



**INSPECTION REPORT INTO ALLEGED ABUSE OF OFFICE,
MISMANAGEMENT OF FUNDS AND CORRUPT PRACTICES BY
UCDA STAFF-CID HQTRS GEF 322/2024**

**ENTITY: MINISTRY OF AGRICULTURE, ANIMAL
INDUSTRY AND FISHERIES**

**COMPLAINANT: CRIMINAL INVESTIGATIONS DIRECTORATE
(CID)**

MAY 2025

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ACRONYMS

BEB	-	Best Evaluated Bidder
GCC	-	General Conditions of Contract
ITB	-	Instructions to Bidders
M&E	-	Monitoring and Evaluation
MAAIF	-	Ministry of Agriculture, Animal Industry and Fisheries
MIS	-	Management Information System
PDE	-	Procuring and Disposing Entity
PDU	-	Procurement and Disposal Unit
PPDA	-	Public Procurement and Disposal of Public Assets Authority
RFP	-	Request for Proposals
SSL	-	Secure Sockets Layer
TOR	-	Terms of Reference
UGX	-	Uganda Shillings
UCDA	-	Uganda Coffee Development Authority
UeSW	-	Uganda Electronic Single Window

1.0 EXECUTIVE SUMMARY

On 4th March 2025, the Authority received a letter from the Criminal Investigations Directorate (CID) reference number CID/159/131 Vol 15 dated 26th February 2025 in respect to alleged abuse of office, mismanagement of funds, and corrupt practices by some Uganda Coffee Development Authority (UCDA) staff and requested PPDA to ascertain whether the right procurement processes were followed.

The letter specifically stated that:

1. UCDA directly contracted Nyaika Hotel Ltd for provision of hotel services for a joint monitoring and evaluation exercise with the Committee of Parliament on Agriculture, Animal Industry and Fisheries (UCDA/NCONS/23-24/00506);
2. UCDA procured a Management Information System (MIS) to perform Rent Management, Human Resource Management, Stores management, Cess Management, Asset management and procurement. The contractor, Coseke Uganda Limited was paid UGX 599,853,619 under contract No. UCDA/NCONS/14-15/00009 but the system failed to work;
3. The UCDA contracted joint venture partners of Eastern Software Solutions PVT Ltd in association with Eastern Software Systems Uganda and Source Trace Systems India Private Limited to develop a Geospatial Monitoring and Evaluation and Coffee Farmer Registration App at a sum of UGX 490,947,752 (UCDA/SRVCS/20-21/00241).
4. The developed App to be used to register farmers failed and the lead Consultant in the development of the app, Ms. Shakira Nakiyingi was again awarded a contract to provide quality assurance during coffee farmer registration worth UGX 77,050,000 under contract Reference. No. UCDA/NCONS/24-25/00019; and
5. The joint venture partners that developed the App were again awarded a contract to undertake a one-year support and maintenance of the same app worth UGX 120,000,000 under Reference No. UCDA/CONS/24-25/0060.

In accordance with Section 8 (1) (i) of the PPDA Act, Cap 205, the Authority instituted an inspection into the above allegations with the objective of establishing whether the:

1. Direct procurement of hotel services from Nyaika Hotel Ltd for a joint monitoring and evaluation exercise with the Committee of Parliament on Agriculture, Animal Industry and Fisheries was conducted in accordance with the PPDA Act, Cap 205;
2. Management Information System procured from Coseke Uganda Limited at a cost of UGX 599,853,619 to perform rent, human resource, stores, cess, asset management and procurement was conducted in accordance with the PPDA Act, Cap 205;
3. Geospatial Monitoring and Evaluation and Coffee Farmer Registration App procured from joint venture partners of Eastern Software Solutions PVT Ltd in association with Eastern Software Systems Uganda and Source Trace Systems India Private Limited was conducted in accordance with the PPDA Act, Cap 205;

4. Award of contract for provision of quality assurance services during coffee farmer registration to Ms. Shakirah Nakiyingi, the lead consultant in the development of the Geospatial Monitoring and Evaluation and Coffee Farmer Registration App was conducted in accordance with the PPDA Act, Cap 205;
5. Award of contract for a one-year support and maintenance for the Geospatial Monitoring and Evaluation and Coffee Farmer Registration App to the joint venture partners of Eastern Software Solutions PVT Ltd in association with Eastern Software Systems Uganda and Source Trace Systems India Private Limited was conducted in accordance with the PPDA Act, Cap 205; and
6. There was abuse of office, mismanagement of funds, and corrupt practices by some Uganda Coffee Development Authority (UCDA) staff.

The following are the Authority's findings relating to the above allegations:

1. The direct procurement of hotel services from Nyaika Hotel Ltd for a joint monitoring and evaluation exercise with the Committee of Parliament on Agriculture, Animal Industry and Fisheries was conducted in accordance with Regulation 51 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023 based on the urgency of the requirement;
2. The procurement of the Management Information System was not conducted in accordance with the PPDA Act, Cap 205 as the provider failed to meet the contractual obligations as evidenced by non-submission of a training completion report and completion certificate. Relatedly, partial functionality of the system was achieved as only some modules were in use as confirmed by staff of former UCDA.
3. The Geospatial Monitoring and Evaluation and Coffee Farmer Registration App procured from the joint venture partners of Eastern Software Solutions PVT Ltd in association with Eastern Software Systems Uganda and Source Trace Systems India Private Limited was conducted in accordance with the PPDA Act, Cap 205;
4. The award of contract for provision of quality assurance services during coffee farmer registration to Ms. Shakirah Nakiyingi, who worked as an onsite-Project Manager in the development of the Geospatial Monitoring and Evaluation and Coffee Farmer Registration App contravened Clause 3 of the Code of Ethical Conduct in Business which stipulates that bidders and providers shall not accept contracts which would constitute a conflict of interest with, any prior or current contract with any Procuring and Disposing Entity. However, she was not a lead consultant in the development of the App but worked as an onsite-Project Manager and represented the systems developer on site to interact with system users and conduct training among other roles;
5. The award of contract for a one-year support and maintenance for the Geospatial Monitoring and Evaluation and Coffee Farmer Registration App to the joint venture partners of Eastern Software Solutions PVT Ltd in association with Eastern Software Systems Uganda and Source Trace Systems India Private Limited was conducted in accordance with the PPDA Act, Cap 205; and

6. There was no evidence in support of the claim of abuse of office, mismanagement of funds, and corrupt practices by some Uganda Coffee Development Authority (UCDA) staff.

CONCLUSION

In accordance with Section 10 (1) (a) of the PPDA Act, Cap 205 and in light of the above findings, the Authority found that the Entity followed right procurement processes in the procurement of Hotel services from Nyaika Hotel Ltd for a joint monitoring and evaluation exercise for the Committee of Parliament on Agriculture, Animal Industry and Fisheries; Geospatial Monitoring and Evaluation and Coffee Farmer Registration App; and a one-year support and maintenance for the Geospatial Monitoring and Evaluation and Coffee Farmer Registration App. While the procurement of provision of quality assurance services during Coffee Farmer Registration and the Management Information System were not conducted in accordance with the PPDA Act, Cap 205. However, there was no evidence in support of the claim of abuse of office, mismanagement of funds, and corrupt practices by some Uganda Coffee Development Authority (UCDA) staff.

The Authority recommends that a technical audit to assess the functionality of the two systems namely the MIS system and the Geospatial Monitoring and Evaluation Application should be commissioned by MAAIF since PPDA's audit was limited to document review of the procurement processes. The IT systems' audit would assess whether the two systems were developed as per the terms and conditions of the signed contracts as required under Regulation 52 (1) of the PPDA (Contracts) Regulations, 2023; and they are still relevant in light of the mainstreaming of the former UCDA operations into the Ministry.

2.0 SUMMARY OF FACTS

2.1 Procurement of hotel services for M&E meeting with Agriculture Committee of Parliament (UCDA/NCONS/2023-2024/00506)

1. On 3rd April 2024, the User Department requisitioned the procurement of hotel services for M&E meeting with the Agriculture Committee of Parliament. The requirement was for accommodation (bed and breakfast) for 51 persons for 5 nights and lunch for two nights for 68 persons estimated at UGX 103,700,000.
2. On 11th April 2024, the Contracts Committee at its 20th meeting approved the direct procurement method to Nyaika Hotel Ltd. Nyaika Hotel was proposed because it is centrally located, secure and had sufficient executive rooms available within the proposed timeframe to accommodate the members. There was also no sufficient time to use other alternative methods of procurement. The Evaluation Committee comprised of members listed in Table 1 below:

Table 1: Membership of the Evaluation Committee for hotel services

No.	Name	Designation
1.	Ms. Amelia Atukunda	Monitoring and Evaluation Manager
2.	Ms. Peace Nyiramugisha Haba	Procurement Manager
3.	Ms. Angelita Musimenta	Human Resource Manager

4. The bidding document was issued on 11th April 2024 (as per PP Form 8-Record of Issue of Bidding Documents) to Nyaika Hotel Ltd.

5. On 12th April 2024, the sole bidder responded to the invitation as evidenced by the PP Form 11-Record of Receipt of Bids. On the same day, the sole bid was opened by the representative of the User Department- Monitoring and Evaluation (M&E) Officer and the Procurement Manager. The bid price that was read out was UGX 103,700,000.
6. On 15th April 2024, the evaluation process was concluded with the signing of the evaluation report and recommendation of award of contract to Nyaika Hotel Ltd at a contract value of UGX 103,700,000.
7. On 16th April 2024, the Contracts Committee approved the contract award based on the submissions in the evaluation report. The contract was awarded to Nyaika Hotel Ltd at a contract value of UGX 103,700,000.
8. On 17th April 2024, the Entity and Nyaika Hotel Ltd signed a contract for the procurement of hotel services for M&E meeting with the Agriculture Committee of Parliament at UGX 103,700,000 inclusive of taxes. The services were to be completed by 30th April 2024.
9. The payment schedule in the contract was 100% payment upon successful delivery and acceptance of the service. The documents to support invoices included; completion certificate, attendance sheet and URA electronic invoice.
10. Nyaika Hotel Ltd submitted attendance records for two days, i.e., 29th and 30th April 2024 which showed 41 and 40 attendees respectively and a URA electronic invoice number 1232318095066 issued on 6th June 2024 worth UGX 103,700,000.
11. On 28th June 2024, Nyaika Hotel Ltd was paid UGX 103,700,000. This amount was paid less WHT of 6% vide EFT No.13273466.

2.2 Procurement of Management Information System (UCDA/NCONS/14-15/00009)

1. On 27th September 2016, UCDA signed a contract with Coseke Uganda Ltd to implement a Management Information System (MIS) at UGX 583,311,906.
2. On 12th October 2016, a Contract Management Team was appointed comprising; Ms. Lydia Kitakufe-Manager MIS UCDA, AH Consult, Mr. Mike Maliro-Technology Development Manager, Ms. Amelia Atukunda-M&E Officer, Mr. Sam Akankiza, Ms. Nina L. Nassuna-Finance Manager and Mr. Arnold Kabehe-Human Resource Officer.
3. On 7th October 2016, Coseke Uganda Ltd submitted an Inception Report and an invoice for 10% of the contract price.
4. The User Requirements Document submitted by Coseke Uganda Ltd in November 2016 described the major user requirements in detail. The document was prepared based on the contract and the Terms of Reference and the input of staff of UCDA.
5. Coseke Uganda Ltd submitted the systems design document which described how the functional and non-functional requirements were transformed into more technical system design specifications. According to the document, the system consisted of three main

modules; Clients Portal, IT Help Desk and MIS. The MIS consists different sub modules from the different directorates that made up UCDA.

6. According to the contract, the modules to be developed on the system were detailed in Table 2 below:

Table 2: MIS System Modules

Module	Processes involved
Human Resource	Leave
	Employee registration
	Online recruitment
	Staff handover
	Payroll management
Development	Seedling distribution
	Registration for internal marketing
	Farmer registration
	Farmer group registration
Quality and regulatory services	Contract registration
	Application for pre-shipment inspection
	Inspection of coffee
	Exporter registration
	Registration for internal marketing
	Seal requisition
Procurement	Procurement requisition
	Registration of suppliers
	Supplier prequalification
	Contract management
Finance	Cess invoicing
	Budgeting
	Rent invoicing
	Registration of payments
	Petty cash request
	Payment request
Administration	Asset Requisition
	Tenant registration
	Asset registration
	Stores requisition
	Stores management
MIS/IT	Support desk
Strategy and Business Development	Performance reporting
	Surveys and coffee prices

7. The project status summary of 6th January 2017 indicated that the modules had been fully configured and were pending data for prequalified suppliers under procurement, data for the farmer and farmer group registration and data for tenancy agreements. Also, under strategy and business development, the performance reporting process was still pending configuration. The report highlighted a number of challenges that affected the contract.

8. These were:
 - i. Scope creep: Many change requests arose out of changes in business processes. The procurement process started in 2014 and implementation started in October 2016.
 - ii. Failure to submit existing data for input in the MIS: The system was dependent on data collected from the different business processes. However, there was a slow response from HOD's to submit the existing data.
 - iii. Resistance to change: Users sticking to the old way of doing things and were not eager to embrace the change.
 - iv. Organizational silos: These made it difficult for communication and collaboration across units.
9. A demonstration of the system prototype was conducted on 17th February 2017 and 27th April 2017, as evidenced by the signed attendance sheets.
10. On 1st August 2018, Mr. Edward Lutakome Sentamu was approved to join the project management team. The team at this time had the following members: Mr. Lydia Kitakufe-Manager MIS UCDA and Chairperson/team leader, AH consult-consultant firm, Mr. Sam Akankiza-Coffee Sustainability Manager and representative of the quality regulatory services, Ms. Nina L. Nassuna-Finance Manager and representative for Finance and Mr. Arnold Kabeho-Human Resource Officer and representative of Corporate Affairs.
11. On 21st September 2018, UCDA renewed the contract with Coseke Uganda Ltd for subscription for Secure Sockets Layer (SSL) for the Management Information System. SSL is a standard security technology that encrypts the connection between websites and browsers to keep data private and secure. This contract was for a period of three years at a cost of UGX 19,333,710.
12. On 1st November 2018, Coseke Uganda Ltd requested to roll-out the MIS starting with the features that affected all staff and then gradually work towards more complex functionalities. In the letter, the company sought for executive support in championing change and adoption of the MIS.
13. On 25th July 2019, the project team submitted the project status report. The report stated that the MIS was operational and running on a local server hosted in Coffee House and it was accessible internally (<http://mis.ucda.local>) and externally (<https://mis.ugandacoffee.go.ug>). Training of users was conducted on how to use the MIS and the interface to integrate UCDA and URA on the electronic single window was in place to ensure timely issuance of export permit through real time exchange of export data.
14. On 23rd July 2021, the Managing Director of UCDA directed the Manager Information Systems (MIS) Manager (Lydia Kitakufe) to demonstrate the operationalisation of the 8 modules on the MIS system and their processes as highlighted in Table 2, since their implementation was expected to Go-live in 2018. The Manager was also requested to demonstrate the operationalization of the Uganda Electronic Single Window (UeSW) interface with URA whose implementation was expected to be in place in 2019.
15. On 3rd August 2021, the MIS Manager responded to the letter dated 23rd July 2021 highlighting the status of operationalization of the system.

16. On 16th May 2022, the Managing Director of Coseke Uganda Ltd wrote to UCDA on the operationalization of the Management Information System. The letter was in response to a letter from the Managing Director UCDA where the company was required to clear some aspects of the contract in order to fully operationalize the MIS.

2.3 Consultancy services to develop a Geospatial M&E extension system and coffee farmer registration app (UCDA/CONS/20-21/00241)

1. On 25th February 2021, the User Department (Mr. Robert Nangatsa-Extension Manager) initiated the procurement for provision of a Geospatial Monitoring & Evaluation Extension System and Farmer Registration Application at an estimated cost was UGX 520,000,000.
2. According to the terms of reference, the overall purpose of the Geospatial Monitoring & Evaluation Extension System and Farmer Registration Application was to introduce a user-friendly geo-spatial monitoring and evaluation extension system to ease and improve data collection, analysis and management, management of remote coffee extension officers, and ensure timely and better decision making based on better data.
3. According to the detailed functional requirements, the Geospatial Monitoring and Evaluation System would be a full unitary system with five core modules; extension management, farmer registration, geospatial analytics, mobile app and dashboard and reporting modules. The bidder was also required to provide user training and support and maintenance.
4. The PDU made a submission to the Contracts Committee to approve the Request for Proposals (RFP) with Expression of Interest. A notice of Expression of Interest was published in the New Vision Newspaper on 19th April 2021, with a submission deadline of 30th April 2021.
5. Seven firms submitted their Expressions of Interest. These were evaluated, one firm, Ellie Business World was eliminated and six firms were shortlisted.
6. The PDU made a submission to the Contracts Committee to approve Request for Proposals (RFP) document. The proposed shortlist arising from the Expression of Interest stage was composed of:
 - i. Impiger technologies PVT Ltd;
 - ii. Hamwe East Africa Ltd;
 - iii. Eastern Software Solutions PVT Ltd in association with Eastern Software Systems Uganda and Source Trace Systems India Private Limited;
 - iv. MFI Document Solutions;
 - v. Byte Cognition; and
 - vi. Applied Principles.

The proposed Evaluation Committee comprised members listed in Table 3 below:

Table 3: Evaluation Committee for the Geospatial M&E System

No.	Name	Designation
1.	Mr. Robert Nangatsa	Manager Extension
2.	Mr. Alex Rugonde	Procurement Officer

No.	Name	Designation
3.	Mr. Peter Kahiigi	Consultant
4.	Ms. Valentine Bette	Systems and Network Administrator/Ag. MIS

7. On 19th October 2021, the Contracts Committee approved the RFP method, the bidding document, shortlisted providers above, and the Evaluation Committee.
8. On 21st October 2021, the RFP document was issued to the six shortlisted firms. All the six returned proposals before the deadline for submission, i.e. 10th November 2021. The technical bids were opened on the same day.
9. On 20th December 2021, the technical evaluation was concluded. Eastern Software Systems Private Ltd and Impiger Technologies Private Ltd scored 86.5% and 87.25% respectively which was above the minimum qualifying mark of 70 points. The others failed as shown in Table 4 below:

Table 4: Results of Evaluation for Geospatial M&E System

No.	Name of Bidder	Reasons for Failure
1.	Hamwe East Africa Ltd	The signatures on the signed proposal submission sheet, Ethical Code of Conduct, proposal validity and proposal securing declaration did not match the signature on the Power of Attorney.
2.	MFI Document Solutions	The Memorandum of Understanding for the joint venture as indicated by the bidder in the signed bid submission sheet was not attached. The bidder did not attach the Power of Attorney for the joint venture nominating the lead consultant to handle the ongoing procurement.
3.	Byte Cognition	- Did not submit the NSSF declaration for 2020-2021 - The bidder did not attach a Proposal Securing Declaration
4.	Applied Principles	Scored 62.9 which was below the minimum qualifying score of 70 points

10. On 10th January 2022, the financial evaluation was concluded and Eastern Software Solutions Uganda Lts JV Eastern Software Systems Private Ltd in association with Source Trace Systems India Private Limited was recommended for contract award at a contract value of UGX 490,947,751.
11. On 10th February 2022, the contract was signed with Eastern Software Systems Private Ltd, Eastern Software Systems Uganda Ltd in association with Sourcetrace Systems India Private Limited at a value of UGX 490,947,751. The commencement date was 3 days after contract signing while the completion period was six months after commencement of the services.

12. The payment schedule was 30% on submission of an inception report, 40% on submission of Minimum Viable Product (MVP). Test criteria and definition of recovery point objective report and 30% upon approved field testing and system operation report.

2.4 Provision of Consultancy services to undertake a one-year support and maintenance for the Geospatial M&E System and Farmer Registration App (UCDA/CONS/24-25/00060)

1. On 19th July 2024, Eastern Software Solutions PVT Ltd in association with Source Trace Systems India Private Limited submitted a quotation for annual maintenance cost for the Geospatial M&E System and Farmer Registration App for a period of 1 year estimated at UGX 88,370,595.
2. According to a memo dated 24th July 2024, the original development contract (UCDA/SRVCS/20-21/00241) provided a 6 months post implementation support which expired on 31st May 2024. Internal Audit reviewed the coffee value chain registration app system and found unresolved system issues that needed to be handled under further support and maintenance.
3. On 24th July 2024, the User Department requisitioned the procurement of consultancy services to undertake a one-year support and maintenance for the Geospatial Monitoring and Evaluation System and Coffee Value Chain Actor Registration App, estimated at UGX 186,375,000.
4. The Extension Manager, the User Departments' representative, recommended continued system support and maintenance by Eastern Software Solutions PVT Ltd in association with Source Trace Systems India Private Limited because of the following:
 - i. The developer of the system had an in depth understanding of the system's architecture and history. This expertise would lead to more efficient troubleshooting and enhancements.
 - ii. It would ensure consistence in development practices, coding standards, and design philosophy, which would contribute to system stability and reliability.
 - iii. Switching a vendor could involve significant costs, including time and resources needed for the new vendor to familiarize themselves with the system.
 - iv. A good working relationship had already been established with the developer which would foster better communication, mutual understanding and collaboration.
 - v. The vendor held intellectual property rights or proprietary knowledge crucial to the system.
5. On 7th August 2024, the Procurement and Disposal Unit (PDU) made a submission to the Contracts Committee to approve the direct procurement method to Eastern Software Solutions PVT Ltd citing compatibility and continuity as the justification.
6. On 9th August 2024, the Contracts Committee approved the direct procurement method to Eastern Software Solutions PVT Ltd, the bidding document, and the evaluation committee. The Evaluation Committee comprised of members listed in Table 5 below:

Table 5: Evaluation Committee for One-year Support and Maintenance

S/no	Name	Designation
1.	Mr. Robert Nangatsa	Manager Extension
2.	Ms. Peace Nyiramugisha Haba	Procurement Manager
3.	Mr. Andama Yudah	Manager Technical Services

7. On 13th August 2024, the bidding document was issued to the sole bidder with a submission deadline of 16th August 2024.
8. On 27th August 2024, the Contracts Committee approved the replacement of Andama Yudah-Manager Technical Services on the Evaluation Committee. He was replaced by Mr. Nicholas Ssesinde-ICT Manager.
9. Eastern Software Solutions PVT Ltd in association with Eastern Software Systems Uganda and Source Trace Systems India Private Limited responded by submitting a bid dated 16th August 2024. The technical bid was opened on 28th August 2024.
10. On 28th August 2024, the technical evaluation was concluded and Eastern Software Solutions PVT Ltd in association with Eastern Software Systems Uganda and Source Trace Systems India Private Limited scored 81.5% which was above the minimum qualifying mark of 70 points.
11. On 10th September 2024, the Contracts Committee approved the technical evaluation report and the opening of the financial proposal.
12. On 13th September 2024, the financial evaluation was concluded and Eastern Software Solutions PVT Ltd in association with Eastern Software Systems Uganda and Source Trace Systems India Private Limited was recommended for contract award at UGX 120,000,000.
13. On 17th September 2024, the Contracts Committee approved the contract award to Eastern Software Solutions PVT Ltd in association with Eastern Software Systems Uganda and Source Trace Systems India Private Limited at UGX 120,000,000.
14. On 20th September 2024, the contract was signed with Eastern Software Solutions PVT LTD India in association with Eastern Software Systems Uganda Limited & Source Trace Systems India Private Limited at UGX 120,000,000. The commencement date was immediately after contract signing and the completion period was 80 working days spread over a period of twelve months after signing contract and on receipt of commencement letter.
15. According to the contract, the provider is required to perform the following tasks:
 - i. Conduct a thorough assessment of the current system, including reviewing documentation, understanding existing issues and identifying areas for improvement;
 - ii. Implement a defect management framework to identify, prioritize and resolve system malfunctions, including errors, bugs and inconsistencies,

- iii. Perform regular system updates, upgrades and revisions on a quarterly basis to ensure the system remains current and efficient,
- iv. Offer technical support and training to system administrators to equip them to handle common issues, maintain comprehensive documentation of all system modifications and enhancements.
- v. Rigorous quality assurance and testing procedures to ensure all system changes and updates are thoroughly vetted before deployment.
- vi. Maintain comprehensive documentation of all system modifications, enhancements, and support activities.
- vii. Provide detailed reports on a quarterly basis, outlining work performed, issues resolved and recommendations for future improvement
- viii. Conduct user acceptance tests to validate that new functionality meet user requirements and expectations
- ix. Defects that were not resolved during the development phase shall be resolved at no fee during the warranty period, in line with the above set scope.

16. On 20th September 2024, Robert Nangatsa was appointed as the Contract Manager.

2.5 Provision of Quality assurance services during coffee farmer registration (UCDA/NCONS/24-25/00019)

1. On 2nd July 2024, the User Department (Mr. Robert Nangatsa-Extension Manager) initiated the procurement for quality assurance expert services during coffee farmers/farms registration in selected coffee regions in Uganda at an estimated cost was UGX 85,000,000.
2. The Quality assurance expert was required to interact with the consultancy firm hired to register the coffee farms/farmers, internal stakeholders at UCDA, providers of the geospatial M&E system where required and any other stakeholders deemed necessary to provide vital input in the successful roll-out of farmers and farm registration exercise.
3. The PDU made a submission to the Contracts Committee to approve the Request for Proposals (RFP) method. The proposed shortlist composed of; Mr. Mugabi Collins, Mr. Benjamin Mugume, Mr. Simon Agumenaitwe, Ms. Shakira Nakiyingi, Mr. Adam Mazinga, Mr. Nelson Mwebaze and Ms. Angel Yopa Persis. All were obtained through market knowledge. The proposed Evaluation Committee comprised of members listed in Table 6 below:

Table 6: Evaluation Committee for Quality Assurance Services

No.	Name	Designation
1.	Mr. Robert Nangatsa	Manager Extension
2.	Ms. Peace Nyiramugisha Haba	Procurement Manager
3.	Ms. Ssensinde Nicholas	ICT Manager
4.	Mr. Alfred Dan Okwir	Planning & Business Development Manager
5.	Mr. Paul Senyange	ICT Expert-NITA U
6.	Mr. Victor Arinaitwe	Monitoring and Evaluation Officer

4. On 11th July 2024, the PDU made the submission to the Contracts Committee to approve the RFP procurement method, shortlist of consultants, bidding document and the Evaluation Committee.
5. On 11th July 2024, the Contracts Committee approved the RFP method, the bidding document and the Evaluation Committee in Table 6 above. The shortlisted consultants that were approved included: Mr. Mugabe Collins, Mr. Benjamin Mugumya, Mr. Simon Agumenaitwe, Ms. Shakira Nakiyingi, Mr. Adam Mazinga, Mr. Nelson Mwebaze and Ms. Angel Yopa Persis.
6. On 11th July 2024, the bidding document was issued to four of the shortlisted consultants, i.e., Mr. Mugabi Collins, Mr. Benjamin Mugumya, Mr. Simon Agumenaitwe, and Ms. Shakira Nakiyingi, according to Form 8-*Record of sale or issue of bidding documents or addenda*. All the four returned proposals before the deadline for submission, i.e. 24th July 2024. The technical proposals were opened on 26th July 2024.
7. On 16th August 2024, the technical evaluation was concluded. Ms. Nakiyinjji Shakira scored 82% which was above the minimum qualifying mark of 70 points. The others failed as shown in Table 7 below:

Table 7: Results of Evaluation for Quality Assurance Services

No.	Name	Reasons for Failure
1.	Mr. Collins Mugabi	<ul style="list-style-type: none"> - Did not submit a copy of the national ID or valid passport - Did not submit a copy of the Tax Registration Certificate (TIN) - Did not comply with the completion period of 80 working days spread over a period of 6 months
2.	Mr. Simon Agumenaitwe	<ul style="list-style-type: none"> - Did not submit a copy of the national ID or valid passport - Did not submit a copy of the Tax Registration Certificate (TIN) - Did not submit documents evidencing similar experience - Did not comply with the completion period of 80 working days spread over a period of 6 months
3.	Mr. Benjamin Mugumya	<ul style="list-style-type: none"> - Did not submit a duly signed Ethical Code of Conduct - Did not comply with the completion period of 80 working days spread over a period of 6 months

8. On 16th August 2024, the Contracts Committee approved the technical evaluation report and the opening of the financial proposal. On 23rd August 2023, the financial proposal was opened.

9. On 28th August 2024, the financial evaluation was concluded and Ms. Shakirah Nakiyingi was recommended for contract award at UGX 77,050,000.
10. On 5th September 2024, the Contracts Committee approved contract award to Ms. Shakirah Nakiyingi at a contract value of UGX 77,050,000.
11. On 9th September 2024, the Notice of Best Evaluated Bidders was displayed with an expiry date of 20th September 2024.
12. On 30th September 2024, the contract was signed with Ms. Shakirah Nakiyingi at UGX 77,050,000. The commencement date was immediately after contract signing while the completion period was 80 working days spread over a period of six months after contract signing and on receipt of the commencement letter. On 30th September 2024, Mr. Robert Nangatsa-Manager Extension was appointed as the Contract Manager.
13. According to the contract, the payment schedule was 30% on submission of an inception report, 30% on submission and approval of risks and critical success factors report and 40% upon submission and approval of farmers and farm registration report.

3.0 OBJECTIVES OF THE INSPECTION

The general objective of this inspection was to examine the procurement records and proceedings of the five transactions to ascertain whether the right procurement processes were followed. The specific objectives were to establish whether:

1. The Direct procurement of hotel services from Nyaika Hotel Ltd for a joint monitoring and evaluation exercise with the Committee of Parliament on Agriculture, Animal Industry and Fisheries was conducted in accordance with the PPDA Act, Cap 205;
2. Management Information System procured from Coseke Uganda Limited at a cost of UGX 599,853,619 to perform rent, human resource, stores, cess, asset management and procurement was conducted in accordance with the PPDA Act, Cap 205;
3. Geospatial Monitoring and Evaluation and Coffee Farmer Registration App procured from joint venture partners of Eastern Software Solutions PVT Ltd in association with Eastern Software Systems Uganda and Source Trace Systems India Private Limited was conducted in accordance with the PPDA Act, Cap 205;
4. Award of contract for provision of quality assurance services during coffee farmer registration to Ms. Shakirah Nakiyingi, the lead consultant in the development of the Geospatial Monitoring and Evaluation and Coffee Farmer Registration App was conducted in accordance with the PPDA Act, Cap 205;
5. Award of contract for a one-year support and maintenance for the Geospatial Monitoring and Evaluation and Coffee Farmer Registration App to the joint venture partners of Eastern Software Solutions PVT Ltd in association with Eastern Software Systems Uganda and Source Trace Systems India Private Limited was conducted in accordance with the PPDA Act, Cap 205; and

6. There was abuse of office, mismanagement of funds, and corrupt practices by some Uganda Coffee Development Authority (UCDA) staff.

4.0 LAWS APPLICABLE

1. The Public Procurement and Disposal of Public Assets Act, Cap 205;
2. The Public Procurement and Disposal of Public Assets Regulations, 2014 and 2023;
3. Bidding documents issued to bidders.

5.0 METHODOLOGY

In reviewing the complaint, the Authority adopted the following methodology:

- 5.1 Review and analysis of the procurement action files for the following procurement transactions in Table 8 below:

Table 8: Procurement Action Files

No.	Procurement Reference No.	Subject of Procurement	Contract Value (UGX)
1.	UCDA/NCONS/14-15/00009	Procurement of Management Information System.	583,311,906
2.	UCDA/CONS/20-21/00241	Consultancy services to develop a Geospatial monitoring and evaluation and coffee farmer registration App.	490,947,752
3.	UCDA/CONS/24-25/00019	Provision of quality assurance expert services for coffee farmers/farms registration in selected coffee regions in Uganda.	77,050,000
4.	UCDA/CONS/24-25/00060	Provision of consultancy services to undertake a one-year support and maintenance for the geospatial M&E system and farmer registration app.	120,000,000
5.	UCDA/NCONS/2023-2024/00506	Procurement of hotel services for M&E meeting with Agriculture Committee of Parliament.	103,700,000
	TOTAL		1,375,009,658

The records reviewed included the following:

- i. Procurement requisitions
- ii. Contracts Committee minutes
- iii. Bid invitations

- iv. Records of issue and receipt of bids
- v. Records of bid opening
- vi. Bids submitted by the bidders
- vii. Evaluation reports
- viii. Notices of Best Evaluated Bidder
- ix. Contract documentation and deliverables
- x. Other correspondences.

5.2 Interviews were held from 7th to 11th April 2025 with officials from former UCDA, and representatives of providers as indicated in Table 9 below:

Table 9: List of Persons Interviewed

S/no	NAME	DESIGNATION
Officials from Former UCDA		
1.	Ms. Peace Nyiramugisha Haba	Former Procurement Manager
2.	Mr. Robert Nangatsa	Former Extension Manager
3.	Ms. Nina L. Nassuna	Former UCDA Manager Finance Director Corporate Services
4.	Mr. Mike Maliro	Former Technology Development Manager
5.	Ms. Amelia Atukunda	Former M& E Officer
Eastern Software Solutions PVT Ltd in association with Eastern Software Systems Uganda and Source Trace Systems India Private Limited		
6.	Ms. Shakirah Nakiyingi	Provider/ Quality Assurance Service
Coseke Uganda Ltd		
1.	Mr. Josephat Macheta	Country Manager

5.3 Scope Exclusion

The system evaluation, i.e., functional and usability testing, of the Management Information System and Geospatial M&E System and Farmer Registration Application was not performed since this was not within the PPDA's mandate. The inspection was limited to:

- i. Verifying the delivery of the contract deliverables as specified in the contract
- ii. Confirming the formal acceptance of these deliverables by the entity
- iii. Reviewing payments records for the delivered and accepted items.

5.4. Limitation of Scope

1. The contract for Management Information System was signed on 27th September 2016. The review of the procurement process from initiation to contract award was not conducted due the time limitation on maintenance of procurement records according to Section 44 of the PPDA Act, Cap 205 since the procurement was conducted more than seven years ago. The review concentrated on contract signing and execution.
2. Eastern Software Solutions PVT Ltd in association with Eastern Software Systems Uganda and Source Trace Systems India Private Limited did not turn up for the interviews, despite the invitation.

3. Due to the rationalization of UCDA, access to all documents was difficult. In addition, access to staff was difficult as some did not turn up for interviews while others were not traceable.

6.0 FINDINGS BY THE AUTHORITY

6.1 Whether the direct procurement of hotel services from Nyaika Hotel Ltd for a joint monitoring and evaluation exercise with the Committee of Parliament on Agriculture, Animal Industry and Fisheries was conducted in accordance with the PPDA Act, Cap 205

1. The complaint stated that UCDA directly contracted Nyaika Hotel for the provision of Hotel Services for a joint monitoring and evaluation exercise with the Committee of Parliament on Agriculture, Animal Industry and Fisheries.
2. The Head, Procurement and Disposal Unit (Ms. Peace Nyiramugisha Haba) prior to the rationalisation of the Entity submitted that:
 - i. The decision to directly procure the services of Nyaika Hotel Ltd was guided by Regulation 7(3) and Regulation 25 (1) (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-consultancy Services), Regulations, 2023.
 - ii. The need for hotel services was urgent since the joint monitoring and evaluation activity was scheduled on short notice with strict timelines.
 - iii. Additionally, the User Department recommended for the direct method of procurement to Nyaika Hotel Ltd since the hotel had executive rooms that would accommodate Members of Parliament, had ample parking space and security and was a central location that would allow meetings in the evening to discuss field findings.

PPDA Findings

1. The Authority established, through UCDA's requisition memo, that the Committee of Parliament on Agriculture, Animal Industry and Fisheries, during its March 2024 budget review, agreed to conduct a joint monitoring and evaluation visit to coffee growing districts. This visit aimed to provide committee members with firsthand experience and stakeholder interaction, to enable a better understanding of UCDA's progress in the coffee value chain and its contribution to the agro-industrialisation agenda. The activity was urgent since Parliament was expected to approve the annual budget by 31st May 2024.
2. The Procurement and Disposal Unit recommended the use of the direct procurement method by inviting only Nyaika Hotel Ltd, citing that it was centrally located, secure and had sufficient executive rooms available within the proposed timeframe to accommodate the members and there was also no sufficient time to use other alternative methods of procurement.
3. The Authority established and confirmed that Nyaika Hotel Ltd was the sole bidder invited to participate in the procurement process. This conclusion is supported by PP Form 8 (Record of Issue of Bids) and the Contracts Committees' approval indicating the hotel as the sole bidder.

4. Regulation 6 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023 establishes the framework for selection of the procurement method, prescribing that the estimated value of the procurement, specific circumstances relating to the requirement and the type of procurement, shall govern the choice.
5. Guideline No.1/2024: Thresholds for Procurement Methods requires that the Quotation Method shall be used for the procurement of non-consultancy services where the estimated value of such services is greater than UGX 5,000,000 but does not exceed UGX 200 million.
6. The estimated value of the procurement for the provision of hotel services for a joint monitoring and evaluation exercise with the Committee of Parliament on Agriculture, Animal Industry and Fisheries, which is a non-consultancy service, was UGX 103,700,000. In line with Guideline No.1/2024: Thresholds for Procurement Methods, the method of choice ought to have been the Quotations method.
7. The above notwithstanding, emergency situations are recognised in Regulation 7 (1) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023 as a specific circumstance that permits the selection of a procurement method, irrespective of the estimated value of the procurement.
8. Regulation 7 (4) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023 stipulates that, even when emergency situations determine the procurement method, competition shall not be excluded solely on that basis. The Procuring and Disposing Entity shall obtain maximum competition to the extent practicable under emergency circumstances.
9. The Procurement Manager submitted that whereas Regulation 7 (4) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services), Regulations 2023 requires maximum competition to the extent practicable, the specifications of the User were very clear and there was limited time as the activity was scheduled on short notice with strict timelines.
10. Regulation 51 of the PPDA (Rules and Methods for Procurement of Supplies, Works, and Non-Consultancy Services) Regulations, 2023 provides for the different methods of inviting bidders which include through direct invitation of a sole or single provider.
11. The Authority found that whereas the Entity should have used the Request for Quotation /Proposal method before deciding to use direct procurement, the use of the direct procurement method was based on the urgent need to ensure the provision of hotel services for a joint monitoring and evaluation exercise with the Agriculture Committee of Parliament was conducted. Therefore, the direct sourcing of the provider was justified in light of the urgency.

Decision on Ground one

1. The Authority ascertained that the procurement for provision of hotel services for a joint monitoring and evaluation exercise with the Committee of Parliament on Agriculture,

Animal Industry and Fisheries was an emergency as it was deemed urgent, unforeseeable and not attributable to dilatory conduct.

2. Although the sole invitation of Nyaika Hotel Ltd excluded competition, it was based on the urgency of the requirement in accordance with Regulation 51 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations 2023.
3. In light of the above, the Authority finds that the procurement was conducted in a regular manner following the right procurement process according to the PPDA Act, Cap 205.

6.2 Whether the Management Information System (MIS) procured from Coseke Uganda Limited to perform rent, human resource, stores, cess, asset management and procurement was conducted in accordance with the PPDA Act, Cap 205

1. The complaint stated that UCDA procured a Management Information System (MIS) to perform rent management, human resource management, stores management, asset management and procurement. The contractor, Coseke Uganda Limited was paid UGX 599,853,619 under contract No. UCDA/NCONS/14-15/00009 but the system failed to work.
2. On 7th October 2016, Coseke Uganda Ltd submitted a project Inception Report and an invoice for 10% of the contract price.
3. On 12th October 2016, a Contract Management team was appointed comprising; Ms. Lydia Kitakufe-Manager MIS UCDA, AH Consult, Mr. Mike Maliro-Technology Development Manager, Ms. Amelia Atukunda-M&E Officer, Mr. Sam Akankiza, Ms. Nina L. Nassuna-Finance Manager and Mr. Arnold Kabeho-Human Resource Officer.
4. The former Manager Finance, Ms. Nina L. Nassuna (later promoted to Director Corporate Services), who was also part of the project management team submitted that:
 - i. The finance module was fully developed on the MIS save for CESS invoicing. Cess invoicing is a procedure through which UCDA calculated and billed coffee exporters for the mandatory levy charged on coffee exports from Uganda.
 - ii. She participated in the training once the modules had been developed and advised on issues or areas that were required.
 - iii. In terms of usage of the system, the processes under the finance module were overtaken by developments by MOFPED and URA as highlighted below;
 - The roll-out of the Uganda Electronic Single Window (UeSW) in 2024 and Electronic Fiscal Receipting and Invoicing System (EFRIS) by URA. As a result, the process of billing and invoicing exporters was implemented on these external systems. Therefore, the process of CESS and rent invoicing on MIS was not utilised.

- UCDA became a vote and was required to use the Integrated Financial Management System (IFMS) to register payments, manage petty cash requests and fulfil payment requests which were all processes that had been developed on the MIS under the finance module. However, MIS and IFMS could not integrate and the department prioritised IFMS over MIS. This made the functionality redundant.
 - Budgeting was also done on the Programme Budgeting System (PBS) upon UCDA becoming a Vote, hence the budgeting process on MIS became redundant.
5. As a User of the Development module, Mr. Mike Miro, the Technology Development Manager explained his appointment to the Contract Management Team to represent the Department in 2016 and submitted as explained below:
 - i. After development of the module, training of staff of the department was conducted.
 - ii. During pretesting, a number of issues were identified and these were escalated for rectification.
 - iii. At that time, only farmer registration and farmer group registration were functional, with farmer registration successfully pretested in Mukono and Buikwe in 2017. However, before the system issues were fully resolved, the manager was redeployed to the Rwenzori region in 2018.
 - iv. Consequently, he could not confirm the development status of the other processes under the module.
 - v. He confirmed the functionality of leave requests and payroll management within the Human Resource module, as well as asset and stores requisition and registration.
 6. The Procurement Manager explained that she joined UCDA in April 2024 when the system had already been procured. However, during her brief stay at the institution, she did not perform any of her departmental activities on the MIS.
 7. Ms. Amelia Atukunda, former M&E Officer, Strategy and Business Development, who also initially formed part of the project management team, explained that by the time she left the organisation in 2017, she had not used the system. Upon return in October 2023, the only functionality she used on the system was leave application. The processes under the department were not functional.

PPDA Findings

1. The Authority learned, through the review of records, that the MIS was developed to digitise the functions of UCDA in order to reduce paper transactions and create operational efficiency. The system was also meant to operationalise the Uganda Electronic Single Window (UeSW) interface with the URA Portal to ensure timely issuance of export permits through real time data exchange.
2. The contract signed on 27th September 2016 laid out the agreed upon deliverables/outputs below:
 - i. An inception report containing the project plan agreed upon with UCDA;
 - ii. System design prototype including configurations of each module and detailed documentation that include but not limited to attributes, rules/algorithms, triggers, relations used to configure the system;

- iii. Test runs and test scripts signed off upon successful testing of the system by UCDA. The purchaser will issue a User Acceptance Certificate upon satisfactory user acceptance testing;
 - iv. User training that includes an agreeable training plan and training manuals and materials. The consultant will be expected to issue a training report at the end of the training upon which a training completion certificate will be issued by UCDA; and
 - v. An acceptable operational MIS which will be acknowledged by a Go-live Sign off on the Go-Live date and an Operational Acceptance by UCDA.
3. The User Requirements Document submitted by Coseke Uganda Ltd in November 2016, described the major user requirements in detail. This document was prepared in line with the contract and the Terms of Reference with participation of UCDA staff.
 4. According to the systems design document which was submitted in May 2017, Coseke Uganda Ltd committed to deliver a system consisting of three primary modules: client's portal, IT help desk and Management Information System (MIS). The MIS was to consist of eight sub-modules, representing the different directorates and functionalities of UCDA namely; human resource, finance, administration, development, quality and regulatory services, strategy and business development, procurement and MIS/IT.
 5. On 25th July 2019, the project team submitted the project status report. The report stated that the MIS was operational and running on a local server hosted in Coffee House and it was accessible internally (<http://mis.ucda.local>) and externally (<https://mis.ugandacoffee.go.ug>). Training of users was conducted on how to use the MIS and the interface to integrate UCDA and URA on the electronic single window was in place to ensure timely issuance of export permit through real time exchange of export data.
 6. On 23rd July 2021, the Managing Director of UCDA instructed the Manager Information Systems (MIS)-Ms. Lydia Kitakufe to demonstrate the operationalisation of the 8 modules on the MIS system and their processes, whose go-live was expected in 2018. The Manager was also requested to demonstrate the operationalization of the Uganda Electronic Single Window (UeSW) interface with URA whose implementation was expected to be in place in 2019.
 7. In response to the above directive, the MIS Manager on 3rd August 2021 stated that all modules were tested and functional. Her response outlined reasons for low system adoption, such as lack of change management training, budget constraints, resistance to change since staff were used to operating in silos, dynamic technology, lack of top management support and scope creep. She also confirmed the successful integration of the UCDA Management System (MIS) with the Uganda Electronic Single Window (UeSW) of URA and her response was accompanied system snapshots as evidence.
 8. In a letter dated 16th May 2022, the Managing Director of Coseke Uganda Ltd addressed the Entity's need to clear some aspects of the contract in order to fully operationalize the MIS. Coseke Uganda Ltd stated that after developing the MIS based on user requirements, they operationalized and configured the modules, followed by testing and user training. The company also highlighted the necessity of system maintenance and support to fix the existing problems and committed to resolving them with the Entity's assistance as per the workplan shown in Table 10 below:

Table 10: Workplan for Modules with Challenges

Module	Responsibility	Weeks
Finance	Configuration of the budget module releases	9 th -13 th May 2022
	Configuration of budget reports (monthly reports and annual status reports)	
	Configuration of payment requests against the approved budgets	
Procurement	Configuration of procurements against the approved budget	16 th - 20 th May 2022
	Configuration of direct procurements	
	Conduct test for user acceptance	
	Setting up system training environment	
	Conduct training with the different budget holders	
Strategy and Quality Assurance	Review of the exporter registration and licensing module	16 th - 20 th May 2022
	Review of the contract registration process and population of test dataset for training	
	Review pre-shipment inspection process and population of test dataset for training	
	Review lab analysis process and population of test dataset for training	
	Conduct user acceptance tests	
	Conduct training of the respective stakeholders involved in the process chain from exporter registration to coffee export contracts and generation of quality certificates	23 rd - 27 th May 2022
	Review and approval of the process flow modules by the respective stakeholders	

9. In terms of deliverables/outputs under the system, the Authority found that:
- i. An inception report containing the project plan agreed upon with UCDA was submitted in October 2016;
 - ii. There was no evidence that the System design prototype including configurations of each module and detailed documentation that include but no limited to attributes, rules/algorithms, triggers, relations used to configure the system were submitted;
 - iii. There was no issuance of a user acceptance certificate upon satisfactory user acceptance and testing. Test runs and test scripts signed off upon successful testing of the system by UCDA were not provided;
 - iv. Record of training, in form of attendance sheets, indicated that staff had been trained on the developed modules. The training was also confirmed by some of the users of the system. However, there was no training report at the end of the

- training and a training completion certificate issued by UCDA as required in the contract; and
- v. An acceptable operational MIS which will be acknowledged by a Go-live Sign off on the Go-Live date and an Operational Acceptance by UCDA.

Decision on ground two

The Authority found that the procurement of the Management Information System was not conducted in accordance with the PPDA Act, Cap 205 as the provider failed to meet the contractual obligations as evidenced by non-submission of a training completion report and completion certificate. Relatedly, partial functionality of the system was achieved as only some modules were in use as confirmed by staff of former UCDA.

6.3 Whether the Geospatial Monitoring and Evaluation and Coffee Farmer Registration App, procured from the joint venture partners of Eastern Software Solutions PVT Ltd in association with Eastern Software Systems Uganda and Source Trace Systems India Private Limited was conducted in accordance with the PPDA Act, Cap 205

1. The complaint stated that UCDA contracted joint venture partners of Eastern Software Solutions PVT Ltd in association with Eastern Software Systems Uganda and Source Trace Systems India Private Limited to develop a Geospatial monitoring and evaluation and coffee farmer registration Application at a sum of UGX 490,947,752 (UCDA/SRVCS/20-21/00241). The developed App to be used to register farmers failed to function.
2. The Contract Manager, Mr. Robert Nangtsa submitted that the provider was required to deliver a system with the following core modules; extension management, coffee farmer registration, geospatial analytics, mobile app and dashboard and reporting. The provider was also required to undertake user training and support and maintenance after expiry of the 6-months post-implementation support.
3. The Contract Manager confirmed that:
 - i. The above deliverables were met and contained in the inception report, minimum viable product, test criteria and definition of criteria objective report and approved field testing and system operation report;
 - ii. The system was functional and in use. The system was handed over to former UCDA and was used for data collection until December 2024 when the UCDA was rationalized;
 - iii. Field staff used the system to collect data of upto 15,000 coffee farmers/farms in Kasese under the UNDP supported programme;
 - iv. After December 2024, there has been less activity due to funding gaps for operational activities and
 - v. All issues raised with the developer were addressed and for continuous improvement, communication with the developer has been maintained.

PPDA Findings

1. The contract signed on 10th February 2022 pegged payment to the agreed upon deliverables/outputs below:
 - i. 30% on submission of an Inception Report;
 - ii. 40% on submission of Minimum Viable Product (MVP), test criteria and definition of recovery point objective report; and
 - iii. 30% upon approved field testing and system operation report.

2. According to the Terms of Reference in the Request for Proposal document and the technical proposal which formed part of the signed contract, the Geospatial M&E Extension System is a unitary system where different modules are seen as one and hosted in totality within the solution. The bidder was expected to deliver the system with the modules shown in Table 11 below:

Table 11: Modules of the Geospatial Monitoring and Evaluation and Coffee Farmer Registration App

No.	Module	Summary of Functionality
1.	Extension Management module	<p>The intention was to focus on organizing, coordinating and tracking the activities of the extension workers. The module should:</p> <ol style="list-style-type: none"> i. Enable coffee seedling inspection/verification and factory inspection ii. Enable RCEOs and RTOs to efficiently monitor coffee nurseries, mother gardens and coffee processing factories iii. Enable the training functionality to capture all trainings and visits conducted with GPS locations proving the coffee extension officer actually visited the farmer(s) and conducted the training iv. Ensure monitoring of extension worker tasks and performance v. Allow capturing of GPS coordinates for scheduled locations, mileage calculations and costs of travel by field staff vi. Enable extension workers to report field incidences
2.	Registration module	<p>The module shall provide capability to register coffee farmers and farms countrywide, and store data in a centralized database.</p>
3.	Geospatial analytics module	<p>Location based data to provide insights and support decision making. The Application should:</p> <ol style="list-style-type: none"> i. Enable storing of spatial data ii. Enable conducting of spatial analysis on available data iii. Provide a wide range of additional features such as maps to visualize farmer and training locations iv. GPS functionality with ability to map field perimeters and capture of media data (photo and video)

No.	Module	Summary of Functionality
		<ul style="list-style-type: none"> v. Enable object data to be stored in a powerful, relational database vi. Provide a framework to use analytics data to make data driven decisions
4.	Mobile App	<ul style="list-style-type: none"> i. Store core farmer data so that coffee extension officers can access key information to help them to do their jobs even when offline. ii. Support for Android, IOS, and Windows Operating Systems iii. Registration of coffee exporters and all other industry stakeholders iv. Inbuilt GPS to visualize farmer and training locations v. Support for notifications
5.	Dashboard and Reports	<ul style="list-style-type: none"> i. Real time reports ii. Real time data upload iii. Data visualisations iv. Data search and filter

3. The provider was required to provide user training and 6 months support and maintenance. The provider was also required to provide a scalable and cost-effective system that is user friendly to ease and improve data collection, analysis and management.
4. Based on the memo dated 24th July 2024 signed by the Contract Manager, the system was developed and has been operational since October 2023, comprising five modules: Registration, extension management, geospatial analytics, mobile app and Dashboard and reporting. It is accessible via URL address <https://services.ugandacoffee.go.ug/>
5. The Contract Manager submitted that the developer delivered the outputs in the contract and the system was functional and in use. The system was handed over to UCDA whose role is now under MAAIF. The system was used for data collection and different system generated reports exist as evidence.
6. The Contract Manager indicated that the implementation of the Geospatial Monitoring and Evaluation System and Coffee Farmers App in the live production environment has been successful in meeting the system requirement specifications and the objectives. The system is operational, and feedback from the users indicates a positive user experience. The ongoing monitoring and continuous improvement will contribute to a sustained success of the system. That UCDA (now MAAIF) and the consortium will continue their collaborative efforts to address any pending issues and further system enhancements. Updates and other pending issue logs will be addressed during the Service Level Agreement period.
7. The User Acceptance Report dated 30th November 2023 submitted to UCDA indicated the list of modules that had been developed and deployed.
 - i. Extension Management Module.

- ii. Registration Module.
- iii. Geospatial Analytics Module.
- iv. Traceability Module
- v. Dashboard and Reporting Module
- vi. Mobile App.

8. The Authority noted from the User Acceptance Report dated 30th November 2023 submitted to UCDA that all modules had been developed and deployed.

PPDA Decision on ground three

The Authority found that the procurement of the Geospatial Monitoring and Evaluation System and Coffee Farmers App followed the right procurement process as per the PPDA Act, Cap 205.

6.4 Whether the award of a contract for the provision of Quality Assurance Services during Coffee Farmer Registration to Ms. Shakirah Nakiyingi, the lead consultant in the development of the Geospatial Monitoring and Evaluation and Coffee Farmer Registration App was conducted in accordance with the PPDA Act, Cap 205

1. The complaint stated that the lead consultant (Ms. Shakirah Nakiyingi) in the development of the Geospatial Monitoring and Evaluation and Coffee Farmer Registration App was awarded a contract to provide quality assurance during coffee farmer registration worth UGX 77,050,000 under contract Reference. No. UCDA/NCONS/24-25/00019.
2. The Head, Procurement and Disposal Unit explained that the decision to shortlist Ms. Shakirah Nakiyingi and the other individual consultants for this consultancy service was based on the user's recommendation of the capable consultants. These individual consultants were also approved by the Contracts Committee. During the evaluation process, the Evaluation Committee based the evaluation of bids on the evaluation criteria stated in the bidding document.

PPDA findings

1. According to the Terms of Reference, the Quality Assurance Expert was required to interact with the consultancy firm hired to register the coffee farms/farmers, internal stakeholders at UCDA, providers of the Geospatial M&E System where required and any other stakeholders deemed necessary to provide vital input in the successful roll-out of farmers and farm registration exercise. Specifically, the provider would be required to, among others:
 - i. Review and provide feedback to UCDA on the consortia inception report on farmer registration;
 - ii. Review and provide feedback on the sensitisation plan for coffee farmers and other stakeholders and support the team with drafting effective communication and choice of communication channels;
 - iii. Monitor the Geospatial system performance throughout the data collection exercise to identify any system gaps and advise on the necessary fixes ahead of the registration process; and

- iv. Support the validation of collected data and oversee the cleaning of the electronic database to check out for inconsistencies and outliers and get rid of any anomalies.
2. Ms. Shakirah Nakiyingi submitted that she was contracted by the consortium of Eastern Software Systems Uganda and Source Trace Systems India Private Limited to do onsite project management for them to be able to seamlessly deliver on the Geospatial monitoring and evaluation application, with no legal obligation to UCDA, which she delivered. She also confirmed that the Geospatial Monitoring and Evaluation and Coffee Farmer Registration app was the system to be used for registration of coffee farmers.
3. In terms of her role in the contract for provision of quality assurance services, she was contracted to provide quality assurance services during coffee farmers and farms registration exercises as detailed in the contract.
4. Whether she believed that her involvement in both contracts (Geospatial monitoring and evaluation and coffee farmer registration and quality assurance services) created conflict of interest, she found the two contracts mutually exclusive as explained below:
 - i. She was not legally charged with delivering the Geospatial system, the consortium was.
 - ii. The process of procuring a quality assurance service provider was mutually exclusive from the earlier procurement of the geospatial system and an independent evaluation was done by an independent Evaluation Committee.
 - iii. The quality assurance Terms of Reference (TORs) did not include any provision regarding conflict of interest if the consultant had participated in the system's delivery. The key objective under the quality assurance contract was to ensure that the system was fit for purpose.
 - iv. UCDA awarded her the contract for provision of quality assurance services which was mutually exclusive from the contract she had with the consortium that delivered the Geospatial Monitoring and Evaluation and Coffee Farmer Registration Application. The inception report for the provision of quality assurance services, which she delivered, was signed off by UCDA and represents the first payable milestone under the contract.
5. Section 52 of the PPDA Act, Cap 205 states that all procurement should be carried out in accordance with the Code of Ethics specified by the Authority.
6. Clause 3 of the Code of Ethical Conduct in Business stipulates that bidders and providers shall not accept contracts which would constitute a conflict of interest with, any prior or current contract with any Procuring and Disposing Entity. This clause is consistent with ethical procurement principles as it aims to prevent situations that might compromise the impartiality of the provider in the performance of their duties to the Procuring and Disposing Entity.
7. During the review of documents, the Authority established that Ms. Shakirah Nakiyingi, was the onsite Project Manager for joint venture partners of Eastern Software Solutions

PVT Ltd in association with Eastern Software Systems Uganda and Source Trace Systems India Private Limited. This was found in the consultant's CV as part of the experience of having performed a similar role.

8. Mr. Robert Nangtisa, Extension Manager, the Contract Manager for the development of the Geospatial Monitoring and Evaluation and Coffee Farmer Registration App also confirmed that Ms. Shakirah Nakiyingi was the onsite project Manager who represented the system provider. Her responsibilities included, interviewing staff for system specifications and data collection; preparation and delivery of presentations, collection of feedback, and visiting the site to interact with system users and staff training.
9. The Authority observed that while UCDA did not contract Ms. Shakirah Nakiyingi to develop the Geospatial monitoring and evaluation and coffee farmer registration App, she was the onsite project manager for the company that developed the application which will be used to register farmers and farms.
10. The Authority noted that in view of the fact that she participated in developing the system creates a conflict of interest. She might be inclined to overlook defects or downplay system issues especially since her tasks under the quality assurance contract include monitoring geospatial system performance throughout the data collection exercise to identify any system gaps and advise on the necessary fixes ahead of the registration process.
11. The award of contract for provision of quality assurance services during coffee farmer registration to Ms. Shakirah Nakiyingi, who worked as an onsite-Project Manager in the development of the Geospatial Monitoring and Evaluation and Coffee Farmer Registration App contravened Clause 3 of the Code of Ethical Conduct in Business which stipulates that bidders and providers shall not accept contracts which would constitute a conflict of interest with, any prior or current contract with any Procuring and Disposing Entity. However, she was not a lead consultant in the development of the App but worked as an onsite-Project Manager and represented the systems developer on the site to interact with system users and conduct training among other roles.

PPDA Decision on Ground four

1. The award of the contract for provision of quality assurance services during coffee farmer registration to Ms. Shakirah Nakiyingi, the onsite-Project Manager in the development of the Geospatial Monitoring and Evaluation and Coffee Farmer Registration App was in contravention of the PPDA Act, Cap 205.
2. For quality assurance to be credible, the provider should be independent of those involved in the development of the system. Ms. Shakirah Nakiyingi was involved in the development of the system, she might be biased in evaluating the consortium's work especially if the company contracted to register farmers and farms points out the defects or limitations in the Geospatial Monitoring and Evaluation and Coffee Farmer Registration App, developed by the consortium that hired her.
3. The above matter is worsened by the fact that one of her duties within the quality assurance contract is to monitor geospatial system performance throughout the data collection exercise to identify any system gaps and advise on the necessary fixes ahead of the registration process.

3. Regulation 9 of the PPDA (Consultancy Services) Regulations, 2023 provides that an Entity may use the direct procurement method for compatibility with the consultancy services or for continuity with an existing provider.
4. According to the contract signed on 20th September 2024, support and maintenance was critical to system functionality, security and performance. Additionally, defects that were not resolved during the development phase would be resolved at no fee.
5. The Authority did not find it irregular to contract the original developer to offer support and maintenance because the original contract provided for it as part of its scope. This one-year support and maintenance was procured directly for purposes of continuity and compatibility in line with Section.

Decision on Ground five

The award of contract for a one-year support and maintenance for the Geospatial monitoring and evaluation and coffee farmer registration App to Eastern Software Solutions PVT Ltd in association with Eastern Software Systems Uganda and Source Trace Systems India Private Limited was conducted in accordance with the PPDA Act, Cap 205.

6.6 Whether there was abuse of office, mismanagement of funds, and corrupt practices by some Uganda Coffee Development Authority (UCDA) staff

1. The complaint alleged that there was abuse of office, mismanagement of funds, and corrupt practices by some Uganda Coffee Development Authority (UCDA) staff.
2. The Authority was unable to get more information from the complaint to substantiate the allegations of abuse of office, mismanagement of funds, and corrupt practices by some Uganda Coffee Development Authority (UCDA) staff.
3. The Authority found no evidence in support of the claim of abuse of office, mismanagement of funds, and corrupt practices by some Uganda Coffee Development Authority (UCDA) staff. The former staff of UCDA denied the allegation.

Decision on Ground six

There was no evidence in support of the claim of abuse of office, mismanagement of funds, and corrupt practices by some Uganda Coffee Development Authority (UCDA) staff.

7.0 CONCLUSION AND RECOMMENDATIONS

In accordance with Section 10 (1) (a) of the PPDA Act, Cap 205 and in light of the above findings, the Authority found that the Entity followed right procurement processes in the procurement of Hotel services from Nyaika Hotel Ltd for a joint monitoring and evaluation exercise for the Committee of Parliament on Agriculture, Animal Industry and Fisheries; Geospatial Monitoring and Evaluation and Coffee Farmer Registration App; and a one-year support and maintenance for the Geospatial Monitoring and Evaluation and Coffee Farmer Registration App. While the procurements of provision of quality assurance services during Coffee Farmer Registration and the Management Information System were not conducted in accordance with the PPDA Act, Cap 205. However, there was no evidence in support of the

6.5 Whether the award of contract for a one-year support and maintenance for the Geospatial Monitoring and Evaluation and Coffee Farmer Registration App to the joint venture partners of Eastern Software Solutions PVT Ltd in association with Eastern Software Systems Uganda and Source Trace Systems India Private Limited was conducted in accordance with the PPDA Act, Cap 205

1. The complaint alleged that the above joint venture partners that developed the Geospatial Monitoring and Evaluation and Coffee Farmer Registration App were again awarded a contract to undertake a one-year support and maintenance of the same app worth UGX 120,000,000 under Reference No. UCDA/CONS/24-25/0060.
2. The Contract Manager, Mr. Robert Nangtsa confirmed that the developer was contracted to provide support and maintenance and has been providing the service although payments for the service have not been made by UCDA. This is arising from the rationalisation of UCDA creating the need to transfer the funds to MAAIF.

PPDA Findings

1. According to a memo dated 24th July 2024, the original development contract provided a 6 months post implementation support which expired on 31st May 2024. Internal audit reviewed the Geospatial Monitoring and Evaluation and Coffee Farmer Registration App and found unresolved system issues that needed to be handled under further support and maintenance below:
 - i. Time consuming registration process;
 - ii. Unresolved issues raised during the pretesting period-system not configured to notify registered farmers and farms;
 - iii. Unaligned nursery inspection forms in the system;
 - iv. System not configured to auto calculate cumulative net income (cost of cultivation);
 - v. Monitoring and evaluation module does not facilitate entry of other interventions;
 - vi. No provision to enter the number of stumped coffee trees stumped by a farmer;
 - vii. No provision for input demand validation and input acknowledgement receipt; and
 - viii. No provision to allow other inputs outside the standardized checklist.
2. The Extension Manager, Mr. Robert Nangtsa, the User Department representative, recommended continued system support and maintenance by Eastern Software Solutions PVT Ltd in association with Source Trace Systems India Private Limited because of the following:
 - i. The developer of the system had an in-depth understanding of the system's architecture and history. This expertise would lead to more efficient troubleshooting and enhancements.
 - ii. It would ensure consistence in development practices, coding standards, and design philosophy, which would contribute to system stability and reliability.
 - iii. Switching a vendor could involve significant costs, including time and resources needed for the new vendor to familiarize themselves with the system.
 - iv. A good working relationship had already been established with the developer which would foster better communication, mutual understanding and collaboration.
 - v. The vendor held intellectual property rights or proprietary knowledge crucial to the system.

claim of abuse of office, mismanagement of funds, and corrupt practices by some Uganda Coffee Development Authority (UCDA) staff.

The Authority recommends that a technical audit to assess the functionality of the two systems namely the MIS system and the Geospatial Monitoring and Evaluation Application should be commissioned by MAAIF since PPDA's audit was limited to document review of the procurement processes. The IT systems' audit would assess whether the two systems were developed as per the terms and conditions of the signed contracts as required under Regulation 52 (1) of the PPDA (Contracts) Regulations, 2023; and they are still relevant in light of the mainstreaming of the former UCDA operations into the Ministry.