue an advance payment to the contractor, the latter must furnish an advance payment security (in the form of a bank guarantee) equivalent to the amount of advance pay to be issued by the Entity. According to GCC 60.1 of the draft Special Conditions of Contract, the advance pay that can be issued under the contract is limited to 30% of the total contract price. The advance payment security should reflect the same.*"

- iii) Under Clause (c) of the MoU, the Banker was to encumber/hold the said fund until such a time when the Employer gives clearance to the Bank to allow the Client to access the funds. Notably, the Client was not defined in the MoU.
- iv) The person (Ms. Martha Nanyondo) who signed the MoU on behalf of DFCU Bank, Market Street Branch did not have any evidence of delegated authority from DFCU Bank to perform such a function on behalf of the Bank.

Implication

Government of Uganda funds were exposed to abuse without backstopping.

Management response

This is noted for implementation going forward. However, the works for which the advance payment was made were fully executed as per the Certificate No.2 of 30th July 2024.

Recommendations

The Accounting Officer should:

1. Always obtain a payment security in the event that the Entity intends to make payment to a provider before receipt of deliverables specified in the contract in accordance with Regulation 47 (2) of the PPDA (Contracts) Regulations, 2023.
2. Not pay advance amount that exceeds thirty percent of the contract price unless approval is obtained from the Secretary to the Treasury in accordance with Regulation 43 (3) and (5) of the PPDA (Contracts) Regulations, 2023.

2.1.12 Failure to fully implement the PPDA audit recommendations for FY 2021/2022

The Authority issued the Entity with a procurement and disposal audit report for FY 2021/2022 on 19th April 2023. Out of the 34 recommendations made, 17 recommendations (50%) were implemented, 12 recommendations (35.3%) were partially implemented and five recommendations (14.7%) were not implemented as indicated in Table 15 below:

Table 15: Partially implemented and unimplemented previous audit recommendations for FY 2021/2022

Audit Recommendation	Status	Management response
The Accounting Officer should: 1. Dispose of all obsolete assets in order to avoid further depreciation of the assets and attain value for money. 2. Provide accountability to the Authority on the missing items (iron sheets & ridges) that were valued but not available at the time of payment hence causing a potential financial loss of UGX 263,000 to the Entity. 3. Only delegate certain procurement and disposal functions to a User Department but not the entire procurement process. 4. Endeavour to task contractors to fulfil conditions of contract effectiveness such as obtaining the performance and ES securities where required. 5. Adhere to PPDA regulations on the application of the use of force account mechanism to ensure value for money.	Not implemented Not implemented Not implemented Not implemented Partially implemented	1. <i>The Entity is waiting for the valuation report</i> 2. <i>Noted for implementation.</i> 3. <i>"</i> 4. <i>"</i> 5. <i>"</i>
The Head Procurement should: 1. Maintain and archive all documents pertaining to a particular procurement on each respective file. 2. Prior to issuance of bidding documents, conduct quality assurance for appropriateness of all the required documentation.	Partially implemented Partially implemented	<i>Noted. We will comply with the guidance going forward.</i>

Audit Recommendation	Status	Management response
3. Ensure that the contract and documents forming part of the contract are representative of the bidding document that was issued to bidders.	Partially implemented	
User Departments should: 1. Inform the Head Procurement and Disposal Unit to update the procurement plan in the event that amendments are made to their departmental work plans. 2. Submit all their procurement requisitions to the Procurement and Disposal Unit to advise on the appropriate procurement methods and procedures. 3. Appraise all the providers of revenue centres and take action against the non-performing ones. 4. Prevail over contract supervisors to ensure that: i) Each provider meets all performance or delivery obligations as per the terms and conditions of a contract. ii) The Entity meets all payment and other obligations as per the terms and conditions of a contract. iii) The progress or completion reports of a contract are submitted to the Procurement and Disposal unit and the Accounting Officer.	Not implemented Partially implemented Partially implemented Partially implemented Partially implemented	<i>We have formally notified and guided the User Departments.</i> <i>This is noted. We shall ensure that all User Departments especially the District Engineer comply.</i>
The Contracts Committee should: 1. Scrutinize all sections of the bidding documents for completeness and appropriateness before approving them for issue. 2. Play its oversight role of quality assurance of contract documents such that the draft contract documents, terms and conditions are appropriate and complete before approval.	Partially implemented Partially implemented	<i>This is noted. The Contracts Committee members have been formally guided to verify all documents as per their mandate.</i>
Evaluation Committee members should adhere to the criteria set out in the solicitation document during bid evaluation.	Partially implemented	<i>Noted for implementation.</i>

Implication

Failure to fully implement the Authority's audit recommendations is a red flag for weak internal controls and affects the performance of the procurement and disposal function in the Entity.

Recommendation

The Accounting Officer should engage all stakeholders to develop strategies on implementation of all the Authority's recommendations in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205.

2.2 COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESSES WITH THE PROVISIONS OF THE PPDA ACT, CAP. 205 AND ATTENDANT REGULATIONS

2.2.1 Non disposal of obsolete/unserviceable assets

The Authority reviewed the board of survey report for FY 2022/2023 as at 30th June 2023 and found that 880 obsolete assets were recommended for disposal, vide Appendix 4. The Entity, however, had not commenced the disposal process at the time of this compliance inspection exercise which was conducted from 30th September 2024 to 2nd October 2024.

Implication

Assets continue to lose value through depreciation and face risks of loss or vandalism.

Management response

The team from the Chief Government Valuer was in the District and carried out valuations on the 2nd and 3rd of October 2024. We are waiting for the valuation report to proceed with the disposal process.

Recommendation

The Accounting Officer should after receipt of the valuation report commence the disposal of the obsolete assets to avoid further depreciation of the assets and attain value for money in accordance with the PPDA (Disposal of Public Assets) Regulations, 2023.

2.3 APPLICATION OF THE ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY (ESHS) REQUIREMENTS IN THE PROCUREMENT PROCESSES AT THE ENTITY

2.3.1 Failure to obtain Environmental and Social (ES) Performance Securities

The Authority found that the Entity did not obtain ES Performance Securities from contractors in five procurements worth UGX 982,101,390 indicated in Table 16, contrary to SCC (GCC) 61.1 of the signed contracts which provided that: "An ES performance security shall be required. The ES performance security shall be for 2% of the contract price."

Table 16: Procurements where ESHS requirements were not implemented

No	Subject of procurement	Contract Amount (UGX)
1.	Fencing of Kalowang Health Centre III	86,253,000
2.	Construction of a 2-classroom block with an office and a store attached, water tank at Jupangira Primary School	105,000,000
3.	Deep borehole drilling	212,750,460
4.	Construction of Piped Water Supply System (Gravity System)	280,125,510
5.	Construction of Got-tar Dam with animal water trough, chlorine dosing unit and water points for household use (safe water)	297,972,420
	Total	982,101,390

Implication

The Entity lost out on financial compensation resulting from the contractors' failure to complete their obligations on environment, health, social and safety requirements under the contract.

Management response

Management has taken note of this. Going forward, we will comply with the guidance given by the Authority.

Recommendation

The Accounting Officer should withhold the bid security, annul the contract award decision and award the contract to the next best evaluated bidder in cases where the contractor fails to furnish the ES performance security within the stipulated period, in accordance with Regulation 12 (2) and (3) of the PPDA (Contracts) Regulations, 2023.

2.3.2 Non- implementation of ESHS requirements

The Authority did not find any evidence that the Entity enforced the implementation of ESHS requirements in the execution of three contracts worth UGX 596,975,880 as detailed in Table 17 below:

Table 17: Procurements where ESHS requirements were not implemented

No	Subject of procurement	Exceptions
1.	Fencing of Kalowang Health Centre III worth UGX 86,253,000	<p>The Authority noted ambiguity of the ESHS requirements in the bills of quantities i.e., the requirement was simply stated as “<i>Environment, Social, Health and Social Safeguards</i>” without any specifics such as; waste management, tree/grass planting, safety signages on site, among others. The contractor, Bilula Destiny & Family Business quoted UGX 647,450 for Environment, Social, Health and Social Safeguards ambiguously. However, the Authority did not find any evidence of implementation of ESHS requirements yet payment was made to the contractor on 11th July 2024.</p> <p>Authority’s comment <i>The Entity did not respond to this query.</i></p>
2.	Deep borehole drilling worth UGX 212,750,460	<p>The Authority found that the contractor, M/s KLR Uganda Limited provided UGX 400,000 for water sampling and quality analysis at the regional laboratory-Lira on the instruction of the Entity; however, there was evidence that it was done, yet the contractor was paid.</p> <p>Management response <i>Environment Certification No.s CFO90/05/2024 and CFO89/05/2024 show that ESHS were implemented.</i></p> <p>Authority’s comment The Entity’s response is noted; however, there was no evidence submitted to show that tests were undertaken at the regional laboratory-Lira.</p>
3.	Construction of Got-tar Dam with animal water trough, chlorine dosing unit	<p>The Authority found that the contractor, M/s Assen Ventures Limited provided UGX 400,000 for water sampling and quality analysis at the regional laboratory-Lira on the instruction of the Entity; however, there was evidence that it was done, yet the contractor was paid on 11th July 2024.</p>

No	Subject of procurement	Exceptions
	and water points for household use (safe water) worth UGX 297,972,420	<p><u>Management response</u> <i>Environment Certification No.s CF077/01/2024 and CF077/02/2024 show that ESHS were implemented.</i></p> <p>Authority's comment The Entity's response is noted; however, there was no evidence submitted to show that tests were undertaken at the regional laboratory-Lira.</p>

Implications

- The health, safety and security of the workers, community and materials on site were compromised.
- The Entity incurred a total financial loss of UGX 1,447,450 by effecting payment to contractors for ESHS requirements that were not implemented as indicated below:
 - i) UGX 647,450 made to Bilula Destiny & Family Business in the procurement for fencing of Kalowang Health Centre III.
 - ii) UGX 400,000 made to KLR Uganda Limited in the procurement for deep borehole drilling.
 - iii) UGX 400,000 made to Assen Ventures Limited in the construction of Got-tar Dam with animal water trough, chlorine dosing unit and water points for household use (safe water).

Recommendations

1. The District Engineer should work closely with the Environmental Officer, Community Development Officer and the District Planner to enforce implementation of ESHS requirements during execution of contracts. The ESHS aspect should be incorporated in the monthly progress reports submitted to the Accounting Officer and the Procurement and Disposal Unit in accordance with Regulation 52 (3) (g) of the PPDA (Contracts) Regulations, 2023.
2. The Head Procurement and Disposal Unit should prepare bidding documents for works that clearly define the statement of requirements that are environmentally and socially responsive in accordance with Regulation 37 (2) (i) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
3. The Accounting Officer should recover and submit evidence of recovery of a total of UGX 1,447,450 irregularly paid to contractors for non-implementation of ESHS requirements as indicated below:
 - i) UGX 647,450 from Bilula Destiny & Family Business for fencing of Kalowang Health Centre III.
 - ii) UGX 400,000 made to KLR Uganda Limited in the procurement for deep borehole drilling.
 - iii) UGX 400,000 made to Assen Ventures Limited in the construction of Got-tar Dam with animal water trough, chlorine dosing unit and water points for household use (safe water).

2.4 PROGRESS AND PERFORMANCE OF THE MICRO-SCALE IRRIGATION PROGRAM IN NEBBI DISTRICT

Background

The Micro-scale Irrigation Program is in line with Uganda's National Irrigation Policy which aims to create 1.5 million hectares of irrigated land by the year 2040. The Micro-scale Irrigation Program supports farmers to purchase and use individual irrigation equipment through a matching grant scheme, in which the cost of the equipment is co-financed by the farmer and the Government of Uganda. The Government subsidises between 25% and 75% of the total cost of the irrigation equipment (which can be sprinkler, drip and drag hosepipe methods using either solar or petrol energy sources). The level of the subsidy varies according to the choice of the irrigation equipment/ technology selected by the farmer as indicated below:

- For solar-powered irrigation equipment, the maximum Government co-payment is 75% of the total cost of equipment and is capped at UGX 18,000,000. Within this total cap, the maximum Government payment for a tank stand is UGX 2,000,000.
- For petrol-powered irrigation equipment the maximum Government co-payment is 25% of the total cost of equipment and is capped at UGX 5,000,000.

Exceptions noted:

2.4.1 Poor implementation of the design, supply and installation of UGIFT microscale irrigation systems

The Authority found that Nebbi District Local Government did not install any microscale irrigation equipment in FY 2023/2024 hence funds worth UGX 365,921,402 meant for beneficiary farmers were returned to the Consolidated Fund at the end of the FY 2023/2024.

Out of the 203 farmers who expressed interest, only 21 farmers were found eligible and by the end of FY 2023/2024, none of the 21 eligible farmers had their irrigation equipment successfully installed and paid for as detailed vide Appendix 5.

Table 18 shows the summary of procurement and implementation of the microscale irrigation program in Nebbi district in FY 2023/24.

Table 18: Summary status of the procurement of microscale irrigation equipment in FY 2023/2024

Level	Definition	Nebbi DLG statistics by Number (FY 2023/24)
'Interested' Farmer	<i>Those farmers who submitted an Expression of Interest (EOI) and met the basic self-assessed criteria</i>	203
'Eligible' Farmer	<i>Those farmers who had a farm visit and were found to meet the eligibility criteria</i>	21
'Approved' Farmer	<i>Those farmers who made the co-payment, provided documentary proof of their land tenure (if possible) and signed an MOU with the Local Government</i>	4

Level	Definition	Nebbi DLG statistics by Number (FY 2023/24)
“Installation Accepted’ Farmer	<i>Those farmers who had the irrigation equipment installed and the Local Government and farmer verified the equipment and installation was as per quotation and standards</i>	-
‘Completed’ Farmer	<i>Those Farmers where the irrigation equipment supplier was paid by the Local Government and all paperwork is complete</i>	-
Total of microscale irrigation kits installed and completed in FY 2023/2024		-

On 2nd October 2024, the PPDA Officers held a debrief meeting with the Accounting Officer and were informed that the Entity completed installations for seven farmers in Table 19 below; however, this was done after the end of the financial year 2023/2024 which is under review.

Table 19: Irrigation kits installed and completed as reported at the debrief meeting held on 2nd October 2024

No.	Name of Farmer	Amount (UGX)	Type of irrigation equipment	Date of installation and completion of the equipment
1.	Mr. Abeka Ijino	15,158,000	Solar powered - drag hose	26 th August 2024
2.	Mr. Gerald Kakura	17,061,760	Solar powered - drag hose	26 th August 2024
3.	Mr. Joshua Tekakwo	14,600,000	Solar powered - drag hose	26 th August 2024
4.	Mr. Collins Jawiambe	11,490,400	Solar powered - drag hose	26 th August 2024
5.	Mr. Sunday Acirocan	15,264,000	Solar powered - drag hose	26 th August 2024
6.	Mr. John Bosco Jacan	5,400,000	Petrol powered – drag hose	27 th August 2024
7.	Mr. Stephen Onyuthfua	15,465,400	Solar powered - drag hose	5 th September 2024

Note: The supplier of the above equipment was M/s Hizmet Services Limited.

The Authority noted the Accounting Officer’s submission but did not find any evidence that:

- i) Hizmet Services Limited, delivered and installed the equipment at the farmer’s approved site.
- ii) Verifications after installation of the equipment were carried out by the Entity’s Technical Persons comprising of the Senior Agricultural Engineer and the District Production Officer, in presence of the District Internal Auditor, the beneficiary farmer and the farmer’s spouse (where applicable).
- iii) The parties mentioned above signed the acceptance form for the equipment installed.
- iv) Hizmet Services Limited provided support services such as training on Operation and Maintenance (O&M) and manuals to the Entity and beneficiary farmer.

- v) Hizmet Services Limited, requested for payment after installation and acceptance of the equipment.
- vi) The Entity paid 95% of contract sum to the equipment supplier (minus retention of 5%) once equipment was installed and verified.

Implications

- The Government of Uganda may fail to achieve its National Irrigation Policy which aims to create 1.5 million hectares of irrigated land by the year 2040.
- Without embracing the microscale irrigation system programme, farmers may not be able to sustain agricultural productivity/enhancement amidst changing climatic conditions.

Management response

The District did not install any microscale irrigation equipment for farmers in FY 2023/2024 because of delays in second co-funding payments and mobilization of equipment by the contractors hence money worth UGX 365,921,402 was returned to the Consolidated Fund. However:

- *The equipment was delivered to the store and verified by the subject matter Specialist and Internal Auditor as per the goods received note form stores.*
- *Nine irrigation kits/equipment was installed and successfully tested as at 31st October 2024 including:*
 - *Mr. Jimmy Ocaya: UGX 15,000,000 for a solar powered – drag hose installed on 14th October 2024; and*
 - *Mr. Richard Opar: UGX 15,264,000 for a solar powered - drag hose installed on 21st October 2024.*
- *Payments are being processed.*

Management takes note of the Authority's recommendations for implementation.

Authority's comment

The Entity's response is noted; however, there was no evidence submitted of successful installation and signed acceptance forms by all the nine beneficiary farmers and the Entity's Technical Persons.

Recommendations

The Accounting Officer should:

1. Task the Entity's Technical Persons to verify the functionality of equipment that was installed at different sites and sign the acceptance form with the beneficiary farmers and their spouses where applicable.
2. Pay the amount due to the provider, Hizmet Services Limited after acceptance forms have been signed by the beneficiary farmers and the Entity's Technical Persons.
3. Task Hizmet Services Limited to provide support services such as training on Operation and Maintenance (O&M) and manuals to the Entity and beneficiary farmers.
4. Urge farmers to embrace the initiative through conducting continuous awareness programs about the micro-scale irrigation program and its benefits.
5. Target farmers that are willing and have the resources to make the required co-payments.
6. Encourage farmers to form groups and nominate a representative on their behalf, who will facilitate easier access to the programme in order to alleviate the financial burden.

7. Provide extension services to support farmers in maximizing the benefits of the program e.g., production enhancement/ increase in farm productivity and their standard of living

2.4.2 Non-functional demonstration site

According to the fourth quarter report for FY 2023/2024 dated 26th June 2024, Nebbi district had only three demonstration sites serving its 13 sub-counties. The Authority noted that the Project Manager, Ms. Consolate Angeyango reported continual breakdown of the petrol pump at the demonstration site in Akworo Sub-County which hampered the host farmer's productivity. The District Engineer was tasked to mobilize and have the pump transported to a suitable workstation in Kampala for critical assessment and general repair before its returned to the host farmer; however, the Authority did not find evidence that this was done.

Implication

Delay to repair the irrigation equipment at the demonstration site in Akworo Sub-County affects the Entity's efforts to create awareness about irrigation, its benefits and the micro-scale irrigation programme i.e., it has made it difficult to sensitize and guide farmers as well as key stakeholders on the selection of the irrigation equipment and training on the use of the equipment.

Management response

The equipment was repaired and is functional.

Authority's comment

There was no evidence submitted to support the management response.

Recommendation

The Entity should repair the irrigation equipment at the demonstration site in Akworo Sub-County so that farmers are taught how to appreciate the technology that will enable them engage in production even during the dry spell.

2.5 IMPLEMENTATION OF THE AUTHORITY'S RECOMMENDATIONS ON THE CONTRACT AUDIT INTO THE CONSTRUCTION OF NDHEW AND MAMBA SEED SECONDARY SCHOOLS.

On 21st October 2022, Nebbi District Local Government signed a contract with Rhema Engineering Company Limited for the construction of Seed Secondary Schools at Ndhew and Mamba at a total cost of UGX 6,170,788,135 with an intended completion period of 18 calendar months i.e., 27th July 2024 (This was calculated from the date of site handover which was on Friday, 27th January 2023).

The Authority conducted a contract audit into the matter and at the time of conclusion of the audit exercise on 1st February 2023, the Authority found that the project was behind schedule with 17% of the contract period lapsed and the financial and physical progresses were both at 0%.

The Authority issued a contract audit report on 19th June 2023 recommending that the Accounting Officer and the Project Management Team should diligently monitor the implementation of the revised construction and supervision schedules to ensure successful completion of the Seed Secondary Schools at Ndhew and Mamba by 27th July 2024, within the contracted price and specifications.

Between 30th September 2024 and 2nd October 2024, the Authority conducted a compliance inspection exercise of Nebbi DLG for FY 2023/2024 and according to the progress report dated 10th October 2024 (Contract Summary vide Appendix 6), the Authority found that:

2.5.1 Expired contract

There was no evidence of extension of the contract after its expiry on 27th July 2024 yet works were incomplete.

Implication

The expired contract is void and the terms and conditions are not enforceable.

Management response

Management extended the contract period up to 31st December 2024 in the Contracts Committee meeting of 30th September, 2024.

Authority's comment

The Entity's response is noted; however, the approval of the extension of the contract period by the Contracts Committee on 30th September 2024 was retrospective and done against a contract that expired on 27th July 2024.

Recommendation

The Accounting Officer should not allow the contractor, Rhema Engineering Company Limited, to proceed with execution of works in absence of a valid binding agreement between the Entity and the contractor because it is contrary to Regulation 10 (1) of the PPDA (Contracts) Regulations, 2023.

2.5.2 Incomplete works

According to the progress report dated 10th October 2024, the Authority noted that works at Ndhew and Mamba Seed Secondary Schools were still incomplete as per the progress summary in Tables 20, 21 and 22:

Table 20: Time Progress as at 10th October 2024 report

Contract Start Date	27 th January 2023
Original Contract End Date	27 th July 2024
Measurement Date	10 th October 2024
Contract Period (Days)	391
Time Lapsed (Days)	445
Time Progress (%)	113.8%

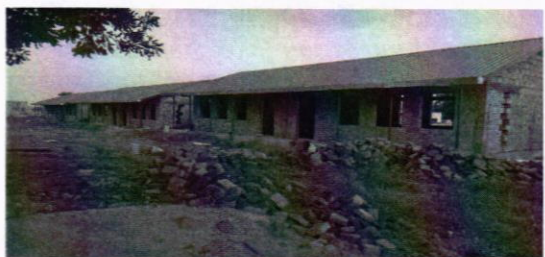

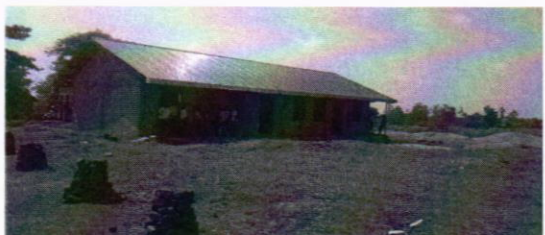

Table 21: Financial Progress as at 10th October 2024 report








Contract Amount (UGX)	6,170,788,135
Advance Payment (20%)	1,234,157,627
Interim Payment Certificates No.1 and 2 for foundation and walling	1,086,058,718
Financial Progress (%)	37.6%

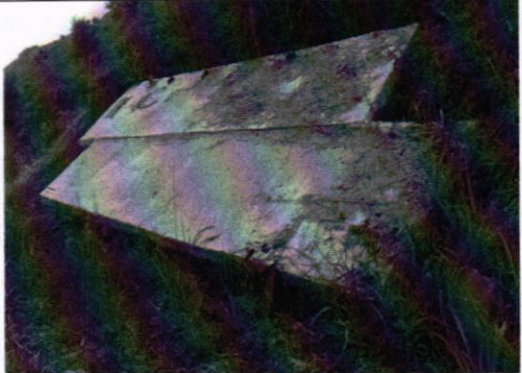



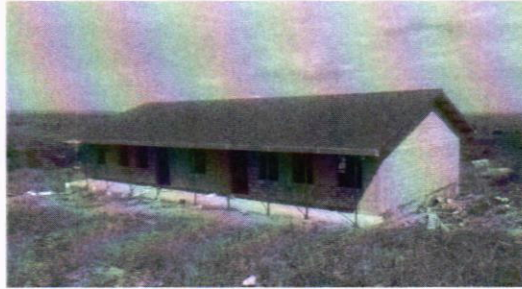
Table 22: Physical Progress as at 10th October 2024 report

Area description	Name of school	
	Mamba Seed Secondary School	Ndhew Seed Secondary School
Physical progress (68% average)	70%	66%
Preliminary And General Item	Partly completed	Partly completed
Site levelling works	Partly completed	Partly completed
Three 2-Classroom blocks	Roof completed	Roof completed
Science laboratory block	Roof completed	Roof completed
Administration block	Roof completed	Roof completed
2-Unit teachers house	Roof structures in progress	Roof completed for all 3
2-Unit teachers' kitchen	Walls above ring beam in progress	Roof structure in progress
2-Stance VIP- Administration	Pit lining in progress	Pit excavated in 3 locations all encounter rocks, new site yet to be identified.
2-Stance VIP- teachers	Walling in progress	Walling in progress
5-Stance VIP latrine -boys	Walling in progress	Walling in progress
5-Stance VIP latrine -girls	Walling in progress	Walling in progress
External Works	Not started	Not started
Rain water harvesting	Not started	Not started
ICT-library block	Roof completed	Roof completed
Multipurpose hall	Roof completed	Roof completed
Furniture	Not started	Not supplied
Sport field	Not started	Not started

Table 23: Pictorial evidence as at 10th October 2024 shared by the Project Supervisor

Mamba Seed Secondary School	Ndhew Seed Secondary School
 <p><i>Classroom blocks: Roof covering completed, gutter, fascia and barge boards installed.</i></p>	 <p><i>Classroom blocks: Roof structure completed, fascia and barge boards installed.</i></p>
 <p><i>Administration block: Roof covering completed, gutter, fascia and barge boards installed.</i></p>	 <p><i>Administration block: Roof Covering materials for all structures delivered on site ready for fixing.</i></p>

Mamba Seed Secondary School	Ndhew Seed Secondary School
 <p data-bbox="220 577 790 616"><i>ICT Laboratory: Roof structures completed.</i></p>	 <p data-bbox="815 577 1385 616"><i>ICT Laboratory: Roof structures completed.</i></p>
 <p data-bbox="220 896 790 974"><i>Multi-purpose Hall: Roof structures completed ready to receive roof covering.</i></p>	 <p data-bbox="815 918 1181 974"><i>Multi-purpose Hall: roofed.</i></p>
 <p data-bbox="220 1310 790 1388"><i>Teachers' houses: one at roof trusses, 2 at walling stage</i></p>	 <p data-bbox="815 1332 1364 1388"><i>Teachers' houses: all three houses roofed</i></p>
 <p data-bbox="220 1702 790 1747"><i>5 stance VIP latrine for girls: walling stage</i></p>	<p data-bbox="815 1534 1396 1612">5 stance lined VIP latrine for girls - slab level.</p>

Mamba Seed Secondary School	Ndhew Seed Secondary School
<p>5 stance VIP latrine for boys: not started</p>	 <p><i>5 stance VIP latrine for boys: at slab level</i></p>
<p>No evidence provided on actual stage of works</p>	 <p><i>Teacher's kitchen: all 3 kitchens at walling</i></p>
<p>2-Stance lined VIP Latrines – Teachers: excavated</p>	 <p><i>2-Stance lined VIP Latrines – Teachers: pending roofing</i></p>
 <p><i>Science Laboratory: roofing structure</i></p>	 <p><i>Science Laboratory: roofed.</i></p>
<p>2-Stance lined VIP Latrine – Administration: excavated</p>	<p>2-Stance lined VIP Latrine – Administration: not excavated</p>

The Authority further noted that the Internal Auditor in his report dated 17th July 2024, mentioned that despite the many site meetings held and recommendations made for implementation by the contractor:

- i) The contractor's workforce was very thin on site right from day one. The labour on paper work was very elaborate, but there was no single point in time where the labour force ever reached 35 members per team on each of the sites, yet the contractor's schedule proposed a 70-member team on each site.
- ii) The equipment and materials were always never enough on site from day one to date.

Implication

Delayed completion of the works has delayed service to the community, students, staff and management of Mamba and Ndhew Seed Secondary Schools.

Management response

The District Engineer has been tasked to appraise the project and advise management accordingly. The decision to terminate this contract will be taken after the expiry of the contract on 31st of December 2024.

Recommendations

The Accounting Officer should:

1. Task the District Engineer to value the pending works and commence the retendering of the pending works to enable successful completion of the project and deliver service to the intended beneficiaries.
2. Recommend the contractor, Rhema Engineering Company Limited, to the Authority for suspension due to failure to perform its obligations that were specified in the contract for construction of Ndhew and Mamba Seed Secondary Schools in accordance with Section 128 (e) of the PPDA Act, Cap. 205.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This section graphically presents the scores per area assessed under the different compliance inspection questions.

3.1 Overall Procurement Performance

The performance of Nebbi District Local Government for the Financial Year 2023/24 was moderately satisfactory with an overall weighted average risk rating of 50.6%.

Table 24: Performance Rating

Rating	Description of Performance
0-30%	Satisfactory
31-70%	Moderately Satisfactory
71-100%	Unsatisfactory

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 below:

Table 25: Summary of Performance of Nebbi District Local Government

Risk Rating	No.	% by No.	Weight	Weighted score by No.	Value (UGX)	% by Value	Weight	Weighted score by value
High	1	10	0.6	6	297,972,420	18.24	0.6	10.94
Medium	7	70	0.3	21	1,029,280,280	63	0.3	18.90
Low	2	20	0.1	2	306,522,010	18.76	0.1	1.88
Total	10	100	1	29	1,633,774,710	100	1	31.72

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{29}{60} \times 100 = 48.33\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{31.72}{60} \times 100 = 52.87\%$$

$$\text{The average weighted risk rating} = \frac{48.33 + 52.87}{2} = 50.6\%$$

Figure 1: Risk Rating by Number

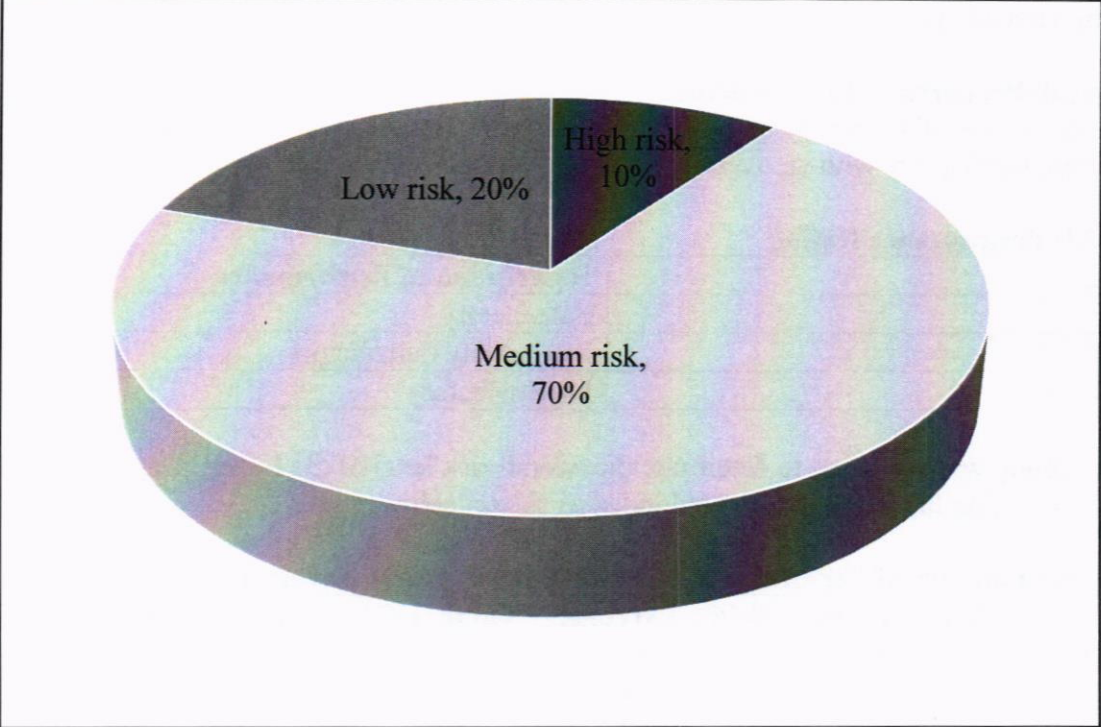
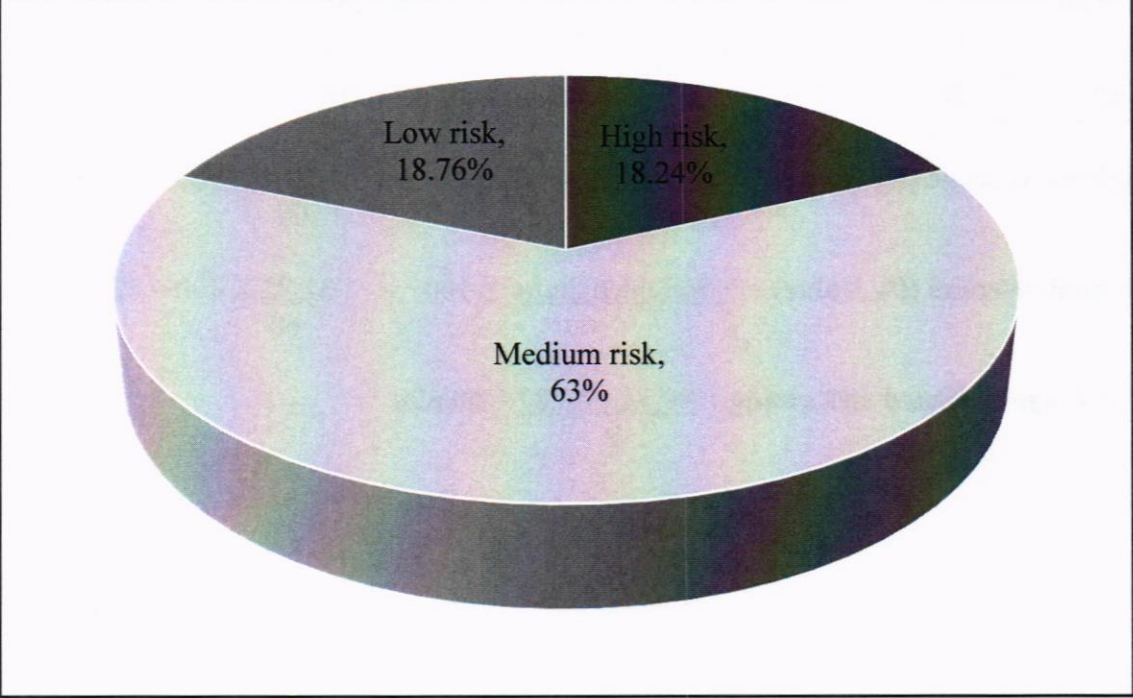


Figure 2: Risk Rating by Value



3.2 Recommended Action Plan

Nebbi District Local Government should with immediate effect implement the recommendations in Table 26 to improve its performance in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205.

Table 26: Recommended Action Plan

Recommendation	Target date
<p>The Accounting Officer should:</p> <ol style="list-style-type: none"> 1. Engage all stakeholders to develop strategies on implementation of all the Authority’s recommendations in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205. 2. Dispose of the obsolete assets to avoid further depreciation of the assets and attain value for money in accordance with the PPDA (Disposal of Public Assets) Regulations, 2023. 3. Recommend to the Authority suspension of Rhema Engineering Company Limited for failure to substantially perform the obligations that were specified in the contract for the construction of Ndhew and Mamba Seed Secondary Schools in accordance with Section 128 (e) of the PPDA Act, Cap. 205. 4. Task the District Engineer to value the pending works at Ndhew and Mamba Seed Schools and commence the retendering of the pending works to enable successful completion of the project and deliver service to the intended beneficiaries. 5. Recover a total of UGX 10,610,000 for irregularly costed items in the BOQS and submit evidence of recovery to the Authority as follows: <ul style="list-style-type: none"> • UGX 5,800,000 from Assen Ventures Ltd in the construction of Got-tar Dam with animal water trough, chlorine dosing unit and water points for household use (safe water). • UGX 810,000 from KLR Uganda Limited in the procurement for deep borehole drilling. • UGX 4,000,000 from Ama-Obinga Company Limited in the procurement for tree planting and weeding along six roads and 26 health centres. 6. Recover a total of UGX 9,482,359 in excess VAT miscalculations that was paid to the contractor, Assen Ventures Limited, for construction of Got-tar Dam with animal water trough, chlorine dosing unit and water points for household use (safe water). 7. Always obtain a payment security in the event that the Entity intends to make payment to a provider before receipt of deliverables specified in the contract in accordance with Regulation 47 (2) of the PPDA (Contracts) Regulations, 2023. 8. Task the Entity’s Technical Persons to verify the functionality of equipment that was installed at different sites and sign the acceptance form with the beneficiary farmers and their spouses where applicable. 9. Formally delegate authority to User Departments to undertake micro procurements in accordance with Regulation 22 (2) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services), Regulations, 2023. 	<p>November 2024 for all</p>

Recommendation	Target date
<p>10. Where a contractor fails to furnish the Performance Security within the stipulated period; the Accounting Officer should withhold the Bid Security, annul the contract award decision and award the contract to the next best evaluated bidder in accordance with Regulation 12 (2) and (3) of the PPDA (Contracts) Regulations, 2023.</p>	
<p>The Procurement and Disposal Unit should:</p> <ol style="list-style-type: none"> 1. In consultation with user departments regularly review and update the procurement plan based on the existing circumstances at the Entity in accordance with Regulation 4 of the PPDA (Procurement Planning) Regulations, 2023. 2. Provide for a Performance Securing declaration in the bidding documents for procurements under the restricted domestic, restricted international, quotation and direct bidding methods in accordance with Clause 2.0 (iii) of Guideline Reference: 3/2024 on Bid and Performance Securities. 3. For each month submit to the Authority a report on the procurement activities undertaken by the Entity including micro procurements in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023. 4. Obtain the Contracts Committee's approval of the contract variation/amendment in accordance with Regulation 54 (6) (b) of the PPDA Contracts Regulations, 2023. 5. Obtain the Solicitor General's approval of the contract variation/amendment in accordance with Regulation 54 (6) (c) of the PPDA Contracts Regulations, 2023. 6. In preparation of final contract documents incorporate the Solicitor General's recommendations and guidance if any, before submitting the final contract document to the Accounting Officer for signature in accordance with Section 33 (m) of the PPDA Act, Cap 205. 	November 2024 for all
<p>User Departments should:</p> <ol style="list-style-type: none"> 1. Not certify any payment request that contains errors or discrepancies or is supported by incorrect or incomplete documentation or is not in accordance with the terms of a contract. Such a payment request should be returned to the provider specifying the reasons for the rejection in accordance with Regulation 49 (5) of the PPDA (Contracts) Regulations, 2023. 2. Obtain value for money to the extent practical under the micro procurement procedure in accordance with Regulation 23 (2) (c) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services), Regulations, 2023. 3. Obtain the Accounting Officer's approval for commitment of the full amount of funding of the amended contract price over the required period of the revised contract in accordance with Regulation 54 (6) (a) of the PPDA (Contracts) Regulations, 2023. 	November 2024 for all

Recommendation	Target date
4. Task contractors to submit updated work programs as per the terms and conditions of the contract before contract execution in accordance with Regulation 52 (3) (ii) of the PPDA (Contracts) Regulations, 2023.	
<p>Evaluation Committee members should:</p> <ol style="list-style-type: none"> 1. Adhere to the evaluation criteria set out in the bidding documents during evaluation of bids in accordance with Regulation 5 of the PPDA (Evaluation) Regulations, 2023. 2. Conduct financial evaluation of bids in accordance with Regulation 21 (2) of the PPDA (Evaluation) Regulations, 2023. 	Immediate for all
The Contracts Committee should scrutinize all sections of the bidding documents for completeness and appropriateness before approving them for issue in accordance with Section 30 (e) of the PPDA Act, Cap. 205	Immediate for all

APPENDICES

Appendix 1: Transaction list of audited files for FY 2023/24

No	Procurement Reference Number	Subject of Procurement	Procurement Method	Provider	Contract Value (UGX)	Rating
1.	NEBB/908/WRKS/23-24/00001	Construction of Got-tar dam with animal water trough, chlorine dosing unit and water points for household use (safe water)	Open Domestic Bidding	Assen Ventures Limited	297,972,420	High
2.	NEBB/908/SUPLS/23-24/00006	Construction of piped water supply system (Gravity System)	Open Domestic Bidding	Ferest Investment Limited	280,125,510	Low
3.	NEBB/908/WRKS/23-24/00004	Deep borehole drilling	Open Domestic Bidding	KLR (U) Limited	212,750,460	Medium
4.	NEBB/908/WRKS/23-24/00010	Construction of a 2-classroom block with an office and a store attached, water tank at Jupangira Primary School	Open Domestic Bidding	Ongeyowun Business Solution Limited	105,000,000	Medium
5.	NEBB/908/WRKS/23-24/00015	Fencing of Kalowang Health Centre III	Open Domestic Bidding	Bilula Destiny and Family Business	86,253,000	Medium
6.	NEBB908/SRVCS/23-24/00017	Tree planting and weeding along six roads (Nyaravur-Parombo-Akworo-Erussi-Goli, Goli-Kei, Akaba-Kucwiny, Agwok-Kucwiny and Kucwiny-Orango and 26 Health Centres	Open Domestic Bidding	AMA-Obinga Company Limited	68,898,000	Medium
7.	NEBB908/SRVCS/23-24/00026	Hire of an excavator with hydraulic jack hammer	Request for Quotations	Nyota Kali Trading Development SMC Limited	70,800,000	Medium
8.	NEBB908/SRCVS/23-24/00027	Hire of 4 tonnes, 10 tipper trucks to transport gravel for the rehabilitation of Acwera-Erussi road	Request for Quotations	Ongeyowun Business Solution Limited	180,000,000	Medium

No	Procurement Reference Number	Subject of Procurement	Procurement Method	Provider	Contract Value (UGX)	Rating
9.	NEBB908/SUPLS/23-24/00162	Supply of 293 bags of cement and other construction materials	Request for Quotations	Mereki Awanga Solutions Limited	26,396,500	Low
10.	NEBB908/WRKS/23-24/00019	Design, supply and installation of micro-scale irrigation system	Request for Quotations	Relief Line Uganda Limited	151,061,500	Medium
				Hizmet Services Limited	154,517,320	Medium
Total					1,633,774,710	
Construction of Seed Secondary Schools at Ndhew and Mamba				Rhema Engineering Company Limited	6,170,788,135	High

Appendix 2: Risk Rating Criteria

RISK	DESCRIPTION
HIGH	Such procurements are considered to have serious weaknesses, which could cause material financial loss or carry risk for 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".
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.
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.
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.

Appendix 3: Bills of Quantities in the bid for Assen Ventures Limited

supply and installation of heavy duty stainless steel Rods 304	m		3840000	11440000
supply and installation of pump head including pumps and accessories	No		1730000	3500000
Total of Bill No.2 carried to summary				8960000

BILL OF QUANTITIES SUMMARY				
BILL DESCRIPTION	UNIT	QTY		AMOUNT UGX
1 Borehole construction	Item	1		23800000
2 Borehole casing and Pump Installation	Item	1		8960000
Sub-Total				32760000
3 Add 18% VAT of the sub-total				5896800
TOTAL FOR ONE BOREHOLE				38656800

BOREHOLE SITTING					
ITEM	DESCRIPTION	UNIT	QUANTITY	RATE/UGX AMOUNT UGX	
1.1	Inception and Field Reconnaissance survey	No	1	500000	500000
1.2	Geophysical surveys	No	1	1000000	1000000
1.3	Drilling supervision	No	1	500000	500000
1.4	Test pumping supervision	No	1	500000	500000
1.5	Casing supervision	No	1	1000000	1000000
1.6	Installation supervision	No	1	500000	500000
	Sub total 1			4000000	4000000
	18% VAT			720000	4720000
	Total for one borehole				4720000

Works for Production - LUGAL Project
Bills of Quantities for gutter Valley Tank


14/09/2023

Grand Summary

Bill No.	Description	Amount (UGX)
1	PRELIMINARY AND GENERAL ITEMS/ ENVY AND SOCIAL ISSUES	7,800,000/-
2	GOTAR VALLEY TANK	19,965,000/-
3	BOREHOLE	37,769,000/-
SUB-TOTAL		245,219,000/-
DISCOUNT, IF APPLICABLE (---X)		
TOTAL		245,219,000/-
ADD 18% VAT		44,139,420/-
GRAND TOTAL		289,358,420/-

* The Tenderer may insert a percentage discount if applicable

Telephone:
 District Chairperson 0782013303
 Chief Administrative Officer 0772400654
 Deputy Chief Administrative Officer 0782387892
 Chief Finance Officer 0772479937
 Principal Assistant Secretary 0772518239
 Email: info@nebdi.gov.ug
 Website: www.nebdi.gov.ug


 PROCUREMENT AND DISPOSAL UNIT
 NEBBI DISTRICT LOCAL GOVERNMENT
 P.O. BOX 1
 NEBBI

Tuesday, November 14th 2023

Mr. ASUMAN SEXTONJO
 USSEN VENTURES
 P.O. Box 818 Kampala, Uganda

Madam,

RE: ARITHMETIC ERROR IN THE BILLS OF QUANTITY.

Nebbi district Local government is in the process of evaluating the bids for the construction of Gotar dam with animal water trough and a borehole for household use at Parumbo sub county PRO REF-no NEBB/908/23-24-0001.


This letter seeks to inform you that during the evaluation, the bills quantities were not added properly, in the Preliminary and General Items, you added a total of 7,800,000 UGX. However, during evaluation the correct figure is 9,100,000 UGX. In the valley tank you added and billed 19,965,000 UGX however during evaluation the correct figure is 20,650,000.

This Correction therefore brings your bid price from UGX 289,358,420 to UGX 297,972,420.

Please, do acknowledge receipt

Semjano
 ENG. DR. SARAH SEMJANO
 CHAIR PERSON EVALUATION COMMITTEE

CC: file
 CC: Custom Engineering Limited
 CC: Karf Aqua Engineering Solutions Limited
 CC: Alson Consults


 NEBBI DISTRICT LOCAL GOVT.
 P.O. BOX 1, NEBBI (U)
 14 NOV 2023

Appendix 4: Obsolete assets due for disposal

i) Motor vehicles and motorcycles

No.	Item Description	Unique identifier (Tag/Registration Number)	No.	Item Description	Unique identifier (Tag/Registration Number)
1.	Suzuki	97125-137046	19.	Honda	JD01-5100224
2.	Yamaha AG	3V6-028133	20.	Jialing	LAAAJKSG680001498
3.	Yamaha	LBPKE097X90034880	21.	Motor vehicle	LAAJCJCBXY0000819
4.	M/Benz	Not provided	22.	Yamaha-AG	3HA-056357
5.	Toyota/Land cruiser	JTE2B71J300019400	23.	Yamaha-AG	3HA-065742
6.	Toyota	AHTFK22G-303022344	24.	Qumqung	AX-100*PBW110945
7.	Qumqung	9800574411	25.	Jialing	LAAAJKSG380001482
8.	Honda	JD01-5101728	26.	Honda	JD01-5101765
9.	Yamaha AG	JYA3HA00XA 102006	27.	Suzuki	TF125-143572
10.	Mitsubishi	MMBJNK7404D025473	28.	Yamaha	JYA3HA00895
11.	Honda XL	L1858-6009965	29.	Yamaha AG	JYA3HA007XA103556
12.	Toyota	AHTFR22G406068856	30.	Motorcycle	9C2JD20103R501755 NXR 125
13.	Mf – 700 Tailer	Not provided	31.	Jialing	LJCJCJLS5C5000117
14.	Yamaya	3GX-050053	32.	Motorcycle	LAAAJKJG610002924
15.	Yamaya	3HA-003135	33.	JIALING	27LJCJCJLSXC5000145X
16.	Honda	L125S-5719815	34.	Mitsubisi -Amref	MMBJNK7404D025475
17.	Yamaha AG	3HA-210964	35.	Jincheng	LJCJCJLSXCS000145
18.	Yamaha AG	3HA-085959	36.	Jincheng	LJCJCJLS5CS000117

ii) Other assets

No.	Item Description	Quantity	No.	Item Description	Quantity	No.	Item Description	Quantity
1.	Telephones	2	19.	Desk	3	37.	Safe	1
2.	Screen	1	20.	Fridge	2	38.	Keyboard	1
3.	Anaesthetic stool	1	21.	Metallic water tank	2	39.	Generator	1
4.	Medicine trolley	1	22.	Shelves	2	40.	UPS	4
5.	Scanner	1	23.	Desk	1	41.	Cushioned chairs	3
6.	Stool	1	24.	Examination Bed	14	42.	Wheelchairs	2
7.	Examination light	1	25.	Plastic Chair	9	43.	Wooden chairs	3
8.	Sterilizer	1	26.	Filing cabinet	6	44.	Trolleys	3
9.	Incinerator	1	27.	Weighing scales	6	45.	Plastic water tanks	3
10.	Canopy	1	28.	Boilers	5	46.	Chain links	27
11.	Container	1	29.	Monitor s	4	47.	Door frames	14
12.	BP Machine	1	30.	Wooden cupboard	1	48.	Sofas	9
13.	Compact Compressor	1	31.	Working benches	3	49.	Operation lights	4
14.	Printers	4	32.	CPUs	2	50.	Uniports	3
15.	Notice board	1	33.	Iron sheets	449	51.	Hand washing stands	3
16.	Autoclave machine	1	34.	Handwashing sinks	104	52.	Typewriters	2
17.	Oxygen concentrator	1	35.	Tyres	85	53.	Valley gutter	1
18.	Tables	2	36.	Bathing basins	38	54.	Scrap	1

Appendix 5: Status of procurement of micro-scale irrigation kits as per the fiscal year ended 2023/24 in Nebbi District

No	Location (Sub-County, Parish, Village)	Farmer Name	Farmer ID	Cost (UGX)	Type of irrigation equipment	Supplier	Status as at 30 th June 2024 as established by the Authority from each individual farmer's file
1.	Erussi; Rajom Central	Mr. Christopher Kerali	NEBBI/2023-04-17/Male/50257	17,400,000	Solar powered submersible pump powering sprinkler irrigation	Relief line Uganda Limited	Contract awarded to provider who accepted the offer to supply on 4 th April 2024. However, there was no evidence

No	Location (Sub-County, Parish, Village)	Farmer Name	Farmer ID	Cost (UGX)	Type of irrigation equipment	Supplier	Status as at 30 th June 2024 as established by the Authority from each individual farmer's file
					technologies- tank 5000L for 1.5 acres		of that the farmer made the second co-payment.
2.	Kiziba; Bunyangwe A	Mr. Vincent Okaba	NEBBI/2 023-09-15/Male/67967	26,540,000	Solar powered submersible pump powering sprinkler irrigation technologies- tank 10,000L for 2 acres	Relief line Uganda Limited	Contract awarded to provider who accepted the offer to supply on 4 th April 2024. However, there was no evidence of that the farmer made the second co-payment.
3.	Alala; Akaba; Akaba Trading Centre- West	Mr. Vincent Onyai	NEBBI/2 023-06-21/Male/59921	22,238,000	Surface pump solar powered sprinkler irrigation system for 1 acre	Relief line Uganda Limited	Contract signed on 20 th June 2024 by Entity, farmer and provider; however, there was no evidence of supply, installation and payment for the equipment.
4.	Erussi; Padolo; Atido	Ms. Florence Owechi	NEBBI/2 023-11-06/Female/69826	16,700,000	Solar powered surface pump- sprinkler technologies for 1 acre	Relief line Uganda Limited	Contract awarded to provider who accepted the offer to supply on 6 th May 2024. However, there was no evidence of that the farmer made the second co-payment.
5.	Nyaravur; Angal Upper; Nyapupii	Mr. Collins Nyingaling	NEBBI/2 023-01-24/Male/33019	18,900,000	Solar powered surface pump- sprinkler technologies for 2 acres with drag horse technologies	Relief line Uganda Limited	Contract awarded to provider who accepted the offer to supply on 29 th May 2024. However, there was no evidence of that the farmer made the second co-payment.
6.	Alala; Acwera; Acwera	Mr. Jean Okecha	NEBBI/2 023-05-19/Male/54872	8,910,000	Petrol powered pump with rain gun technologies for 2 acres	Relief line Uganda Limited	Contract awarded to provider who accepted the offer to supply on 29 th May 2024. However, there was no evidence of that the farmer made the second co-payment.

No	Location (Sub-County, Parish, Village)	Farmer Name	Farmer ID	Cost (UGX)	Type of irrigation equipment	Supplier	Status as at 30 th June 2024 as established by the Authority from each individual farmer's file
7.	Nebbi; Omyer; Jupumbanya	Ms. Consolate Angeyango	NEBBI/2 023-01-13/Feale/59921	12,373,500	Solar powered irrigation system using a solar surface pump- hose pipe kit for one acre	Relief line Uganda Limited	Contract signed on 20 th June 2024 by all i.e the Entity, farmer and provider; however, there was no evidence of supply, installation and payment for the kit.
8.	Nebbi; Kalowang; Jupuweko East	Ms. Grace Kwach Ngamita		28,000,000	Submersible solar powered pump with sprinkler technologies for 2.5 acres	Relief line Uganda Limited	Contract awarded to provider who accepted the offer to supply on 11 th June 2024. However, there was no evidence of that the farmer made the second co-payment.
9.	Acana; Pagwata North, Ndosi Lower	Mr. Sunday Acirocan	NEBBI/2 023-02-29/Male/74360	15,264,000	Solar powered irrigation system – hose irrigation kit	Hizmet Services Limited	Contract awarded to provider who accepted to supply on 13 th June 2024. However, there was no evidence of that the farmer made the second co-payment.
10.	Akworo; Pakolo; Gilo	Mr. Joshua Tekakwo	NEBBI/2 023-08-08/Male/65633	14,600,000	Solar powered surface pump for hose pipe technologies for one acre	Hizmet Services Limited	Contract signed on 20 th June 2024 by all i.e., the Entity, farmer and provider; however, there was no evidence of supply, installation and payment for the kit.
11.	Acana; Pagwata South; Achana	Mr. Nobert Adubango	NEBBI/2 024-02-17/Male/73806	22,827,100	solar powered irrigation system with surface pump with sprinkler technologies for 2 acres	Hizmet Services Limited	Contract awarded to provider who accepted the offer to supply on 11 th June 2024. However, there was no evidence of that the farmer made the second co-payment.

No	Location (Sub-County, Parish, Village)	Farmer Name	Farmer ID	Cost (UGX)	Type of irrigation equipment	Supplier	Status as at 30 th June 2024 as established by the Authority from each individual farmer's file
12.	Abindu; Abindu Ward; Abindu	Mr. John Bosco Jacan	NEBBI/2 023-01- 18/Male/ 31871	5,400,000	Petrol surface pump - hose pipe technologies for 1.5 acres	Hizmet Services Limited	Contract awarded to provider who accepted the offer to supply on 29 th May 2024. Whereas the provider and Entity signed the contract on 20 th June 2024; the farmer had not signed the contract as of 2 nd October 2024.
13.	Abindu Division; Nyacara Ward; Akesi	Mr. Eric Ngageno	NEBBI/2 023-12- 28/Male/ 71430	11,458,600	Solar powered surface pump with drag horse technologies for one acre	Hizmet Services Limited	Contract awarded to provider who accepted the offer to supply on 29 th May 2024. However, there was no evidence of that the farmer made the second co-payment.
14.	Akworo; Pakolo; Gilo	Mr. Abeka Ijino	NEBBI/2 023-08- 03/Male/ 65284	15,158,000	Solar powered surface pump- hose pipe technologies for 1.85 acres	Hizmet Services Limited	Contract was signed on 20 th June 2024 by all i.e., the Entity, provider and farmer; however, there was no evidence of supply, installation and payment for the kit.
15.	Ndhew; Adolo; Aleng Lower	Mr. Collins Jawiambe	NEBBI/2 023-23- 16/Femal e/45591	11,490,400	Solar powered surface pump with drag horse technologies for one acre	Hizmet Services Limited	Contract was signed on 20 th June 2024 by the provider and Entity; but the farmer did not sign hence no evidence of supply, installation and payment for the kit.
16.	Akworo; Pakolo; Gilo	Mr. Gerald Kakura	NEBBI/2 023-08- 03/Male/ 65282	17,061,760	Solar powered irrigation system using a surface pump – hose pipe for 1.5 acres	Hizmet Services Limited	Contract was signed on 20 th June 2024 by all i.e., the Entity, provider and farmer; however, there was no evidence of supply, installation and payment for the kit.
17.	Ndhew; Oweko; Jupaley	Mr. Ronald Oloya	NEBBI/2 023-03-	20,405,000	Solar powered submersible pump with hose pipe	Hizmet Services Limited	Contract awarded to provider who accepted the offer to supply on 29 th May 2024. However, there was no evidence

No	Location (Sub-County, Parish, Village)	Farmer Name	Farmer ID	Cost (UGX)	Type of irrigation equipment	Supplier	Status as at 30 th June 2024 as established by the Authority from each individual farmer's file
			28/Male/75411		irrigation kit for 2.5 acres		of that the farmer made the second co-payment.
18.	Parombo; Ossi East; Apolla	Mr. Jimmy Ocaya	NEBBI/2 023-02-28/Male/41943	15,000,000	Solar powered surface pump with - drag horse technologies for 0.5 acres	Hizmet Services Limited	The provider signed the contract on 20 th June 2024; but the Entity and farmer have not signed the contract.
19.	Padwot; Olago North; Jupukei Upper	Ms. Loise Nyamutoro	NEBBI/2 023-05-02/Female/652527	5,400,000	Surface pump- Petrol powered pump with rain gun irrigation system for one acre	Hizmet Services Limited	Contract awarded to provider who accepted the offer to supply on 29 th May 2024. However, there was no evidence of that the farmer made the second co-payment.
20.	Akworo; Pakolo; Gilo	Mr. Sam Anyoli	NEBBI/2 023-08-03 /Male/65276	14,900,000	Solar powered surface pump using drag horse technologies for one acre	Hizmet Services Limited	Contract was signed on 20 th June 2024 by the provider and Entity; but the farmer did not sign the contract hence no evidence of supply, installation and payment of the equipment.
21.	Ndhew; Oweko; Padila	Mr. Stephen Onyuthua	NEBBI/2 023-08-08/Male/65588	15,465,400	Solar powered irrigation system – hose irrigation kit		Contract awarded to provider who accepted the offer to supply on 13 th June 2024. However, there was no evidence of that the farmer made the second co-payment.

Appendix 6: Contract Audit Summary as at 10th October 2024

Contract Title	Construction of Ndhew and Mamba Seed Secondary Schools	
Method of Procurement	Open Bidding	
Important Dates	Submission of draft contract to Solicitor General for approval	10 th March 2022
	Date a No objection was sought from the Ministry of Education and Sports	15 th March 2022
	Approval date of the No objection by the Ministry of Education and Sports	10 th August 2022

	Approval of the draft contract by the Solicitor General	13 th October 2022
Contract Signing Date	21 st October 2022	
Type of Contract	Admeasurement Contract	
Contract Price (UGX)	UGX 6,170,788,135 for both schools	
Name of Contractor	Rhema Engineering Company Limited	
Contract Scope	Description	Amount (UGX)
	Preliminaries	20,000,000
	Site levelling works	50,277,000
	Construction of 3 blocks of 2 classrooms	518,434,500
	2-unit science laboratory blocks	270,365,670
	Administration block	172,920,800
	3 blocks of 2-unit teachers' house	474,342,600
	3 blocks of 2-unit teachers' kitchen	118,873,500
	2 stances lined VIP latrine block-Administration block	20,566,500
	3 blocks of 2 latrine stances lined VIP latrine -Teachers' house	71,038,500
	5 stances lined VIP latrine block-Boys	37,333,000
	5 stances lined VIP latrine block-Girls	36,587,000
	External works	21,925,000
	Rain water harvest system with 500L water tank	13,045,000
	ICT library	384,553,900
	Multipurpose Hall	360,287,500
	Playground	50,000,000
VAT	471,699,085	
	Total per school	3,092,249,555
Contract Period	18 calendar months from site hand over date	
Actual Site Handover Date	Friday, 27 th January 2023	

Intended Completion Date	27 th July 2024
Revised Completion Date	30 th Sept, 2024
Other contract terms	The defect liability period is 12 months Retention is 10% Advance payment is 20% of the contract sum (UGX 1,234,157,627) Performance security is 8% of the contract sum Environmental and Social security is 2% of the contract sum
Project Management Team appointed on 26 th April 2020	1. Mr. Okecha Jean-Ag. District Engineer - Project Manager 2. Mr. Ojuku Richard Okethwengu - Contract Manager 3. Mr. Okiria Joseph Peter - District Community Development Officer 4. Mr. Adubango George - Senior Assistant Secretary 5. Mr. Apecu James Robert - Senior Assistant Secretary 6. Mr. Ayela Ceaser - Clerk of Works
Clerks of Works appointed on 4 th October 2022	1. Mr. Kumakech Denis 2. Mr. Pikwo Joseph Spitt
Progress report as at 10 th October 2024	Time progress – 113.8% Physical progress is approximately 70% at Mamba and 66% at Ndhew Financial progress – 37.6% (amount of work certified/total contract sum)

Appendix 7: List of persons in the Procurement and Disposal Unit

No	Name	Job Title	Academic Qualification	Procurement Certification	Years of Experience
1.	Mr. Patrick Omwer	Senior Procurement Officer	Post Graduate Diploma in Procurement & Supply Chain Management, BBA(Management), Diploma in Purchasing & Supply Management	-	16
2.	Mr. Simon Peter Oola	Procurement Officer	Post Graduate Diploma in Procurement & Supply Chain Management, BBA (Procurement)	CIPS Level 4	2

Appendix 8: List of the Contracts Committee members

No	Name	Job Title	Position on Contracts Committee	Appointment Date	Date of Expiry
1.	Mr. Collins Nyngaling	Principal Fisheries Officer	Chairperson	22 nd February 2023	22 nd February 2026
2.	Ms. Sophy Fuacan	Community Development Officer	Member	8 th September 2022	8 th September 2025
3.	Ms. Scovia Titirach Kerali	Environmental Officer	Member	8 th September 2022	8 th September 2025
4.	Mr. John Walter Jakuma	Inspector of Schools	Member	20 th March 2023	20 th March 2026
5.	Mr. Thomas Ogwang	Senior Assistant Secretary	Secretary	Submitted for approval	

Appendix 9: List of User Departments

No	User Department	Head of Department	Job Title
1.	Administration	Mr. Muluuta Mugaaga	Deputy Chief Administrative Officer
2.	Finance	Mr. Linus Okecha	Chief Finance Officer
3.	Planning Unit	Mr. Boniface Opiyo	Ag District Planner
4.	Works and Technical Services	Engineer Dr. Sarah Semyano	District Engineer
5.	Natural Resources	Ms. Doreen Fualing	District Natural Resources Officer
6.	Community Based Services	Mr. Peter Okiria	District Community Development Officer
7.	Health Services	Dr. Justine Okwairwoth	District Health Officer
8.	Trade, Industry and Local Economic Development	Mr. David Muswa	District Commercial Officer
9.	Education and Sports	Mr. George Ojok Delalson	District Education Officer
10.	Water	Ms. Evelyn Anican	District Water Officer
11.	Nebbi General Hospital	Dr. Wilfred Omirambe	Senior Medical Officer
12.	Boards and Commissions	Mr. Godfrey Odiya	Clerk to Council
13.	Production & Management	Mr. Liverious Nyakuni	District Production Officer