



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

**ANNUAL REPORT FOR THE FINANCIAL
YEAR 2008/ 09**

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ACRONYMS

ACT –	Anti-Corruption Country Threshold Project
ADB-	African Development Bank.
AOs –	Accounting Officers
CAA –	Civil Aviation Authority
CAOs –	Chief Administrative Officers
CHOGM –	Commonwealth Heads of Government Meeting
CIF –	Cost Insurance & Freight
COMESA –	Common Market for Eastern and Southern Africa
CPIs –	Compliance Performance Indicators
CTB –	Central Tender Board
DANIDA -	Danish International Development Agency
DDP –	Delivery Duty Paid
DFID -	Department For International Development
DLG-	District Local Government.
DEO-	District Education Officer.
DISO-	District Internal Security Officer.
GOU –	Government of Uganda
GRN –	Goods Received Note
HPDU –	Head Procurement & Disposal Unit
IDPs –	Internally Displaced People.
IFAD-	International Fund for Agricultural Development.
IPC-	Interim Procurement Committee.
IGG –	Inspectorate of Government
IPPU –	Institute of Procurement Professionals Uganda
ITB-	Instruction to Bidders
LG –	Local Government
LPO –	Local Purchase Order
MAC-	Management Advisory Committee.
MCC –	Millennium Challenge Corporation
MICT-	Ministry of Information and Technology.

MOLG-	Ministry of Local Government.
MOFPED –	Ministry of Finance, Planning & Economic Development
MTEF-	Medium-Term Expenditure Framework
MUBs –	Makerere University Business School
NAADS –	National Agricultural Advisory Services
NCHE –	National Council for Higher Education
NSSF-	National Social Security Fund.
OECD/DAC –	Organization for Economic Co-operation & Development / Development Assistance Committee
PAC –	Public Accounts Committee
PAI –	Procurement Audit & Investigations
PDEs –	Procuring & Disposing Entities
PPDA –	Public Procurement & Disposal of Public Assets Authority
PR –	Public Relations
PRSC –	Poverty Reduction Support Credit
PS/ST –	Permanent Secretary / Secretary to the Treasury
QCBS –	Quality Cost Based Selection
RFQ –	Request for Quotation
SG –	Solicitor General
SFG-	Schools Facilities Grant.
TCB –	Training & Capacity Building
TCS-	Technical Compliance Selection
USAID –	United States Agency for International Development
UTODA –	Uganda Taxi Operators Drivers Association
UNEB-	Uganda National Examination Board.
UCE-	Uganda Certificate for Examination.
UACE-	Uganda Advanced Certificate for Examination.

CHAIRMAN'S MESSAGE

I am glad to present the 6th Annual Report (Financial Year 2008/9) since the inception of the Public Procurement and Disposal of Public Assets Authority in 2003. The importance of a strong public procurement system cannot be over emphasized in a country where the provision of the much needed goods, services and works largely depends on the transparency, efficiency and fairness of the procurement and disposal system.

The Authority has continued to make great strides in strengthening the existing public procurement and disposal system through introduction of rules and regulations to improve the application of the law. We have been able to scale up on the number of procurement audits, compliance checks and training activities over the year. This is aimed at enforcing the application of the law. The number of Administrative Review applications and cases for investigation being handled by the Authority has also significantly increased. This is a mark of confidence the private sector has in the dispute resolution mechanism, a belief that they can get a fair and transparent hearing when they feel aggrieved. This needs to be encouraged and refined. The law still faces a number of challenges notably poor procurement planning by Entities that leads to delayed procurements, poor solicitation documents failure to adhere to evaluation criteria during evaluation which has caused many Administrative Reviews, lack of records, poor contract management and corruption. These failures call for a more aggressive monitoring of the procurement system.

The amendment process to the PPDA Act is on course and I am glad to report that there has been encouraging interest in the process from all stakeholders. I am confident this process will end with a stronger law. The Ministry of Finance, Planning and Economic Development together with our development partners have supported the exercise to review the structure of the Authority, with the view of making it more responsive to its growing mandate, especially as the number of districts continues to increase with no end in sight.

The audit reports we issue regularly contain numerous violations of the law by managers in procurement entities and although we send them to control authorities for legal or administrative action, nothing seems to happen. So the impunity continues. This is the last report I am issuing on behalf of the Board. The Board is stepping down at the end of February 2011. I take this opportunity to thank the Board and members of staff of PPDA for their dedicated service to the country.



James Kahoza

Chairman, PPDA Board of Directors

EXECUTIVE DIRECTOR'S MESSAGE

I am pleased to present to you the performance of PPDA FOR THE Financial Year 2008/9. The Authority carried out a number of activities under the objectives of ensuring transparency, value for money in procurement and disposal practices, harmonization of laws with local governments, setting standards, monitoring compliance and building procurement and disposal capacity in Uganda. We have continued to expand on the activities we carry out and I am positive that our impact is being felt.

Under ensuring transparency, value for money in public procurement, the Authority completed procurement audits in 50 PDEs and audits in 10 PDEs were still ongoing by close of the Financial Year. The audits revealed improvement in establishment of procurement structures, use of standard bidding documents and forms, and evaluation. Nevertheless a number of weaknesses in the procurement system were identified in areas such as procurement planning, contract management and record keeping; against which measures such as training and capacity building programmes were designed. The audit reports were shared with the Office of the Auditor General and discussions on future strategies held. A number of investigations, 51 in number were handled by the Authority in the financial year in a bid to promote transparency and fairness in the procurement system. To enhance implementation of the Authority's recommendations, a follow up programme was started in the Financial Year to monitor implementation of the Authority's recommendations. Over 70% of the recommendations were implemented by the entities. The Authority in accordance with its mandate also handled 17 Administrative reviews this Financial Year.

With support from the Anti Corruption Threshold Project (ACT), the Authority procured a consultant to develop a Register of national providers. This will be completed in the next Financial Year and will enhance the capacity of providers that participate in public procurement. A list of common user items and average prices was also developed and distributed to all Entities to guide them on the market prices before they enter into contracts and also use it as a basis during budgeting. In a bid to enhance the visibility of the public procurement reform programme, the Authority also implemented aspects of the publicity strategy through radio talk shows and publicity in the print media. A newsletter was also developed and distributed to inform the public on what the Authority is doing.

In a bid to enhance the harmonization of the local government procurement and disposal practices to those of central government, the Authority developed a local government procurement and disposal manual. This will serve as a simplified guide to the LG PDEs when implementing the Law. The Authority also developed draft SBDs for local governments for the categories of goods, works and services.

As part of its mandate to set standards for public procurement and disposal systems, the Authority played a key role in developing proposals for amendments to the PPDA Law. This Financial Year, the principles of the proposed amendment bill were submitted to the Ministry of Finance, Planning and Economic Development and are currently before Cabinet for approval.

In a bid to improve on compliance to the law, the authority significantly stepped up the number of compliance checks in the financial Year, accordingly the Authority carried out 120 compliance checks.

The Authority in recognition of the need to make a bigger impact in its capacity building efforts, shifted from workshops as a method of sensitization of PDES on public procurement and disposal. The Authority has moved to using hands on support interventions where PPDA consultants and staff go to the PDES and guide them practically on how procurements and disposals should be handled. This was carried out in several central and local government entities and has been well received in the entities. We plan to expand

this programme and use it as the default method of training in the new financial year. A capacity needs assessment was carried out in Central Government PDEs to enable the training and other support programmes to focus more directly on specific skill development needs. A training needs assessment for 110 central government PDEs was finalised and this will form a basis for future capacity building interventions. PPDA also played a key role in the formation the Institute Procurement Professionals of Uganda (IPPU). This body will play a key role in regulating procurement professionals in Uganda and promoting ethical behaviour among procurement practitioners. The Universities and other tertiary Institutions (Basic requirements and Minimum standards for procurement Education and training Regulations, 2008 were gazetted this financial year with PPDA at the forefront of their development.

Given the growing staffing levels at the Authority, two departments were relocated to the PPDA Home to ease the congestion at the Offices on 14th Floor Workers' House and facilitate further expansion of the Authority's staffing numbers.

As we enter the new Financial Year, I would like to thank the Government, development partners and all other stakeholders other stakeholders for the continued support of the PPDA in carrying out its ever expanding mandate. More support will be required especially to match the increasing number of PDEs in the form of local governments.


Edgat Agaba
EXECUTIVE DIRECTOR

PRIORITIES OF THE AUTHORITY FOR FY 2008/09

In its efforts to meet Government objectives for public procurement reform, the Authority planned to implement the following key activities during the Financial Year 2008/2009:

(i) Ensuring Transparency, Value for Money in Procurement and Disposal Practices

Procurement Reviews and Investigations. The objective of procurement review and investigations is to determine whether procurements are carried out in a fair and transparent process in accordance with the PPDA Act 2003. The major aim of these reviews is to identify areas of weakness in the law that are being flouted and recommend corrective measures. The Authority plans to carry out fifty one (51) procurement reviews. Twenty six (26) of these will be outsourced to individual consultants who will be selected competitively while eight (8) reviews will be carried out in-house. The Authority will receive a boost of 17 procurement audits through the USAID support under the Millennium Challenge Cooperation (MCC). Eight (8) contract audits of big procurements in selected PDEs will also be carried out. An estimated 40 investigation cases will be carried out. Follow-ups on reviews and investigation findings will be stepped up to twenty four (24) PDEs compared to 16 last year. The outcome of the reviews, investigations and follow ups will lead to increased compliance with the law and identification of weaknesses that need to be addressed.

Revision of the PPDA Corporate Plan. The objective of the Corporate Plan is to have a systematic planning framework for the Authority. The Corporate Plan is based on the objectives of the PPDA Act 2003 and the functions of the Authority.

The PPDA Corporate Plan is a 3 year rolling plan that gives strategic direction to the Authority. It outlines the priority areas that are to be covered by the Authority and as such all departmental activities are aligned to the priorities in the Corporate Plan. The Corporate Plan is a living document and is reviewed annually to take into consideration factors that could change the strategic direction of the Authority. The Authority intends to review this plan in the coming financial year.

The outcome is a harmonised process of undertaking the objectives of the authority.

Facilitation of the Complaints Review Committee. The main function of this committee is to hear complaints and consider application for deviations from the provisions of the law. This is a management committee set up by the Board of Directors to assist the Board in its functions of hearing complaints, undertaking administrative reviews and reviewing applications for deviations. Section 91 of the PPDA Act provides for the Authority to carry out administrative reviews and make recommendations on any complaints that may be filed by bidders who are not satisfied with the procurement process. The Authority also regularly receives applications for deviations from the law from Entities in accordance with section 79 (3) of the PPDA Act. The Board set up a Complaints Review Committee to handle these two functions. The Authority intends to continue to facilitate the Complaint Review Committee so it can receive and discharge the complaints received within the time periods specified in the law. The outcome is transparency in procurement, and creation of efficiency in the management of the procurement process.

Generate statistical data for periodic reporting. The objective of generating data is for the Authority to be able to ascertain the number of procurements carried out, methods used and amount of public funds spent. The Authority has developed an internal mechanism to collect data using monthly procurement and disposal reports. This data provides an insight in the trends in the public procurement and disposal systems in Uganda. This activity requires inputting data from the monthly reports in the databases before statistics may be generated. The Authority will step up on this activity to enable timely production of statistics that can be used to measure performance. The outcome is reliable and accurate information of procurement and disposal statistics in Uganda.

Update of the compliance and performance indicators. The objective of compliance and performance indicators is to measure the performance of the national procurement systems. The indicators act as a measurement of the level of development of a national procurement system. The Authority intends to carry out an assessment of the compliance and performance indicators following the baseline that was carried out in 2007. This assessment will help to show whether compliance with the Law is improving in the entities against

international best practices. The outcome of updating the indicators is to measure the performance of the national systems in terms of development.

Survey to update list of common user items. The objective of the survey on the common user items is to maintain a list of all common user items used by government entities and their indicative average prices. The first set of common user items and prices was published in December 2007. There is periodical need to update the price list which is used by government entities. The Authority is mandated under section 102 of the PPDA Regulations to come up with a list of common user items and average prices to guide entities in their procurement planning among other things. Due to the frequent changes in market prices, the price lists should be updated every year. The Authority intends to update the lists so that the process and commodities reflect the prevailing market prices. The outcome is indicative average price list to be used by all government entities to guide them in determining market price for common user items.

Public Relations Activities. The objective of PR is to improve the image and the relationship of the Authority with all its stakeholders. The authority needs to undertake continuous PR strategies to inform its stakeholders of its activities and be able to share its experiences with both the public and private sector. The Authority is still faced with the challenge of information dissemination. Many members of the public are unaware of the PPDA's existence and its role in public procurement; often many perceive it as the replacement of the Central Tender Board. This lack of awareness has a number of negative implications; Confusion on the role of the PPDA by members of the public, Lack of interest in government procurements, which is detrimental to the fight against corruption in public procurement and as such no accountability will be demanded of government officers on how government procurements are handled. To address the lack of information the PR section intends to:- embark on media sensitization using radio and print as the key media channels of information dissemination. This will be limited to 10 radio stations in this financial year with hopes of expanding the sensitization to more radio stations. PR also intends to launch an electronic newsletter in the next financial year. The newsletter will be produced internally, every two months and circulated electronically to all stakeholders via email. This will help the section cut down on production costs while ensuring that a more relevant, up- to- date newsletter is published and disseminated to stakeholders while the news is still very relevant. The outcome will be increased knowledge of the public procurement system in Uganda.

Development of the Register of Providers. The objective of the register is to capture all providers in Uganda who are interested in doing business with Government. The register shall include details of providers such as the name and type of company, details of directors, details of their main functions, addresses and bankers' details etc. This information will assist government entities to identify bonafide providers and their existence. Uganda still faces a challenge of having a modern company registry system where searches can easily be undertaken. Under Section 70 of the PPDA Act 2003, the Authority is mandated to establish providers register to fulfil the above objective. The outcome will be to create a sustainable and vibrant focal point for PDEs and providers with a publicly accessible database. The Register of Providers is funded under the Millennium Challenge Corporation (MCC).

Publication of Contract Awards. The main objective of publicising contract awards is to inform the public how government contracts have been awarded. The publication of these awards involves publication of the names of successful bidders, method of procurement used and the amounts of funds spent. The Authority plans to publish two reports on contracts awarded in excess of US\$ 200,000 by Central and Local Government Procuring and Disposing Entities for the periods July to December 2008 and January to June 2009. The outcome is increased transparency in the award of government contracts.

- (ii) **Harmonizing procurement and disposal policies and practices of the Central Government, Local Governments and Statutory bodies.** The objective of amending the PPDA Act and Regulations is to streamline and strengthen the operations of the law. Since 2003, the law has been in operation and several areas have been identified either as lacking or having challenges in implementation or require harmonisation. It is now prudent that the law is revised to be able to overcome the weaknesses and also introduce modern aspects in public procurement. The government of Uganda has set up a Committee comprised of government entities and development partners including the private sector and Chaired by the MOFPED to review the provisions of the PPDA Act and Regulations and come up with recommendations aimed at improving and strengthening the law.

The PPDA acts as a Secretariat to the Committee. The outcome will be increased compliance and enforcement of the PPDA law.

- (iii) **Setting Standards for Public Procurement Systems.** The objective of continuously issuing guidelines is to fill up the gaps that exist in the law.

The Authority shall therefore continue issuing guidelines under the PPDA Act with a view to strengthening its provisions. As part of its objective of setting standards, the Authority intends to issue two guidelines on Debriefing of Bidders and the Implementation of Preference Schemes, issue sector Standard Bidding Documents on health sector products and text books and reading materials and issue in consultation with Uganda National Bureau of Standards, Specification standards of commonly procured items by entities. The outcome is better application of the law and enforcement.

- (iv) **Monitoring Compliance of procuring and disposing entities.** The objective of a national compliance exercise is to ascertain levels of compliance to the procurement law by government entities. This exercise was last carried out in 2004 and there is need to undertake another compliance assessment especially in Local Governments following the harmonisation of local government procurement and disposal systems with that of central government in 2007. The outcome of a national compliance exercise shall be increased compliance with the law. Under Section 7(i) and (r) of the PPDA Act, the Authority is mandated to undertake compliance monitoring of all government entities.

The Authority plans to undertake a National Compliance Exercise on all Central and Local Government entities and issue a report on their compliance status. The Authority will issue a report on the 120 Compliance Checks held in FY 2007/08 under the PRSC 7 and to continuously undertake compliance checks on the entities found to be below the satisfactory rating categorisation.

A compliance database is being set up to generate statistical data from the monthly and quarterly reports submitted by entities in order to provide stakeholders with reports on the performance of the public procurement systems.

- (v) **Building Procurement and Disposal Capacity**

The main objective of building capacity is to enhance the efficiency, transparency and accountability by public officials who undertake procurement. The Authority since its inception has carried out capacity building initiatives with a view to increase efficiency and achieve value for money. Under section 6(e) of the PPDA Act 2003. The Authority is mandated to carryout training and capacity building in all government entities. This training goes a long way in the improvement of management of the procurement process by entities.

Following the capacity gaps identified by the capacity needs assessments the Authority will design and implement capacity building interventions for PDEs through provision of hands on support targeting 36 PDEs. The hands on support will be carried out by PPDA staff & Individual consultants based on identified and updated capacity needs while PPDA staff will carry out Quality Assurance of the consultant's interventions. Procurement and disposal training programmes will be delivered to staff engaged in the procurement and disposal process at all levels, together with other stakeholders through demand driven training and in collaborative arrangements with MOFPED and MOLG. The training will be continually adapted and updated to reflect demand, as ascertained through capacity needs assessment and other reports. The Authority will in addition, build Capacity of 100 Providers and 50 Civil Society Organisation members through a sensitisation non-residential workshop. To cope with the increased demand for training and to improve the quality of the trainers, PPDA intends to hire and deploy continuously procurement and disposal consultants (trainers) to carry out capacity building activities like hands on support and training.

The Authority plans to improve efficiency levels in PDEs by equipping and tooling PDUs in 10 selected government institutions. The outcome is increased capacity and efficiency in the management of the public procurement and disposal processes.

Promotion of professional development and self-regulation: The objective is to create a regulator for procurement professionals in Uganda under the institute of procurement professionals in Uganda. The main function of this institute is to regulate the procurement professional in their day to day procurement engagements. The institute has been set up and will be facilitated by the authority to kick start its operations. The Institute of Procurement Professionals of Uganda will prescribe and regulate the conduct of its members, will be supported and facilitated to recruit procurement practitioners as its members and maintain them to the required standards. The outcome of the institute is to professionalize public procurement in Uganda.

(vi) Strengthening the Internal Organisation

Finance: The Authority is financed by Government of Uganda through the Consolidated Fund with additional support from donor agencies. The Government of Uganda's Anti-Corruption Threshold Country Plan was approved by the Millennium Challenge Corporation, which will also provide support to PPDA. The Authority may also seek to generate its own revenue, for example, through the registration of providers of works, services and supplies.

Human Resources: With the harmonisation of the procurement law at the local government level, there is need for the Authority to expand its organisational structure to meet the additional demand. To facilitate achievement of the strategic objectives, performance management among the human resource will be strengthened partly through capacity building among PPDA staff and board members whereby training and study tours will be conducted. . This year however, it has been planned to get in consultants from outside and conduct the training locally.

Accommodation: The Authority purchased a property at Plot 39, Nakasero Road and moved some of its staff out of Workers' House to the property purchased at Plot 39, Nakasero Road to ease the present congestion and facilitate further expansion.

Management Information: The Authority will improve the PPDA information resource centre, the record keeping system and install document management software to ease documentation flow between Worker's House offices and PPDA Home at Plot 39 Nakasero Road.

Internal Audit: internal audit work plan for this year will continue to focus on areas that are high risk to the Authority objectives, resources, reputation budget performance and other priority areas identified by management and Board. These high risk areas are grant of waivers, internal procurements, financial reporting, development of team mate, implementation of Solomon. The outcome of internal audit reviews is improved performance, timely and accurate reporting and a compliant PPDA.

CHAPTER 1: CORPORATE INFORMATION

The Public Procurement and Disposal of Public Assets Act No. 1 of 2003 (PPDA Act) established the Public Procurement and Disposal of Public Assets Authority as an autonomous Regulatory Body. The Act empowers the Authority to formulate policies, set procurement and disposal standards, build procurement and disposal capacity and supervise the procurement and disposal practices of all procuring and disposing entities, which include central government ministries and departments, local governments, constitutional and statutory bodies.

1.1 Statutory Objectives

The objectives of the Authority are stated in Section 6 of the PPDA Act and these are to:

- i. ensure the application of fair, competitive, transparent, non-discriminatory and value for money procurement and disposal standards and practices;
- ii. harmonize the procurement and disposal policies, systems and practices of the central government, local governments and statutory bodies;
- iii. set standards for the public procurement and disposal systems in Uganda;
- iv. monitor compliance of procuring and disposing entities; and
- v. Build procurement and disposal capacity in Uganda.

1.2 Organizational Structure

The Authority is composed of the following:

1.2.1 Board of Directors

The Authority is governed by a Board of Directors. During the financial year, the Minister of Finance, Planning and Economic Development appointed 7 members of the Board namely:

- | | | |
|----------------------------|---|--------------------|
| i. Mr. James Kahoza | - | Chairman |
| ii. Mr. Joseph Mukasa | - | Member |
| iii. Mrs. Sarah Lubega | - | Member |
| iv. Mr. John B. O. Wabwire | - | Member |
| v. Mr. Anthony Okwenye | - | Member |
| vi. Eng. Younus B.K. Mpagi | - | Member |
| vii. Mr. David Kabateraine | - | Member |
| viii. Mr. Edgar Agaba | - | Executive Director |

Section 10 of the PPDA Act empowers the Board to execute the functions and powers of the Authority. The Board is responsible for formulating policies of the Authority, approving the Authority's budgets and overseeing the operations of the Authority by monitoring and evaluating its performance.

1.2.2 Executive Director and the Corporate Office

The Executive Director is responsible for the day-to-day operations of the Authority. He implements the Authority's policies and programmes and supervises all the departments. The Executive Director heads the Corporate Office which is responsible for public relations, internal audit and co-ordination with other government agencies, the donor community and the civil

society. The Corporate Office is also supported by the Technical Advisor who provides technical support to the Authority

1.2.3 Legal and Compliance Department

The department of Legal and Compliance is mandated under Section 7 (c) to set standards for the public procurement and disposal sector. The department's main objective is to provide advisory services on public procurement and disposal of assets to the Authority, Procuring and Disposing Entities, providers and other stakeholders. It also monitors Procuring and Disposing Entities and recommending corrective measures to be undertaken to ensure conformity with the requirements of the law.

1.2.4 Training and Capacity Building Department

The Training and Capacity Building department is responsible for building procurement and disposal capacity. The capacity building functions of the Authority are specified in Sections 6 (e), 7 (c), (m) of the PPDA Act and Regulation 11 and include: setting training standards, competence levels certification systems, development of capacity building operational plans, collaboration with procuring and disposing entities, providers, training and research institutions.

1.2.5 Procurement Audit and Investigations Department

The department of Procurement Audit and Investigations is mandated under Sections 7 and 8 of the Act to commission or undertake investigations. The department also carries out procurement or disposal contract and performance audits. The audits and investigations are undertaken on disposing entities at Central and Local government, Statutory bodies, Commissions, Public Hospitals and Tertiary Institutions.

1.2.6 Finance and Administration Department

The department is responsible for smooth management of the internal affairs of the Authority, including finance and administration, human resource management, information technology and library and documentation services. It is also oversees the procurement of goods and services for the Authority.

1.2.7 Internal Audit Unit

Internal Audit is a unit in the Authority which is administratively under the office of the Executive Director. The mandate of internal audit is to perform an oversight function and appraise operations, systems and procedures. The unit functionally reports to the Board of Directors.

CHAPTER 2: ENSURING TRANSPARENCY, COMPETITION AND VALUE FOR MONEY IN PROCUREMENT & DISPOSAL PRACTICES

In accordance with Section 6 (a) of the PPDA Act, the Authority is mandated to ensure the application of fair, competitive, transparent, non discriminatory, value for money procurement and disposal standards and practices. During the FY under review the Authority undertook to carry out the following activities:

2.1 Procurement Audits

PPDA planned to conduct procurement audits in sixty (60) PDEs during the Financial Year 2008/09 of which two (2) were spillovers from FY 2007/2008. The planned audits were:-

- | | | | |
|----|---|----|---|
| 1 | Amnesty Commission | 30 | Ministry of Water & Environment |
| 2 | Capital Markets Authority | 31 | Ministry of Works and Transport |
| 3 | Cotton Development Authority | 32 | Mubende District |
| 4 | Directorate of Public Prosecutions | 33 | Mukono District |
| 5 | Education Service Commission | 34 | Mulago Hospital |
| 6 | Electricity Regulatory Authority | 35 | National Council for Higher Education |
| 7 | Gulu University | 36 | National Council for Science and Technology |
| 8 | Health Service Commission | 37 | National Curriculum Development Centre |
| 9 | Ibanda District | 38 | National Planning Authority |
| 10 | Jinja District | 39 | National Social Security Fund |
| 11 | Judicial Service Commission | 40 | National Water and Sewerage Corporation |
| 12 | Kabale District | 41 | Office of the Prime Minister |
| 13 | Kabarole District | 42 | Parliamentary Commission |
| 14 | Kisoro District | 43 | Population Secretariat |
| 15 | Law Development Centre | 44 | Posta Uganda |
| 16 | Lira District LG | 45 | Public Service Commission |
| 17 | Local Government Finance Commission | 46 | Rural Electrification Agency |
| 18 | Management Training and Advisory Centre | 47 | Sironko District |
| 19 | Mbarara District LG | 48 | Tororo District |
| 20 | Ministry of Defence | 49 | Uganda Blood Transfusion Services |
| 21 | Ministry of Energy & Mineral Development | 50 | Uganda Coffee Development Authority |
| 22 | Ministry of Foreign Affairs | 51 | Uganda Communications Commission |
| 23 | Ministry of Gender, Labour and Social Development | 52 | Uganda Electricity Generation Co. Ltd |
| 24 | Ministry of Health (ADB-Project) | 53 | Uganda Investment Authority |
| 25 | Ministry of Information Communications Technology | 54 | Uganda Land Commission |
| 26 | Ministry of Internal Affairs | 55 | Uganda Management Institute |
| 27 | Ministry of Justice and Constitutional Affairs | 56 | Uganda National Bureau of Standard |
| 28 | Ministry of Public Service | 57 | Uganda National Examinations Board |
| 29 | Ministry of Tourism, Trade and Industry | 58 | Uganda Police Force |
| | | 59 | Uganda Printing and Publishing Corporation |
| | | 60 | Uganda Wildlife Authority |

Procurement Audits Completed

The following fifty (50) procurement audits were completed during the financial year under review:

- | | |
|--|---|
| 1 ADB-Project in Ministry of Health | 26 Mubende District |
| 2 Amnesty Commission | 27 Mukono District |
| 3 Capital Markets Authority | 28 National Curriculum Development Centre |
| 4 Cotton Development Authority | 29 National Planning Authority |
| 5 Directorate of Public Prosecutions | 30 National Water and Sewerage Corporation |
| 6 Education Service Commission | 31 Parliamentary Commission |
| 7 Electricity Regulatory Authority | 32 Population Secretariat |
| 8 Health Service Commission | 33 Posta Uganda |
| 9 Ibanda District | 34 Public Service Commission |
| 10 Jinja District | 35 Rural Electrification Agency |
| 11 Judicial Service Commission | 36 Sironko District |
| 12 Kabarole District | 37 Tororo District |
| 13 Kisoro District | 38 Uganda Blood Transfusion Services |
| 14 Law Development Centre | 39 Uganda Coffee Development Authority |
| 15 Local Government Finance Commission | 40 Uganda Communications Commission |
| 16 Management Training and Advisory Centre | 41 Uganda Electricity Generation Co. Ltd |
| 17 Mbarara District LG | 42 Uganda Investment Authority |
| 18 Ministry of Energy & Mineral Development | 43 Uganda Land Commission |
| 19 Ministry of Foreign Affairs | 44 Uganda Management Institute |
| 20 Ministry of Gender, Labour and Social Development | 45 Uganda National Bureau of Standard |
| 21 Ministry of ICT | 46 Uganda National Council for Science and Technology |
| 22 Ministry of Internal Affairs | 47 Uganda National Examinations Board |
| 23 Ministry of Justice and Constitutional Affairs | 48 Uganda Police Force |
| 24 Ministry of Public Service | 49 Uganda Printing and Publishing Corporation |
| 25 Ministry of Tourism, Trade and Industry | 50 Uganda Wildlife Authority |

On-going Procurement Audits

The following ten (10) procurement audits were still on-going as of 30th June 2009:

- | | |
|---------------------|--|
| 1. Gulu University | 4. Ministry of Defence |
| 2. Kabale District | 5. Ministry of Water & Environment |
| 3. Lira District LG | 6. Ministry of Works and Transport |
| | 7. Mulago Hospital |
| | 8. National Council for Higher Education |
| | 9. National Social Security Fund |
| | 10. Office of the Prime Minister |

Summary of Performance of the PDEs

Of the 1,520 contracts reviewed, 414 were ranked as high risk, 371 contracts were medium risk, 414 ranked as low risk and 321 contracts were satisfactory (*See figure 1.1*)

Figure 1.1

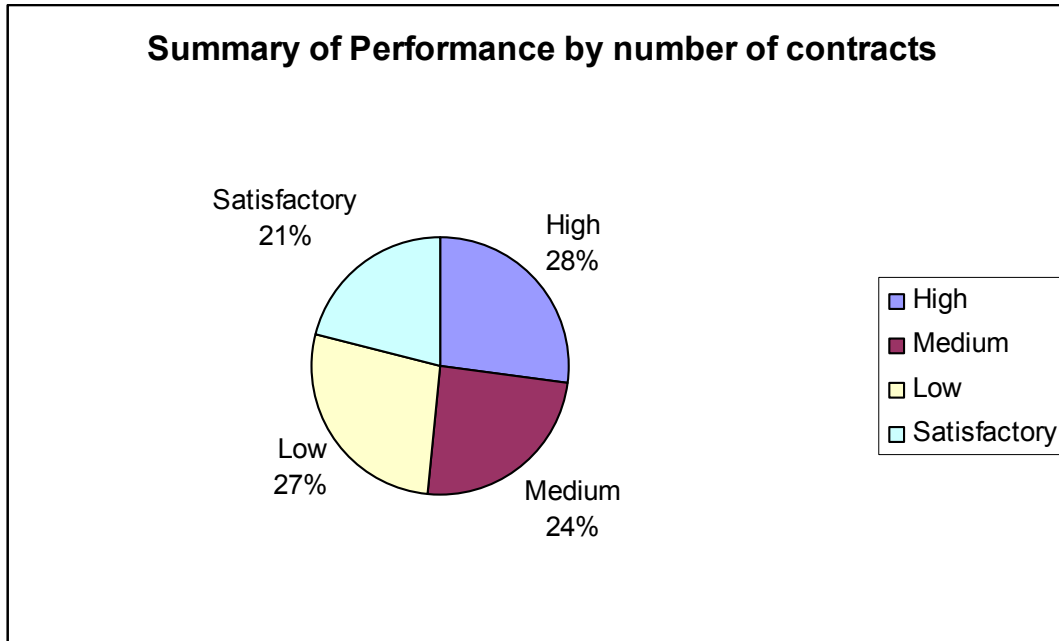


Figure 1.2

Summary of Performance by value of contracts

A detailed analysis of the performance and key findings from the PDEs is attached.

2.2 Investigations

Section 8 (c) of the PPDA Act empowers PPDA to commission or undertake investigations. During the FY under review, the PPDA received 51 complaints from the public. Out of the 51 complaints, 28 were investigated and disposed off while 14 cases were referred back to the PDEs for the Accounting Officers to investigate. 2 cases were referred to the Management Advisory Committee (MAC) and the remaining 7 cases are still on-going. Below is a summary of the investigated cases:

Name of PDE: Pallisa District Local Government	
Subject of Investigation: Construction of District Council Chambers	
Background: PPDA received a complaint from Mr. Kirya Badru, the District Council Puti-Puti Sub-County, Pallisa District, against the Chairperson and the entire District Executive Committee about a contract agreement entered into with M/s China Nanjing International Ltd for the construction of the District Council Chambers and offices.	
Findings:	Recommendations:
<ol style="list-style-type: none"> Without canceling the contract with M/s China Nanjing, the District re-advertised and entered into a fresh contract with M/s SMB International for construction of the District Council Chambers and Offices –Phase1. In 1999, the district received a bid security worth Ushs 35,000,000/= which was directly deposited on the General Fund Account of the District and was never released back to the contractor- M/s China Nanjing International Ltd. The District effected an advance payment of Ushs 63,265,859/= to M/s China Nanjing against no advance guarantee or security contrary Regulation 116(2) of Local Government Regulations, 2006. 	<ul style="list-style-type: none"> The District should enter into negotiations with M/s China Nanjing International Limited to agree on recovery of the advance payment and formally terminate the contract. The Accounting Officer, Mr. Musoby Kiganda Abdullah should be disciplined by the Permanent Secretary, Ministry of Local Government for having failed to implement the

Findings:	Recommendations:
<p>4. To-date, no works have been executed by M/s China Nanjing International Ltd, another contractor in the names of M/s SMB International Ltd was procured and he is on site.</p> <p>5. The Authority inspected the documents at the District and it was observed that the District did not have any documentation as far as the contract with M/s China Nanjing was concerned, apart from four letters of correspondence between the contractor and the District. There was no record of the contract agreement and payment records at all on file contrary to Regulations 46(1) and Regulations 121 of Local Government (PPDA) Regulations, 2006.</p> <p>6. Without terminating the contract for the construction of the Council Chambers with M/s China Nanjing International Ltd, the District has engaged another contractor on the same contract.</p> <p>7. The contract for construction of the Council Chambers for Pallisa District resulted into a financial loss of Ushs 28,265,859/= to Government.</p>	<p>same recommendation made by IGG in 2004.</p> <ul style="list-style-type: none"> • The Accounting Officer should caution the Contracts Committee members for making retrospective approval decisions. • The Entity should seek for training in areas of contracting and contract management so that performance of future contracts can be enhanced and also ensure strict compliance to signed contracts.

Name of PDE: Manafwa District	
Subject of Investigation: Construction of Nangalwe, Bwirussa & Sigunga Primary Schools	
Background: PPDA was requested by the Chief Administrative Officer, Manafwa District Local Government, to conduct an independent investigation into the contracts for construction of classrooms in three primary schools namely; Nangalwe, Bwirussa and Sigunga Primary Schools in Manafwa District.	
Findings:	Recommendations:
<p>1. During the Financial Year 2005/2006, the Schools Facility Grant (SFG) programme funding was reduced and the programme cut off Manafwa District. Therefore due to limited funds, the above three contracts were not implemented. When the SFG programme was installed in Financial Year 2007/2008, the above three contracts were submitted to Manafwa District Contracts Committee to consider variations in the contract prices.</p> <p>2. The Contracts Committee, Manafwa District approved individual contract amendments for the contracts of Nangalwe and Sigunga Primary Schools increasing the total contract values by 50% of the original contracts without the approval of the Authority, contrary to Regulation 120 (12) of the Local Government (PPDA) Regulations, 2006.</p> <p>3. Initially, each school had attracted one bidder, rendering the procurement non-competitive. The Interim Procurement Committee irregularly approved the contract awards and disregarding the technical evaluation report without providing sound reasons.</p> <p>4. In the meeting held 10th February 2006, the Interim Procurement Committee (IPC), Manafwa District irregularly approved an award of Shs 31,164,349/= to M/s Yema Contractors and Suppliers. The IPC as stated in their minutes ignored the evaluation report recommendation and approved an award to a bidder</p>	<p>1. The Accounting Officer should terminate the appointments of the following officers: Dr Wamasebu Gideon, Dr Okello Denis and Mr Mwenyi Davis from the Contracts Committee for fraudulently approving the wrongful award of tender for construction of classrooms at Bwirussa Primary School to New Mbale Commercial Agencies in accordance with Regulation 16 of the LG (PPDA) Regulations, 2006.</p> <p>2. The Accounting Officer should ensure that the members of the Contracts Committee strictly comply with the existing procurement laws.</p> <p>3. The Senior Assistant Secretary, Mr Bwayo Rogers should be subjected to disciplinary action for communicating award decisions.</p> <p>4. The Accounting Officer should advise the Contracts Committee to ensure that contract variations above 25% of the contract value are approved by the Authority.</p> <p>5. Manafwa District being a young</p>

Findings:	Recommendations:
<p>who had been disqualified at the preliminary examination for lack of a bid security.</p> <ol style="list-style-type: none"> 5. In the same meeting as above the IPC irregularly approved awards for Nangalwe P/S and Sigunga P/S to bidders, whose bids were not evaluated by the Evaluation Committee because their bids were not signed by the Chairperson IPC. 6. Mr. Bwayo Rogers, Senior Assistant Secretary then, usurped powers of the Accounting Officer by communicating award decisions and signing contracts for the three schools. Mr. Bwayo did this contrary to Section 26 (g) of the PPDA Act, No. 1 of 2003. 7. From the site inspection of Sigungu Primary School, the quality of the construction works was very poor, a new classroom block under defects liability period had several cracks in the floor and the walls. The classroom block showed signs of uneven settlement in the foundation leading to big cracks in the walls rendering the structure weak. 	<p>Entity, the Accounting Officer should ensure that training in different procurement modules is conducted to sensitize the user departments, PDU and members of the Contracts Committee on the procurement law.</p> <ol style="list-style-type: none"> 6. The Accounting Officer should immediately investigate quality of the construction especially the structural strength of the classrooms built in the three primary schools and make remedial measures.

Name of PDE: Uganda Police Force	
Subject of Investigation: Construction of Temporary (Iron Sheets) Structures	
Background: The Authority received a complaint on the construction of temporary (Iron Sheets) structures in Uganda Police Force for CHOGM. The report indicated that the structures constructed by M/s Rhino Investments (U) Ltd were poorly done and the eucalyptus poles were too small in size to support the structures.	
Findings:	Recommendations:
<ul style="list-style-type: none"> • The Uganda Police Force Estates Officer instructed M/s Rhino Investments (U) Ltd to commence work when the procurement cycle was at the level of approval of the method of procurement by the Contracts Committee. • At commencement of the works in October 2007, M/s Rhino Investment Ltd was given the bills of quantities which were mere schedules of materials without technical specifications and without drawings. The contractor was given a sketch only showing that the structures shall measure 30 meters long by 10 meters wide. • The Entity used the direct procurement method yet the value of this procurement was Ushs 159,818,750= which required the use of open bidding. • The works for temporary structures were completed in December 2007 without a signed contract. • M/s Rhino Investments Ltd's bid dated 7th November 2007 had the priced bills of quantities which were a duplication of the priced bills of quantities attached to the PP Form 20 with the exact same rates. • The evaluation committee did not carry out the arithmetic error check of the bid. The bidder for each unit at Ushs. 15, 981, 875, 000/= and the grand total was Ushs 159,818,750= for the 12 temporary structures. This grand total should have 	<ol style="list-style-type: none"> 1. The Accounting Officer, Ms Kabogoza Musoke Winnie Agnes, should be cautioned by the Head of Public Service for signing this contract retrospectively. She should also be cautioned for failing her overall responsibility in execution of this procurement. 2. The Contracts Committee members should be cautioned to stop making retrospective approval decisions. 3. The Estates Officer, ACP Edyegu Richard should be held responsible for instructing the bidder to commence works prior to Contracts Committee approval hence, appropriate disciplinary action should be taken against him. 4. The Estates Officer, Kyasanku Raymond should be punished for instructing the bidder to

Findings:	Recommendations:
<p>been corrected to Ushs 191,782,500= and this caused a deficit of Shs 31,963,750=.</p> <ul style="list-style-type: none"> • It took the Entity four months from the date of contract award to forward the contract to Solicitor General for clearance. The Entity did not provide any justification for the delay. • The Authority inspected the four temporary structures at Nsambya Police barracks and noted that the structures were poorly constructed with very weak eucalyptus poles and hardly any engineering technical input. The roofing and the timber door shutters were not done using the materials specified in the bills of quantities/schedule of materials. The roof structure that is the rafters, purlines, struts & ties, wall plate and tie beam was supposed to be done using timber but instead used weak eucalyptus poles. • The changes in the roof structures were instructed by the Estates Officer without approval by or without bringing these changes to the attention of the Contracts Committee. • The contractor raised a claim for payment, however the Entity has failed to take a decision on whether or not to pay and no officer in the Entity is taking responsibility which is contrary to Section 34 (f) & (g) of the PPDA Act , 2003 	<p>replace timber for the roof structure with eucalyptus poles, without any authority and for his poor supervision.</p> <ol style="list-style-type: none"> 5. The Accountant General should take appropriate action against the head PDU Mr. Aheebwa Stanely for having delayed the submission of the draft contract to Solicitor General for clearance without any justifiable reason. 6. The above mentioned officers should give reasons as to why they should not be compelled to pay the contractor for the works irregularly executed.

Name of PDE: Ministry of Local Government	
Subject of Investigation: Procurement of 355 Motorcycles	
Background: The GOU through MOLG received a loan from International Fund for Agricultural Development (IFAD) towards the cost of the District Livelihoods Supports Program and part of the loan was used to procure 355 motorcycles. PPDA received a complaint from a whistleblower alleging corruption in the procurement process of motorcycles by the MoLG.	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1. Initially, only one firm passed the preliminary examination stage. However, the funding agency requested MOLG to waive minor deviations like height which would not substantially affect the performance of the motorcycles. This waiver brought on board M/s Top Company Ltd, M/s Twin Coast Ltd in addition to M/s Honda (U) Ltd which had initially qualified alone. 2. The lowest bid of M/s Twin Coast Ltd and the second lowest bid of M/s Top Company Ltd were eliminated after the site visit aimed at establishing whether the bidder could offer after sales service support; whether the bidder had in stock fast moving spare parts for the equipment offered and were valued at US \$ 25,000. 3. The bidding process (issue and receipt of bids) was handled by the Liaison Office, District Livelihood Support Program (DLSP), according to the information obtained from the bid document, contrary to the PPDA Regulations that require that the process be handled by the PDU. 4. The bid document did not spell out the year of manufacture of motorcycles to be supplied. While interviewing the suppliers and the Entity, it was stated that it was known to be brand new motorcycles of the year 2008. However, this was not included in the contract between MOLG and the awarded bidder. 5. The Authority also established that the manufacture's authorisation 	<ol style="list-style-type: none"> 1. The bidding process in the MOLG should always be handled by the PDU in accordance with PPDA Regulations 31 and 32 (f). In this regard, the Accounting Officer should advise in writing, the Program Co-ordinator, District Livelihood Support Program not to usurp the powers of the PDU. 2. In displaying the Notice of Best Evaluated Bidder, the Accounting Officer should always ensure that it is in accordance with Regulation 224 of the PPDA Regulations, 2003. 3. Since the year of

Findings:	Recommendations:
<p>submitted by M/s Twin Coast Ltd was from Yancheng Diling Impex Ltd, which is not the manufacturer of Jailing. Further due diligence and search revealed that this company (Yancheng) is a supplier of medical equipment and sundries.</p> <p>6. As part of the investigation, the Authority visited both M/s Top Company (U) Ltd and M/s Honda (U) Ltd on 8/8/08 and found out that both firms had spare parts in stock and personnel. However, the record that was signed by Mr. Henry Wang, the Managing Director on 11/03/08 during the verification by MOLG, it was recorded that no Jailing spares were in the workshop but were to be imported soon, and no evidence of qualified staff in Jailing motorcycles was presented.</p> <p>7. The Notice of Best Evaluated Bidder was displayed on 20/05/08 with the removal date of 26/05/08. However, there was no evidence that the notice was copied to all the bidders as required by the PPDA Reg. 224 (6).</p>	<p>manufacture was not stated in the contract, the Accounting Officer should ensure that the motorcycles delivered by the supplier are brand new of the year 2008. The Accounting Officer and the supplier should sign an addendum to the contract with immediate effect.</p> <p>4. The Accounting Officer is advised to proceed with the procurement process to its conclusion.</p>

Name of PDE: Makerere University Business School	
Subject of Investigation: Construction of the Lecture Halls and Library	
Background: The Authority received several complaints from bidders regarding the procurement process for the Construction of Lecture Halls and the Library at Makerere University Business School.	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1. Evaluation criteria used was not stated in the solicitation document contrary to Regulation 172(1). 2. The evaluation of the bids at the preliminary evaluation stage was not done in accordance with the Regulations. 3. The Evaluation Committee did not follow the evaluation methodology stipulated in the solicitation document, for example, the post-qualification criteria stated in the solicitation document were examined at the detailed technical examination stage. 4. There were contradictions in the evaluation report on the bids. The report stated that all the bidders were compliant on the major items of construction equipment proposed to carry out the contract at preliminary examination. In the same report, M/s Babcon was not compliant on the technical evaluation. 5. Arithmetic error checks and corrections were not done exhaustively. For example in M/s Seyani's Brothers & Company Ltd bid for Library construction, the multiplication error of Ushs 196,698,000/= (page 2/36) was not detected and was not corrected. 6. M/s Seyani Brothers & Company Ltd emerged as the best evaluated bidder for both procurements, that is, construction of lectures halls and for construction of the library. It must be noted that both procurements were evaluated separately as they were advertised as different procurements. The Entity did not envisage a situation where both procurements could be won by one bidder and as such did not evaluate the capacity of M/s Seyani Brothers & Company Ltd to undertake both jobs. 	<ol style="list-style-type: none"> 1. Re-evaluate the bids for construction of the proposed library and the construction of the lecture halls strictly following the evaluation criteria stipulated in the solicitation document in accordance with Section 71 (3) of the PPDA Act 2003. Ensure that all the arithmetic errors in all bids are corrected. 2. In the event that the same bidder is the best evaluated for both procurements, the Evaluation Committee should assess the capacity of the bidder to undertake both jobs. 3. The Accounting Officer should ensure that the Heads of User Departments and other officials from the Entity are trained in the area of evaluation of bids.

Name of PDE: Uganda National Examinations Board	
Subject of Investigation: Printing of Certificates	
Background: UNEB wrote to PPDA on 17 th October 2006 requesting for a waiver to procure classified material which include “question papers, plastic question paper envelopes, computerized mark sheets, computerized entry forms, result slips certificates and chemicals for the chemistry practical examinations (unknown). The Authority advised UNEB to procure certificates and result slips competitively in accordance with the thresholds provided for in PPDA Guideline 1/2003. On 19 th June 2008, PPDA wrote to UNEB requesting for information about the procurement of the certificates.	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1 Since 1973, UNEB has been procuring certificates directly from M/s Smith & Ouzman. 2 PP Form 20 initiated by the Principal Examination Officer had a requisition of 304,400 certificates for UCE, UACE and Business/Technical results with a cost estimated value of 85,247.4 pounds (UGX 273,644,154). 3 The Deputy Secretary Finance and Accounts, Mr. F. Kiyemba, approved the PP Form 20 on behalf of the Accounting Officer. The Delegation Authority Form seen indicated that Mr. F. Kiyemba was delegated to approve and sign contracts below 50,000,000/= but not certifying availability of funds. 4 The invitation to bid was done on telephone and there was no written statement inviting the bidder, M/s Smith & Ouzman Ltd (UK). 5 The deadline for bid submission was 9/06/2008 but M/s Smith & Ouzman submitted their bid on 13th June 2008, three days after the deadline. 6 UNEB ignored the Authority’s advice to procure certificates competitively, hence used a wrong procurement method contrary to Guideline No. 1/2003 on thresholds. 	<ol style="list-style-type: none"> 1. The procurement should be cancelled by the AO and an open tendering method used in accordance with PPDA Reg. 106. 2. Certifying availability of funds to support a procurement activity is the responsibility of the AO unless delegated and the Deputy Secretary Finance and Accounts should desist from this responsibility. 3. The Head, PDU should ensure that the procurement procedures are always followed as per the PPDA Act and Regulations, 2003.

Name of PDE: Bundibugyo DLG	
Subject of Investigation: Alleged Flouting of PPDA Regulations by the CAO on the Procurement of Guava Seedlings.	
Background: With the phasing out of World Food Programme from Bundibugyo District in 2006, the school feeding programme could not be sustained and this caused many children to drop out of school. As a measure, the District Council agreed to provide seedlings to schools in order to boost the school feeding programme and retain the children in schools. PPDA received a complaint from the LC V Chairman Budibugyo District about alleged flouting of PPDA Regulations by the Chief Administrative Officer on the Procurement of Guava Seedlings.	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1 The DISO Bundibugyo had a bed of Guava Seedlings at his residence at the staff quarters within the Local Government premises. The District Education Officer approached the DISO to supply the seedlings. He sourced the supplier and contracted the supplier without any written document. 2 The DEO is the Chairman Contracts Committee. The DEO’s informal award to a supplier of his choice was a gross abuse of his position as the Head of User Department and Chairman Contracts Committee. 3 The DISO agreed to supply the seedlings and he was “contracted” on the understanding that he would partner with a pre-qualified provider to ease payment. The DISO who was the 	<ol style="list-style-type: none"> 1. The Head Public Service should take disciplinary measures against the CAO for abetting the flouting of procurement procedures. 2. The District Service Commission should take disciplinary measures against the DEO for flouting the procurement procedures. 3. The Contracts Committee should correct the anomalies in

Findings:	Recommendations:
<p>provider is a public officer who could have influenced the CAO to purchase the seedlings from him.</p> <p>4 There was an attempt to retrospectively approve the procurement by CAO requesting the Secretary Contracts Committee to prepare a minute of the Contracts Committee which was rejected by the secretary.</p> <p>5 There was blatant flouting of the procurement rules and Regulations as the procurement process was not followed, the procurement and disposal organs were not involved, and there was no contract signed with the provider. The entire procurement was irregular.</p>	<p>this procurement and ensure that the supplier is paid for only the guava seedlings so far supplied.</p>

Name of PDE: National Social Security Fund	
Subject of Investigation: Procurement of Land at Temangalo, Wakiso District	
Background: In exercise of its Regulatory function as contained in Section 8 (c) of the PPDA Act, PPDA instituted an investigation on 27 th August 2008 into the purchase of land at Temangalo by the National Social Security Fund.	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1. PP Form 20, the Procurement Requisition: Section 59 of the PPDA Act states that all procurement and disposal requirements shall be documented prior to the commencement of any procurement or disposal proceedings. In regard to the procurement of valuation services, NSSF Investment Analyst Mr. Paul Gimeyi raised two (2) PP Forms dated 31/10/2008 and 21/11/2007. 2. Regulation 105 (1) of the PPDA Regulations 2003 states that a Procuring and Disposing Entity shall not initiate any procurement proceedings or activities for which funds are neither available or adequate. The PP Form 20 used to initiate the purchase of land at Temangalo indicates that the estimated value of the procurement was Ushs. 12.99 billion and yet the amount available for this requirement was Ushs.11bn. This indicates that funds were insufficient to undertake this purchase. 3. Regulation 265 (1) of the PPDA Regulations 2003 further states that no specification shall be issued with reference to a particular trademark, brand name, patent, design, type, specific origin, producer, manufacturer, catalogue or numbered item. The requisition form stated that land was to be purchased from Temangalo indicating the blocks and corresponding plot numbers. The specifications by NSSF as stated on the requisition form were made with reference to the Temangalo land owned by Arma Ltd. and Mr. Nzeyi which was unfair and discriminatory to other land vendors and contravened Section 45 of the PPDA Act 2003. 4. Procurement Threshold: Regulation 106 (2) of the PPDA Regulations 2003 states that the choice of a procurement method shall be on the basis of the estimated value of the requirement or the circumstances pertaining to the requirement. Guideline 1/2004 of the PPDA Regulations 2003 further states that for supplies whose threshold is above Ushs. 70m the open bidding method of procurement shall be used. The estimated value of the procurement as indicated on PP Form 20 was Ushs. 12.99 billion 	<ol style="list-style-type: none"> 1. The irregularities and offences noted from the findings of the investigation conducted by PPDA in the purchase of land at Temangalo are grave. In accordance with Section 9 of the PPDA Act, PPDA Regulations 12 and 43(1), the competent authority, in this case, the Minister of Finance, Planning and Economic Development should take severe disciplinary action against the following: <ul style="list-style-type: none"> • The Board Members of NSSF • The Managing Director of NSSF • The Corporation Secretary NSSF. 2. The Authority further recommends that the Investment Analyst Mr. Paul Gimeyi be disciplined in accordance with the applicable Staff Regulations of NSSF.

Findings:	Recommendations:
<p>which falls within the threshold for the open bidding method. The Entity contravened the PPDA Regulations and Guidelines by applying criteria other than the estimated value of the procurement to determine the applicable method of procurement.</p> <p>5. Regulation 339 of the PPDA Regulations states the conditions under which a deviation from the use of a procurement or disposal method or document may be permitted by the Authority. Regulation 340 (1) of the PPDA Regulations 2003 further states that an application for a deviation from the use of a procurement or disposal method shall be submitted to the Authority in writing. The Authority did not receive any such application from NSSF.</p> <p>6. Procurement Method: Section 82 (1) defines the Restricted domestic bidding method as one where bids are obtained by direct invitation from a restricted list without open advertisement. In a letter to the Auditor General dated 14/08/2008, the NSSF Managing Director states that the restricted procurement method was used to purchase the land. This was not the case as noted from the PP Form 20 to purchase land raised by Mr. Gimeyi which specified the land to be purchased was the Temangalo land. This was a case of direct procurement. Section 85 (1) of the PPDA Act states that the direct procurement method is a sole source procurement method where exceptional circumstances prevent the use of competition. PPDA did not find any evidence of exceptional circumstances which required use of the direct procurement method. NSSF contravened the PPDA Act 2003 by using the direct procurement method to purchase the land at Temangalo without proper justification as provided in Clause 6 of the Fourth Schedule of the PPDA Act.</p> <p>7. Prequalification: Regulation 120 (1) states that prequalification may be used under open domestic or open international bidding to obtain a shortlist of bidders using the criteria for evaluation prescribed by a Procuring and Disposing Entity. Prequalification shall be open to all providers using public advertisement of a prequalification notice which shall invite bidders to obtain the prequalification documents from a Procuring and Disposing Entity <i>or</i> submit an expression of interest directly to a Procuring and Disposing Entity.</p> <p>8. Regulation 142 (1) states that a shortlist shall include sufficient bidders to ensure real and effective competition. Regulation 142 (3) (a) further states that where a shortlist is to be developed, a fair and equal opportunity shall be afforded to all bidders and there shall be no barrier created to deter competition. In the case of purchase of land by NSSF the following offer letters were found on file:</p> <ul style="list-style-type: none"> • 15/01/2008 B.U International on behalf of Meera Nanyunja Kizza at Ushs 37m per acre • 23/01/2008 Mr. Amos Nzeyi at Ushs. 27m per acre • Ideal Homes at Ushs 40m per acre <p>9. The Authority notes that the Entity did not issue a prequalification notice and instead pre-qualified land sellers using the submission of an offer letter to NSSF and the fulfilment of criteria prescribed by the Management Investment Committee.</p>	

Findings:	Recommendations:
<p>10. Solicitation of offers: Section 3 of the PPDA Act 2003 defines solicitation documents as bidding documents or any other documents inviting bidders to participate in procurement or disposal proceedings; and includes documents inviting potential bidders to pre-qualify and standard bidding documents.</p> <p>11. Section 62 (1) of the PPDA Act 2003 further states that a Procuring and Disposing Entity shall use the standard documents provided by the Authority as models for drafting solicitation documents for each individual procurement. The Entity did not solicit for offers in accordance with the procedures provided in the PPDA Act through either publication of an advert or issuance of solicitation documents. The unsolicited offers from ‘walk-ins and brokers exposed the Entity to all kinds of offers which included those that did not meet the criteria for land required by NSSF.</p> <p>12. Power of Attorney: On 31/01/2008, Arma Ltd. appointed Mr. Nzeyi using an irrevocable Power of Attorney. A procurement requisition for valuation services was raised in October 2007 and listed the plots to be valued; it comprised of two plots belonging to Arma Ltd and nine (9) plots belonging to Mr. Nzeyi. At this point the two sellers who were acting independently of each other were merged by NSSF and valuation services for their lands were recorded on one (1) PP Form which was approved. This means that the Entity requested for a Power of Attorney from Arma Ltd. when the lands belonging to both Arma Ltd. and Mr. Nzeyi had already been merged.</p> <p>13. Evaluation: Section 71 (3) of the PPDA Act 2003 states that no evaluation criteria other than that stated in the bidding documents shall be taken into account. In the case of purchase of land for purposes of developing housing projects, NSSF did not issue bidding documents.</p> <p>14. A bid evaluation report also seen on file indicating that evaluation was conducted on 3 offers as follows:</p> <ul style="list-style-type: none"> • Mebra N. Kizza - Block 436 Plot 41 Ebb.road 21km - 100 acres - 37m • Ideal Homes - LRV 3 Folio 1 Ebb. 40km - 159.4 acres - 40m • Arma Ltd.& Nzeyi - Temangalo, Wakiso 13km - 463.87 acres - 27m <p>15. The evaluation sheet on file indicated 463.87 acres for Arma Ltd & Amos Nzeyi was treated as responsive to the requirements of NSSF. The other two bidders who are also on the evaluation sheet were failed on grounds that their price was high. The offer from Pert properties appeared responsive to the specifications, however the seller’s land was not verified by Mr. Gimeyi for purposes of being shortlisted. In the interview held with NSSF Management on 29/09/2008, Mr. Gimeyi explained that he did not visit this land due to previous cases where he had been misled by sellers.</p> <p>16. Regulation 169 (3) of the PPDA Regulations 2003 states that the number of members of an evaluation committee shall depend on the value and complexity of the procurement requirement but shall in all cases be a minimum of three. Mr. Gimeyi conducted</p>	

Findings:	Recommendations:
<p>the evaluation of the 26 offers. Mr. Gimeyi should have realised that he did not possess sufficient skills to undertake evaluation of the 26 land offers in the database and should have brought it to the attention of the Management Investment Committee in order to ensure that an Evaluation Committee is properly constituted in accordance with the PPDA Regulations 2003.</p> <p>17. Negotiations: Regulation 220 of the PPDA Regulations 2003 provides for the procedure for negotiations which includes preparation of a negotiations plan, approval of the plan by the Contracts Committee, approval of the negotiations team, record of negotiation meetings and preparation of a negotiations report. Regulation 220 (5) of the PPDA Regulations 2003 in particular states that negotiations shall be conducted by the negotiation team who shall not commit the Procuring and Disposing Entity to any proposed arrangements or agreements, but shall seek the approval of the Contracts Committee prior to confirming any agreement reached. Save for the price offer from Mr Amos Nzeyi of Ushs 27m in a letter dated 23/0/08 and the counter-offer dated 7/03/08 from the Managing Director NSSF of Ushs 24m per acre, there is no other record on file of negotiations and how the two parties agreed on the sale price of Ushs 24m.</p> <p>18. Valuations: Regulation 285 (1) states that a statement of requirement for the procurement of services shall be defined in the terms of reference or brief. Regulation 285 (2) further states that the terms of reference or brief shall contain a clear, unambiguous and precise description of the services required. Regulation 286 (2) (a) further states that solicitation documents for services shall specify the terms of reference or brief and expected input of key personnel where applicable. PPDA noted that the valuers were not issued with the same terms of reference in regard to the plots of land to be valued. The Entity erred in relying on valuer's quotations who had not been provided with the same terms of reference as a basis for ascertaining the value of the Temangalo land. PPDA also noted that the three (3) valuers contracted by NSSF were not issued with solicitation documents inviting them to bid. The valuers were issued with LPOs requiring them to ascertain the value of land at Temangalo.</p> <p>19. Surveyor's report: Clause 6 of the Fourth Schedule of the PPDA Act 2003 states the conditions for use of the direct procurement method. NSSF procured the services of M/s Geomaps using the direct procurement method. The Surveyor's Terms of Reference were to identify the land at Temangalo, conduct a search at Ministry of Lands and open up boundaries. In response M/s Geomaps recomputed the acreages for each of the plots and verified it with the acreage on the titles using Global Positioning Satellite. In their preliminary survey reports, M/s Geomaps stated that there were some plots which were still registered with other persons and that would have to be transferred prior to purchase. He also stated that Plot 12 and Plot 20 have to be sub-divided so as to allow part of the plots to remain with the registered proprietor due to the developments on these plots. It was wrong for Management to conclude the sale</p>	

Findings:	Recommendations:																
<p>without conducting due diligence to ascertain the findings of the Surveyor's report.</p> <p>20. Sale Agreements and transfer of title: Section 46 of the PPDA Act states that all procurements and disposal shall be conducted in a manner to maximise competition and achieve value for money. The Agreements were signed by both NSSF and Mr. Nzeyi on 10/03/2008 following Solicitor General's clearance. During the interview with NSSF officials on 29/09/2008, the Entity stated that transfer for three (3) titles had so far been made and the remaining three (3) are being processed. It is not clear to the Authority why the transfer of Plots 12, 16 and 20 have not been effected. It appears that the developments on the said plots are the cause for the delay. The Managing Director explained that the delay to transfer was caused by a Memorandum of Understanding (MoU) which had been signed by the Entity and the seller. PPDA requested for a copy of the MoU, however this was not submitted.</p> <p>21. PPDA also noted the discrepancy in the acreage of Plots 12, 16 and 20 stated on the transfer forms as compared to the acreage of the same plots stated in the Sale Agreements. This implies that there is lack of accuracy and it is not clear which is the true acreage purchased by NSSF.</p> <p>22. Plots Surveyed, Valued and Bought: PPDA noted a variance in the Plots which were surveyed, valued and bought as indicated in the table below. In particular, Plot 16 which comprises of the residential house was not surveyed and valued and yet was purchased. PPDA notes that NSSF placed a caveat on this plot. It was irregular for NSSF to purchase Plot 16 prior to its survey and valuation.</p> <table border="1" data-bbox="165 1160 995 1615"> <thead> <tr> <th>Item</th> <th>Plot No</th> </tr> </thead> <tbody> <tr> <td>Plots Surveyed</td> <td>12, 20, 21, 35, 61, 191, 11, 19 Block 301, 21 Block 301 (9 Plots)</td> </tr> <tr> <td>Plots Valued</td> <td>12, 20,21,35, 61, 191, 11, 19 Block 301, 21 Block 301 (9 Plots)</td> </tr> <tr> <td>Plots Bought</td> <td>12, 16, 20, 21, 35, 191,</td> </tr> <tr> <td>Plots not transferred</td> <td>12, 16, 20</td> </tr> <tr> <td>Plots not surveyed but valued</td> <td>None</td> </tr> <tr> <td>Plots not valued but surveyed</td> <td>None</td> </tr> <tr> <td>Plots not surveyed, not valued but bought</td> <td>Plot 16 (This Plot has a residential house and farmhouse).</td> </tr> </tbody> </table> <p>23. Best Practice: The principles of transparency, competition and value for money provided in the PPDA Act 2003 and also regarded as best practices were disregarded by the NSSF in the purchase of land at Temangalo. As a Public Entity mandated by Government to provide retirement benefits to its members, the above mentioned principles should have been followed to the letter. The Management of NSSF should have ensured that potential land sellers are accorded an equal opportunity to participate and that due diligence tests are fulfilled and complied</p>	Item	Plot No	Plots Surveyed	12, 20, 21, 35, 61, 191, 11, 19 Block 301, 21 Block 301 (9 Plots)	Plots Valued	12, 20,21,35, 61, 191, 11, 19 Block 301, 21 Block 301 (9 Plots)	Plots Bought	12, 16, 20, 21, 35, 191,	Plots not transferred	12, 16, 20	Plots not surveyed but valued	None	Plots not valued but surveyed	None	Plots not surveyed, not valued but bought	Plot 16 (This Plot has a residential house and farmhouse).	
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Findings:	Recommendations:
with for purposes of achieving value for money.	
Name of PDE: Iganga District LG	
Subject of Investigation: Pre-qualification for Rehabilitation of Roads and Spot Improvement	
Background: PPDA received a complaint from M/s Web Consortium Construction and Consultancy (U) Ltd about their dissatisfaction with the decision of the Chief Administration Officer, Iganga District LG regarding prequalification for 2007/08. The complainant requested for an Administrative Review with the Accounting Officer. However, they were dissatisfied with the decision of the Chief Administration Officer and sought for PPDA's intervention.	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1 In the complaint to the Authority, the complainant did not specify the subject matter of the complaint. Clarification was made later on and the subject of complaint was pre-qualification for rehabilitation of roads and spot improvement. 2 The complaint was time barred since the best evaluated bidder notice was displayed on 22nd August 2007 expiring on 5th September 2007 when the recommended ten working days terminate. The complainant requested for an administrative review on 11/9/2007. 3 The administrative review conducted by the AO indicated that the Entity did not seek clarification from the complainant. Had they done so they would have realized that the complaint was about prequalification for rehabilitation and spot improvement as the complainant clarified in his complaint to the Authority. 4 The pre-qualification records revealed that the complainant applied for three areas, namely; construction of buildings, opening and shaping of roads and rehabilitation of roads. M/s Web Consortium was pre-qualified for two areas and failed for rehabilitation of roads, having scored 51% of the required pass mark. 5 The bidder raised pertinent issues in their complaint to the Entity that the Accounting Officer ought to respond to. However, the Accounting Officer did not exhaustively address the complaints raised, for example, the complaint on road works in Iganga Town Council, opening of roads under works for Busembatia, Kigulu-Budali Primary School access road, culverts for a road from Nawampiti Sub County Via Nabikuyi Trading Centre to mention but a few. 6 Although the Accounting Officer acknowledged the mistakes in the advert and promised to clarify them, there was no evidence that such clarification was made. Ordinarily, such clarifications would be made through issue of an addendum but there was no addendum issued. 7 The Secretary Contracts Committee who was the author of the advert formed part of the committee to conduct the investigation. Another committee member handling the investigation, Mr. Aggrey Wunyi, has a court case with the complainant, M/s Web Consortium. This might have influenced the outcome of the investigation. 8 The Chief Internal Auditor, Mr. Tenywa Joseph, made false allegations against the complainant. Mr. Tenywa prepared a report relating to shoddy work on Igulusa-Budhali road 	<ol style="list-style-type: none"> 1. The Accounting Officer takes responsibility for failing to address the mistakes raised by the complainant in Bid notice No.2 of 2007/08. He should accordingly be cautioned. 2. The Accounting Officer should always ensure that the best Evaluated Bidder Notice is issued to all the bidders in accordance with Section 85(5) of the LG PPDA Regulations. 3. The Accounting Officer should always handle complaints lodged by bidders in accordance with Section 139 of LG PPDA Regulations. 4. Bid documents should always be sold at a price sufficient to cover the cost of producing the bid document in accordance with Regulation 66(5).

Findings:	Recommendations:
<p>awarded to the complainant, which the complainant construed to be a false allegation. The Authority observes that these were past works prior to the procurement under investigation and the auditor's report should not have been used to evaluate the complainant.</p> <p>9 The Director of M/s Web Construction could have had personal problems with the investigation team appointed by the Accounting Officer but there was no evidence that these members were corrupted.</p> <p>10 The Authority noted that the complainant was evaluated for pre-qualification for rehabilitation of roads and spot improvement but the award decision was not communicated to the complainant contrary to Section 85 of the LG PPDA Regulations 2006. This misled the complainant to believe that their bid was not considered.</p>	

Name of PDE: Ministry of Energy and Mineral Development	
Subject of Investigation: Procurement of Petroleum Marker	
Background: PPDA received a complaint from M/s Authentix SA regarding the way the tender was awarded. The firm raised several letters to the Accounting Officer but they did not receive any formal response. The complainant highlighted specific areas of concern which included the procurement method used, bidding documents, evaluation of bids, and undisclosed negotiations. The Authority wrote to the Accounting Officer of Ministry of Energy and Mineral Development requesting the Entity to avail the Administrative Review report to the bidder with a copy to the Authority by 11 th April 2008.	
Findings:	Recommendations:
<p>1 The procurement was conducted without a solicitation document and without a clearly defined statement of requirements.</p> <p>2 The procurement was conducted in a manner that did not promote transparency and fairness i.e. use of a wrong procurement method, failure to observe bidding period, failure to publicly open the bids, bid opening not witnessed by Contracts Committee.</p> <p>3 The user department usurped the functions and powers of the PDU and the Accounting Officer thereby undermining the independence of functions and powers.</p> <p>4 The Accounting Officer did not investigate complaints raised by the bidder contrary to Section 26(h) & (i) of the PPDA Act, No.1 of 2003.</p>	<p>1. The Accounting Officer, Mr. F.A. Kabagambe Kaliisa should submit an explanation within 10 days to the Authority why he did not investigate the complaints raised by M/s Authentix as per the PPDA Act and Regulations.</p> <p>2. The Accounting Officer, Mr F.A. Kabagambe Kaliisa should take appropriate disciplinary action against the head of the user department, Mr. J.B. Twodo for usurping powers of the Accounting Officer without delegated authority.</p> <p>3. The Accounting Officer should take disciplinary action against the Contracts Committee members for their failure to perform their functions in accordance with Section 28 of the PPDA Act, 2003, For example for not approving bidding and contract documents.</p> <p>4. The Accounting Officer should ensure independence of the procurement functions in the Entity. Specifically the PDU should be empowered to carry out its duties as stipulated in the PPDA Act and Regulations. The Accounting Officer should stop heads of user departments from usurping roles of the</p>

Findings:	Recommendations:
	<p>PDU.</p> <p>5. The Accountant General should take appropriate disciplinary action against the Head PDU then, Mr. Isaac Kyaligonza, for failure to provide technical guidance and for failure to use the relevant legal documents during the procurement process.</p> <p>6. The PDU should ensure that the Entity uses Standard Bidding Documents with the appropriate evaluation methodology and criteria for its procurements in accordance with PPDA Regulations 62 and 71.</p>

Name of PDE: Pallisa District Local Government	
Subject of Investigation: Tender for the Construction of a Maternity Ward at Kakoro Health Centre	
Background: M/s Ramex Furniture and Building Contractors Ltd was awarded the tender to construct the maternity ward. The District Executive Committee (DEC) complained that M/s Ramex Furniture and Building Contractors was carrying out sub standard work and in addition to that, the firm had not been pre-qualified to carry out such works.	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1 The Authority observed that the pre-qualification document used was not the standard document issued by PPDA. 2 M/s Ramex Furniture and Building Contractors and M/s Nankoma General Enterprises Ltd applied for pre-qualification, were evaluated and as a result were recommended for pre-qualification by the Evaluation Committee. 3 M/s Ramex Furniture and Building Contractors and M/s Nankoma General Enterprises Ltd were omitted when the list of successful and unsuccessful firms was reproduced as part of the Contracts Committee minutes. Consequently, a Public Notice dated 8th August 2007 was put up on the notice board. The notice did not include the names of the two firms. 4 A company called M/s Ramex Construction and Furniture Mart Ltd wrote to the CAO, Pallisa DLG requesting for information as to why their firm had been omitted from the list of pre-qualified firms. Mr. Aramazan Wabuko, a Director clarified that M/s Ramex Furniture and Building Contractors and M/s Ramex Construction and Furniture Mart Ltd was the same company. 5 The Authority noted that the District took 5 months to respond to the two firms, more so that M/s Ramex Furniture and Building Contractors, which had written to the Entity on 10th August 2007. On 25th January 2008, the Contracts Committee approved the inclusion of M/s Ramex Construction and Furniture Mart Ltd and M/s Nankoma General Enterprises on the pre-qualification list. A revised pre-qualification was approved by the CC. Therefore, the contract for construction of a maternity ward at Kakoro Health Centre was correctly awarded to M/s Ramex Furniture and Building Contractors. 6 M/s Ramex Furniture and Building Contractors Ltd at Kakoro 	<ol style="list-style-type: none"> 1. The Head of PDU, Mr. Hibombo Kainan should be disciplined for not supporting the functioning of the Contracts Committee, as required of him under the PPDA Law. 2. As the appointed contract manager, the District Engineer, Mr. Ronald Mukombe is held accountable for the progress reports and the recommendations there from. He should continue to undertake contract management and intensify supervision of all project sites and in accordance with Regulation 26 (7) prepare reports on any departure from the terms and conditions of the contract to the Accounting officer with a copy to the PDU. 3. The PDU should ensure that submissions are made to a Contracts Committee on time and in correct manner as required under Regulation 25 (3) (b). 4. The District should always use the standard PPDA bidding documents as required under Regulation 48.

Findings:	Recommendations:
<p>HC III had deviated from the scope of works; however, given that the project was still on-going, these were deviations that could be rectified by the contractor and the work done could not currently be categorized as shoddy.</p> <p>7 The contract between M/s Ramex Furniture and Building Contractors Ltd and Pallisa DLG was signed by Mr. Mukwana Wekhola Koloto on behalf of the company. Records retrieved from the Registry of companies show that Mr. Koloto is not a director of the Company. The Authority observed that the District erred and did not request bidders to submit powers of Attorney. The Powers of Attorney are important in ensuring that the person signing the contract has contractual powers to bind the Company.</p>	

Name of PDE: Sironko District	
Subject of Investigation: Collection of Revenue from Buteza Market	
Background: PPDA received a Complaint from M/s Bumu General Stores about the Mismanagement of the Procurement Process of Buteza Market in Sironko District	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1. The Entity erred by issuing an addendum extending the date for submission of bids on the day supposed to be the deadline for submission of bids. Bidders were informed about the extension while waiting for bid opening. 2. At the time of issuing the addendum, two bidders had submitted their bids for Buteza market, that is, M/s Mabberi Robert and M/s Bumu General Stores. 3. Only one bidder, M/s Wokanyasi Stephen, picked the solicitation document after the extension of the bid period. 4. The Evaluation Committee did not follow the evaluation criteria states in the bid document. All the three (3) bids were not responsive both at preliminary and technical stage but were passed by the Evaluation Committee. There was no evidence to show that some areas of the evaluation were waived. 5. The Evaluation Committee wrongly recommended M/s Wokanyasi Stephen for the award of tender. 6. Communication of award was made by the AO before the expiry date of the Best Evaluated Bidder Notice. 7. The District defied PPDA's request to halt the procurement process until investigations are completed but went ahead and awarded the tender for the management of Buteza Market. 	<ul style="list-style-type: none"> • The procurement for the collection of revenue for Buteza Market in Sironko District should be re-tendered immediately. • The PDU should be disciplined by the AO for issuing an addendum on the day supposed to be the deadline for submission of bids. • The Evaluation Committee should be disciplined by AO for not following the evaluation criteria stated in the SBD. • The Evaluation Committee should always sign the ethical code of conduct. • The AO should not award tenders before the expiry of the best evaluated bidder notice. • Signing of the contracts is the role of the Accounting Officer and not the user department, in this particular case, the sub-county chiefs. • The PDU should ensure that record keeping is in accordance with Regulation 46 of the Local Government PPDA Regulations 2006.

Name of PDE: Hoima District	
Subject of Investigation: Collection of Revenue from Buhuka Market in Kyangwali Sub-County.	
Background: PPDA received a Complaint from M/s John Byaruhanga about the Mismanagement of the Procurement Process of Buhuka Market in Hoima District.	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1 Although the complainant alleged that Amina Birungi, one of the bidders tendering for revenue collection at Buhuka market, was fronted by Mr. Bagonza Sephi, an LC III Councillor, there was no evidence to prove this allegation. 2 According to the Chairperson of the Evaluation Committee, Ms. Evelyn Businge, and Head of PDU, Mr. Chris Byaruhanga, the allegations of influence peddling were based on rumours. The complainant failed to substantiate the allegations during an interview. 3 There was no evidence that Mr. Mugema Anthony, also a bidder, was fronted by Mr. Bagonza Sephi under cover. Mr. Mugema Anthony submitted the bid in his own right. 4 By the time of investigation, no award had been made. The procurement process was stopped at evaluation stage following PPDA intervention. 	<ul style="list-style-type: none"> • The suspension of the procurement process should be lifted. The AO was advised to proceed with the procurement process. • Upon concluding the evaluation and award process, the Accounting Officer should submit to the Authority, the evaluation report and the Contracts Committee minutes awarding the tender for Buhuka market to the successful bidder.

Name of PDE: Bududa District Local Government	
Subject of Investigation: Construction the District Water Office	
Background: PPDA received an anonymous complaint concerning the construction of the District Water Office for Bududa District Local Government. The complaint alleged that the contract for construction of the District Water Office for Bududa District was inflated to Ushs 130,000,000/= and yet a similar office with the same plan in Amuria District costed Ushs 75,000,000/=.	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1 The procurement of the contractor for construction of Bududa District Water Office went through a competitive bidding process although the Entity used a wrong procurement method contrary to Regulation 33(3) of the Local Governments (PPDA) Regulations of 2006. The Entity should have used open bidding method because the estimated value of the procurement was above the threshold for selective bidding. 2 There were several irregularities and deviations from the Local Governments (PPDA) Regulations, 2006, for example: <ol style="list-style-type: none"> i. There was no evidence on file that the procurement method was approved by the Contracts Committee; ii. There was no evidence on file that the procurement requirements were documented using a requisition; iii. The deadline for submission of bids was extended from 13th February 2007 to 2nd March 2007 without approval by the Contracts Committee; iv. There was no record on file showing that the bid documents and procurement notice were approved by the contracts committee; v. There is no evidence on file that the membership of the evaluation committee was recommended by the PDU and approved by the Contracts Committee; 	<ul style="list-style-type: none"> • The Accounting Officer should ensure that the contract is amended through the Contracts Committee to the corrected original figure of Ushs 133,395,810/=. • The Accounting Officer should take appropriate disciplinary action against the members of Bududa District Contracts Committee namely Mary Wamimbi, Wakooli Beatrice, Wabuna Richard, Masaba Y. Kutosi and Wadada Simon. • The Accounting Officer should ensure that right procedures of procurement initiation and confirmation of funding are done for all procurements in the Entity in accordance to Regulation 65 of the Local Governments (PPDA) Regulations, 2006.

Findings:	Recommendations:
<p>vi. The Entity did not display the notice of the best evaluated bidder;</p> <p>vii. The CC minutes referred to for approval of the award of Ushs 133,395,810/= were not signed by any member of the Contracts Committee thus rendering them invalid;</p> <p>viii. The Authority noted with concern that the Accounting Officer took along time to communicate the award decision to the successful bidder.</p> <p>3 The Entity requested for submission of a bid security of 2% of the bid price, this contrary to Regulations 50(2) of Local Governments(PPDA) Regulations, 2006 which requires that value of the security shall be a fixed amount not a percentage of the bid price.</p> <p>4 Bududa District Contracts Committee fraudulently revised and approved the contract from Ushs 133,395,810/= to Ushs 139,986,509/= causing a financial loss of Ush 6,590,699/= to Government. Under the Minute 4: CC/BDDA/06/06/07 the CC changed the contract sum stating that it was very clear that the bidder had under quoted on one item of iron sheets. This decision translates into a financial loss of Ushs 6,590,699/= to Government.</p>	<ul style="list-style-type: none"> • The Head PDU should ensure that the correct evaluation procedures are followed in all procurements in the Entity in accordance with Regulation 72 of the Local Governments (PPDA) Regulations, 2006. • The Head PDU should ensure that the public notice of best evaluated bidder for any procurement is displayed in accordance to Regulation 85 of the Local Governments (PPDA) Regulations, 2006. He should also ensure that minutes of the Contracts Committee are always signed.

Name of PDE: Budaka District	
Subject of Investigation: Collection of Revenue from Utilities at Kamonkoli Taxi/Bus Park	
Background: The Authority received a complaint from M/s Kagwa Lino Isiko, a bidder, citing irregularities in the procurement process of renting of utilities at Kamonkoli Taxi Park for the financial year 2008/09.	
Findings:	Recommendations:
<p>1 M/s Kagwa Lino Isiko was illegally collecting revenue from utilities at the Taxi/Park bus after their contract expired on 30th June 2008. The contract for M/s Kagwa Lino Isiko was not extended during the period when Budaka District was procuring a new provider for FY 2008/09 and operating in the taxi park illegally while the procurement process for FY 2008/09 was still on-going. The new bidder was awarded the tender on 29th July 2008.</p> <p>2 The addendum issued for this tender was not dated and the Authority could not ascertain whether it was issued in accordance with Reg. 67(5) of the PPDA LG Regulations 2006.</p> <p>3 M/s Kagwa Lino Isiko, the complainant, failed preliminary evaluation but the Evaluation Committee passed the firm onto the next stage (technical) contrary to Reg. 77 (4) of the PPDA LG Regulations 2006.</p> <p>4 The Evaluation Committee did not follow the evaluation criteria specified in the bid document.</p> <p>5 The tender was awarded at the reserve price instead of the bid price quoted by the bidder in their bid document causing a financial loss to the District.</p> <p>6 The AO communicated the award of tender for the utilities at</p>	<ul style="list-style-type: none"> • The AO should discipline the sub-county chief, Kamonkoli sub-county, for allowing M/s Kagwa Lino to operate the Taxi Park on an invalid contract. • The Evaluation Committee should be disciplined for not following the evaluation criteria specified in the bid document and for recommending award of tender at the reserve price of 100,000/= instead of 120,000/= quoted by the bidder in the bid document, thus causing a financial loss to the District of 20,000/= per week. • The previous AO, Mr. Businge S.T. Amooti should be disciplined for communicating award before the expiry of display period for the best evaluated bidder notice.

Findings:	Recommendations:
<p>Kamonkoli Taxi Park before the expiry of display period for the best evaluated bidder notice.</p> <p>7 The AO defied the instructions from the Authority to halt the procurement process until investigation into the matter is complete but went ahead to award the tender to M/s Kamo Investment (U) Ltd.</p>	<ul style="list-style-type: none"> • The current AO should be cautioned for failure to comply with the instructions of the PPDA to halt the procurement process.

Name of PDE: National Medical Stores	
Subject of Investigation: Complaint on Procurement of Medical Sundries and Pharmaceuticals	
Background: PPDA received a complaint from M/s Surgipharm Uganda Limited on 22/8/2008 citing irregularities in the procurement. M/s Surgipharm Uganda Limited was the best evaluated bidder for Amoxicillin but this item was excluded from the list of items to be purchased after evaluation in preference for a local manufacturer, M/s Rene Industries Ltd. Also the quantities awarded to M/s Surgipharm under water for injection were reduced compared to what had been advertised in the newspapers by NMS. NMS used restrictive bidding to invite firms to supply similar medical sundries/pharmaceuticals when another procurement conducted using open bidding was still on-going.	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1. The removal of some products from the procurement process in preference of procuring them from local manufacturers and reduction in the quantities of awarded supplies were not done in a transparent manner. National Medical Stores did not inform M/s Surgipharm (U) Ltd that the quantities for water for injection had been reduced to 4 months yet Surgipharm's bid was for 24 months. This was contrary to Reg. 134 and 148 of the PPDA Act & Reg., 2003. 2. NMS further breached the SBD issued to bidders by decreasing the quantities indicated in the statement of requirement. ITB 41.1 stated: "The percentage of which quantities may be increased is NONE"; "The percentage of which quantities may be decreased is NONE". Therefore, the decrease in quantities of water for injection from 8,800,000 to 1,040,000 was breach of bidding requirements. 3. M/s Surgipharm was unfairly treated by NMS because the Entity did not endeavor to negotiate with the firm on the added requirement of embossment of Amoxicillin. 4. PPDA authorized NMS to procure drugs using the providers on the NDA list, therefore preference to procure drugs from local manufacturers by NMS as priority, was a new criteria and a deviation that was not approved by the Authority. 5. The procurement that targeted only the local manufacturers was against PPDA Act basic procurement principles since there was no legal provision on preference to local providers. 6. NMS went ahead to award the procurement (Ref: NMS/SUPLS/07-08/01001/02- under open bidding) to the best evaluated bidders after the expiry of the bid validity period of 120 working days – ITB ITB 20.1. The Authority noted that NMS's award was invalid and only two firms, Gittoes Pharmaceuticals and Sino Africa, accepted the award. 7. The CC failed in its supervisory role and mismanaged the first procurement process Ref: NMS/SUPLS/07-08/01001/02, 	<ul style="list-style-type: none"> • The General Manager was to discipline the Contracts Committee for mismanaging the procurement process of supply of pharmaceuticals and medical sundries. • The General Manager was to caution the Evaluation Committee for the following reasons: <ul style="list-style-type: none"> ○ For unfairly failing Marvid Pharmaceuticals and Medipharm Sales in the second procurement which involved local manufacturers; ○ For passing Rene Industries Ltd on 10 products worth US\$ 5,041,072 that were none compliant on shelf life of three years as was required in the specifications in the bid document. 3. The framework contract arrangement was to be terminated by the General Manager and a more transparent, non- discriminatory and an open bidding competitive process was to be commenced upon immediately for the procurement of pharmaceutical products.

Findings:	Recommendations:
<p>where a new procurement Ref. NMS/SUPLS/07-08/02001/14 with similar products was initiated without cancellation of the first procurement.</p> <p>8. There were serious flaws in the evaluation process of the second procurement Ref. NMS/SUPLS/07-08/02001/14 of Pharmaceutical Products from the Local Manufacturers; as a result Rene Industries was unfairly awarded whereas Marvid Pharmaceuticals and Medipharm Sales were unfairly failed. The two firms that were awarded were passed at the evaluation stage and yet were not compliant i.e.:</p> <p>9. KPI was passed when they did not have a valid NDA license. NDA license number 54802 to operate large scale pharmaceutical manufacturing business expired on 17/12/2007, though a letter dated 5th March 2008 not specifically addressed for this tender was issued by NDA that their license is being processed. This requirement was not evaluated.</p> <p>10. Rene Industries did not comply with the requirement of three years shelf life instead offered 2 years for 10 products out of the 12 awarded products. The non - compliant products worth US\$ 5,041,072 (90% of the value) were Diclofenac Sodium, Ibuprofen, Actylsalicylic acid, Albendazole, Amoxicillin, Cloxacillin, Erythromycin, Floric acid, Griseofulvin, and Ketoconazole.</p> <p>11. Marvid Pharmaceuticals was failed on valid trading license when one was provided and they had bid for two products chlorhexidine gluconate and Benzyl Benzoate valued at Shs 411,744,000 which were never awarded to any one. Medipharm which was failed on bid validity period after clarification had bid for one item, oral dehydration, valued at Shs 557,794,150 which was not awarded to anyone.</p>	<p>4. National Medical Stores should apply to PPDA for guidance on the preference scheme for local manufacturers.</p>

Name of PDE: East African Civil Aviation Academy, Soroti under Ministry of Works & Transport	
Subject of Investigation: Procurement of Avgas and a Tanker	
Background: The Daily Monitor ran a story “Fuel tanker abandoned in Soroti after a botched procurement deal” on 16 th October 2008. According to this story, the tanker contained 25,000 litres of aviation fuel and was purchased by Mr. Silver Kaija, Ag. Director of the Academy, without the knowledge of the school’s Contract Committee.	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1. The Authority established that the procurement process of 23,000 litres of Avgas fuel and tanker by the Academy was a mis-procurement since this was not on the procurement plan. 2. There was no initiation of procurement requirements and confirmation of funding contrary to Reg.104. 3. The Ag. Director Mr. Silver Kaija usurped all the function and roles of the procurement structures when he issued the LPO to M/s PK Pierre Kairanga without proper procedures and was therefore held responsible for the mis- procurement. 4. The LPO had the following anomalies: <ol style="list-style-type: none"> a. The LPO was not on the standard LPO used by the academy 	<ol style="list-style-type: none"> 1. The Accounting Officer was to take disciplinary action against Mr. Silver Kaija who handled the procurement. 2. The Accounting Officer was to submit records of M/s PK Pierre Kairanga to the Criminal Investigation Department to ascertain the legal status of the company and authenticity of all individuals concerned.

Findings:	Recommendations:
<p>b. There was no agreed cost of the total product or unit costs,</p> <p>c. Delivery dates were not stated.</p> <p>d. This was a blanket order issued to the supplier without any terms and conditions of the supply.</p> <p>e. All the above are contrary to Reg. 134 (2) of the PPDA Regulations 2003.</p> <p>5. M/s PK Pierre Kairanga in accordance to the PPDA Act and Regulations was not eligible to conduct business with the Academy on this procurement as he had not fulfilled all the legal requirements as indicated here below:</p> <p>i. The Academy could not establish the physical address of the supplier as they were only contacted by email or telephone</p> <p>ii. No indication that the Mr. Kairanga was registered to do business in Uganda</p> <p>iii. Supplier did not present Powers of Attorney, Authorizing Mr. Pierre Kairanga to handle business on behalf of DG International Inc.</p> <p>iv. Lack of Authority for DG International to deal in Petroleum products.</p> <p>6. The Entity did not provide specifications to the supplier; therefore to ascertain the quality of the Avgas procured, there was need for verification of the fuel through a sample and obtaining authentic documents and details from the suppliers in the USA. It was established that Mr. Silver Kaija had committed the Academy to purchase Avgas worth USD\$ 46,000.00 when the quality has not been ascertained.</p> <p>7. The Authority contacted Mr. P.K Pierre Kairanga on the telephone for an interview. However due to the language barrier he only communicated in Swahili and French so we did not have a fruitful discussion on the company status. PPDA inquired if he had an office but we were informed that he was staying in Mambo Hotel in Ndeeba and did not have any offices for operation as they were only in Uganda awaiting payments from the Academy.</p> <p>8. The Authority therefore established that all procurement procedures related to the acquisition of 23,000litres of Avgas and a tanker in accordance to the Public Procurement and Disposal of Public Assets Act and Regulations 2003 were flouted.</p>	<p>3. The Entity through the Procurement Officer should expedite the Board decision to look for alternative suppliers of Avgas after developing a clear specification and bidding document as recommended by the Authority.</p> <p>4. The procurement process of Avgas from Shell should be streamlined to go through the PDU and CC approval. The Entity is advised to enter into a framework contract with the suppliers so as to safeguard the interests of the Academy.</p>

Name of PDE: Jinja Municipal Council	
Subject of Investigation: Irregularities in the Procurement Process of Jinja Central Market/Evening	
Background: The complainant, M/s Crown Merchantile Limited and current contractor, were dissatisfied with the award decision of Jinja Municipal Council. They sought for an administrative review with JMC which was also later contested and they wrote to the Inspectorate of Government (IGG) requesting for an investigation. PPDA received the complaint from the IGG.	
Findings:	Recommendations:
<p>1. The firm awarded the tender to collect revenue from Jinja Central Market/evening, M/s BBK General Construction Ltd did not have the two years' experience stated in the bid document. The firm</p>	<ul style="list-style-type: none"> • Jinja Municipal Council re-evaluates the bids for Jinja Central

Findings:	Recommendations:
<p>which submitted the bid was M/s BBK General Construction Ltd and NOT M/s BBK General Construction. Whereas M/s BBK General Construction had the required experience, M/s BBK General Construction Ltd did not have the two-year experience required. There was no linkage of M/s BBK General Construction to M/s BBK General Construction Ltd since M/s BBK General Construction is a business name and the latter is a company.</p> <ol style="list-style-type: none"> The Evaluation Committee failed to interpret the evaluation criteria and there was no effort by the members to seek guidance from the CC. For this reason, the EC awarded wrong marks to the bidders. As per the bid notice that appeared in the New Vision of 07/08/2008, the tender documents were picked from the General Office (Registry) and not PDU. This resulted into a breach of law by allowing bids to be issued and receipted by the Registry and in the process several mistakes were made in the recording of bids. The CC retrospectively approved the evaluation report for revenue sources in Jinja MC. The approval of the evaluation report was made after display of the best evaluated bidder notice. This contravened Reg. 85 of the PPDA LG Reg. 2006. The decision arising from the administrative review was communicated to M/s Crown Merchantile Limited by the AO in accordance with Reg. 139(5) of the PPDA Act, 2003. However, the Entity did not give the complainant a fair hearing which was contrary to the laws of natural justice. 	<p>Market/Evening.</p> <ul style="list-style-type: none"> The AO was to caution the Registry for usurping the roles of the PDU. The Evaluation Committee was to be disciplined for their failure to interpret the evaluation criteria and award wrong marks to bidders. The bid document should have an appropriate evaluation methodology and evaluation criteria to compare and evaluate the bid in accordance with Reg. 48 (4) of the PPDA LG Reg. 2006. Issuing and receiving of bids should be conducted by the PDU in accordance with Reg. 25 (1j) and (2f) of the PPDA LG Reg. 2006.

Name of PDE: Buwenge Town Council	
Subject of Investigation: Management of Buwenge Water Supply	
Background: The Authority received a complaint from the Chairman Buwenge Water Board protesting the relationship between M/s Bika Ltd, formerly managing the water supply in Buwenge Town Council and M/s Kagulu Multiple Services Ltd, the firm awarded the tender to manage the water supply. Yet M/s Bika Ltd mismanaged the previous tender.	
Findings:	Recommendations:
<ol style="list-style-type: none"> The CC did not approve the choice of the procurement method and bid document contrary to Reg. 56 (a & c) of the PPDA LG Reg. 2006. There was no PP Form 20 from the User Department. This was contrary to Reg. 65 of the PPDA LG Reg. 2006. There was no information indicating that the PDU issued the bid documents contrary to Reg. 25 (1j) of the PPDA LG Reg. 2006. We note that the Secretary CC, Mr. Silas Kafute, was handling the activities of the PDU at the time. There was no invitation to bidders issued since no documentation was on file. There was no information regarding the receipt of bids contrary to Reg. 70 of the PPDA LG Reg. 2006. There was nothing on file to show that the PDU recommended members of the Evaluation Committee to the CC for approval contrary to Reg. 25(2a) of the PPDA LG Reg. 2006. There was no information regarding CC approval of the 	<ol style="list-style-type: none"> The CC should recommend suspension of M/s Bika Ltd and M/s Kagulu Multiple Services for:- <ul style="list-style-type: none"> Failure to respond to an audit query raised by Auditor General of Shs 17,978,121; Causing a loss of 16, Shs.16,360,155/= in accumulated bill and Shs. 6,514,378 in accumulated electricity bills. For the relationship existing between the ownership and management of both firms by Mr. Sam Ogot Okoth. The AO takes responsibility for the mismanagement of the procurement process for the

Findings:	Recommendations:
<p>Evaluation Committee contrary to Reg. 17(1b) of the PPDA LG Reg. 2006.</p> <p>8. The Evaluation Committee did not sign the ethical code of conduct contrary to Reg. 27(9) of the PPDA LG Reg. 2006.</p> <p>9. The Authority did not see the best evaluated bidder notice on file contrary to Reg. 85 of the PPDA LG Reg. 2006.</p> <p>10. On 1st June 2008, the TC Buwenge, Mr. Grace Kisembe, wrongly signed the contract for Buwenge Water management without delegated authority from the AO contrary to Reg. 14(f) of the LG PPDA Reg. 2006.</p> <p>11. The District did not provide the Authority with a procurement action file. This contravened Reg. 46 of the LG PPDA Reg. 2006. The Authority concluded that the procurement process for the provisions of water services for Buwenge Water Supply was not conducted in a competitive manner, was not fair and not transparent.</p> <p>12. There was a strong relationship between the ownership and management of M/s Bika and M/s Kagulu Multiple Services because Mr. Sam Ogot Okoth was the Managing Director of both firms. Mr. Ogot Sam was also a shareholder in M/s Bika Ltd, a firm whose contract had been terminated for mismanagement of Buwenge Water Supply.</p> <p>13. The Town Clerk, Mr. Kisembe Grace, acted irresponsibly because he wrote several letters to M/s Bika Ltd where Mr. Sam Ogot about their failure to fulfill contractual obligations but went ahead and signed a new contract with Mr. Sam Ogot under a different name, M/s Kagulu Multiple Services Ltd.</p>	<p>management and provision of water services in Buwenge Town Council which led to a blanket signing of a three-year contract with M/s Kagulu Multiple Service without any clause to check their performance.</p> <p>3. The former Secretary CC, Mr. Silas Kafute, is also held responsible for the mismanagement of the procurement process for the management and provision of water services in Buwenge Town Council.</p> <p>4. The CC members should be cautioned for making approvals without the necessary documents.</p> <p>5. The Town Clerk, Mr. Grace Kisembe, should be disciplined for signing the contract without delegated authority from the AO.</p> <p>6. The Inspector General of Government (IGG) should investigate further the conduct of the Town Clerk, Mr. Kisembe Grace.</p>

Name of PDE: Sembabule, Rakai, Isingiro and Kiruhura	
Subject of Investigation: Complaint About Alleged Unfair Evaluation of Bids and Flouting of PPDA Regulations for Mobilization and Design of Water and Sanitation Schemes in Three Rural Growth Centres.	
Background: PPDA received a complaint from Hydraulic & Sanitation Consult about alleged flouting of PPDA Regulations in the tenders for Consultancy Services for Mobilization and Design of Water & Sanitation Schemes in Sembabule, Rakai, Isingiro and Kiruhura Districts. The respective CAOs were requested to investigate and respond to the allegations. The CAO for Rakai responded and gave a report to the complainant but the remaining CAOs of Kiruhura, Isingiro and Sembabule did not. PPDA later received communication from the Austrian Embassy who made a follow-up on the tenders where the authority had never received any response.	
Findings:	Recommendations:
<p>1. M/s MADZI Uganda initially submitted a bid security in form of a bank guarantee whereas the requirement was the banker's cheque or bank draft of Shs 2,000,000. There was also a banker's cheque 601516 dated 18/12/2007 issued by DFCU after bid closing date of 17/12/07 though he was passed by the Evaluation Committee as compliant.</p> <p>2. The Authority was established that bid opening was held on 20/12/07, though the addendum extending the bid opening date</p>	<ul style="list-style-type: none"> The Facility Manager for Water and Sanitation Development Facility (WSDF) should discipline Mr. Mwanje Enock and Mr. Ngabirano Denth, members of the Evaluation Committee for passing M/s MADZI

Findings:	Recommendations:
<p>was not availed.</p> <p>3. The Director of M/s MADZI Uganda, Eng. Stanley Watenga works with the Ministry of Water and Environment stationed at the Headquarters. There was no evidence that he declared conflict of interest as a serving civil servant doing business with a project under the same Ministry as required by the Code of Ethical Conduct in Business. The Code of Ethical Conduct in business, Fifth Schedule of the PPDA Act, 2003 requires that employees shall reveal any personal interest that may impinge or might reasonably be deemed by others to impinge on an employee's business dealings with an industry.</p> <p>4. The CAO Sembabule failed to investigate the complaint of unfair evaluation and flouting of PPDA regulations tender number WSDf-SWB/SEM/SCVS/01/07 when it was referred to him in June 2008 by the Authority.</p> <p>Findings in Kiruhura District:</p> <p>1 There were no exceptions noted in the evaluation exercise of the consultancy services for mobilization and design of water and sanitation schemes in Kiruhura district.</p> <p>Findings in Isingiro District:</p> <p>1. The evaluation team favoured M/s MADZI Uganda in some cases while evaluating the qualifications of consultants, for example:</p> <p>a. M/s Enid Kansime was only mentioned in the proposal as the Sociologist but neither her CV nor any of her academic qualifications was provided, but the evaluation team awarded M/s MADZI Uganda maximum score of 3.</p> <p>b. The bid document required that the qualification for a Sanitation Specialist was a degree in Public Health or Environment, but M/s Hellen Irene Obuya who was evaluated and awarded maximum points of 3 presented a CV with a degree in B.Arts.</p> <p>2. M/s MADZI Uganda initially submitted a bid security in form of a bank guarantee dated 12/12/07 whereas the requirement was the banker's cheque or bank draft of Shs 2,000,000. There was also an attached document (not bound as part of the proposal) of banker's cheque 601516 dated 18/12/2007 issued by DFCU after bid closing date of 17/12/07 though he was passed by the Evaluation Committee as compliant. The record of bid opening was not availed to confirm what was recorded at bid opening, though the Chairman Contracts Committee indicated that the bids were opened on 20/12/07.</p> <p>3. The Director of M/s MADZI Uganda Eng. Stanley Watenga works with the Ministry of Water and Environment stationed at the headquarters. There was no evidence that he declared a conflict of interest as a civil servant doing business with the same Ministry that is funding the project as required by the Code of Ethical Conduct in Business.</p> <p>General observations:</p> <p>1. Generally all the bidders who were technically evaluated indicated in their proposals experience of similar nature by listing jobs earlier done but there was no attached evidence to confirm</p>	<p>Uganda at preliminary stage on a bid security dated after closing date and awarding technical scores to MADZI Uganda on areas he had not qualified.</p> <ul style="list-style-type: none"> • The CAO Isingiro should discipline members of the Evaluation Committee that evaluated bids of Isingiro district for passing MADZI Uganda at preliminary stage on a bid security dated after closing date and awarding technical scores to M/s MADZI Uganda on areas he had not qualified. • Disciplinary action should be taken against Eng. Stanley Watenga who is a serving civil servant with the Ministry of Water and Environment for his involvement in this procurement without declaring his interest in M/s MADZI Uganda. • The Facility Manager, WSDf should in future ensure that the standard bid document includes evidence on experience and qualifications of personnel. • The CAO of Isingiro, Kiruhura and Sembabule should in future ensure that the technically successful bidders are invited for financial bid opening where two envelopes have been used. • The CAOs should always investigate the complaints whenever they are referred to them by the Authority in accordance with regulation 14 (g) of the PPDA Regulations 2006.

Findings:	Recommendations:
<p>such experience. The bid document issued to bidders was lacking as far as availing/attaching the evidence of experience was concerned.</p> <p>2. Financial bid opening was not held publicly in all the three districts with representation of technically complaint bidders, contrary to the Local Government (PPDA) guidelines on financial bid opening where quality cost evaluation methodology has been used.</p> <p>3. The evaluation reports for all districts did not include individual score sheets. The evaluation was done in a team by agreeing on scores.</p>	

Name of PDE: Sironko District	
Subject of Investigation: Complaint about the Mismanagement of the Procurement Process for Revenue Collection in Bulegeni Market	
Background: PPDA received a complaint from the Member of Parliament for Bulambuli County, Sironko District, Hon. Wamakuyu Mudimi, citing irregularities in the procurement process of revenue collection for Bulegeni Market in Sironko District.	
Findings:	Recommendations:

Name of PDE: Kabarole District	
Subject of Investigation: Complaint about award of Tender for the Construction of Rubona, Nyakigumba, Kibiito and Rwimi Town(s) Water Supply and Sanitation Scheme.	
Background: PPDA received a complaint forwarded from Office of IGG stating that M/s Vambeco Enterprises allegedly flouted the procurement procedures by Kabarole District Administration especially in the award of contract for Nyakigumba Towns Water Supply.	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1. Although the CAO as the Accounting Officer has overall responsibility over the Entity's procurement activities, he undermined the independency of functions as per PPDA Regulations when he interfered with the functions of the Contracts Committee by issuing instructions directly to the Evaluation Committee to review the evaluation report. He should have referred the matter to Contracts Committee through the Secretary of the CC. 2. The CC received two evaluation reports. However, when the first report was received and approved, one of the members of the Evaluation Committee raised anomalies and the Entity resolved to review the report. It was noted by the Authority that at this point, the Contracts Committee had not receded their earlier decision. 3. The Entity did not apply the recommended PPDA standard forms and notices in the procurement process. 4. The Authority did not find merit in the grounds raised by the complainant, Ms Vambeco. The Authority concluded that the evaluation report initially issued to the CC that was tampered with 	<ul style="list-style-type: none"> • The Accounting Officer (i.e. CAO Kabarole) should proceed with the procurement process in accordance with the second evaluation report as approved by the Contracts Committee. • The Accounting Officer should investigate the falsification of the evaluation report and take appropriate disciplinary action against any member of staff found to have been involved in altering the Evaluation Committee's recommendation. • The CAO should caution the Contracts Committee members for failure to recede their first approval of the evaluation report before approving another report for the same tender. • The Contracts Committee should recede their first awards of the contracts that were based on the falsified evaluation report. • The CAO should stop interfering with the functions of the Contracts Committee. • The CAO should organize training in consultation with PPDA for members of

Findings:	Recommendations:
was eventually corrected, and the best evaluated bidder awarded the contract.	the Contracts Committee and key stakeholders involved in the tender evaluations of the district.

Name of PDE: Mbale Municipal Council	
Subject of Investigation: Complaint Cited About Irregularities in the Disposal Process of 33 Lock-up Space at Mbale Taxi Park.	
Background: Mbale Municipal Local Government Council allocated lock-up space at Mbale Taxi Park to thirty three (33) firms in May 2002. During space allocation, the Council realized that more lock-up space had been allocated compared to the available planned space. The Council requested for the expansion of the Taxi Park and the Permanent Secretary, Ministry of Lands, Housing and Urban Development granted. During the re-allocation, PPDA received various complaints that the disposal process was flouted.	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1. The PDU failed in its capacity to distinguish between a procurement from a disposal. The sale of lock-up space at Mbale Municipal Council was divestiture by lease and not a procurement. 2. The Municipality used a wrong method of disposal. There was no publication of the bid notice as required under Reg. 125(2) of the LG PPDA Reg. 2006. 3. Bid notices were put up at Mbale notice boards. The law requires that a bidder shall be solicited by the publication and display of a public invitation notice (Reg. 125 (2) of the LG PPDA Reg. 2006). The Municipality did not publish the disposal but only displayed the invitation to bidder. Therefore, the method of invitation used in the allocation of 33 lock-up spaces was not sufficient. 4. There is sufficient evidence to show that some Councillors participated in the bidding process contrary to ITB 1 subsection 6 of the bid document. The proprietors of M/s Elgon General Dealers Association and M/s National Data Card Bank who were allocated lock-up space No. 98 and 91 respectively are both Councillors in Mbale Municipal Council contravening Reg. 20 (2) of the PPDA LG Reg. 2006. According to the information from the Registrar of Companies, the two firms belong to Mr. Jimmy Ssebowa Khaukha and Mr. Robert Kabala respectively. 	<ul style="list-style-type: none"> • Mbale Municipal Council should re-tender the disposal as per Reg. 125 of the LG PPDA Regulations, 2006. • Disciplinary action was to be taken against Mr Robert Kabala and Mr Sebowa Jimmy both Councilors in the Municipality by the District Council for participating in the bidding of 33 lock-up spaces at Mbale Taxi Park. • Mbale Municipality Council, in handling of disposal activities, should always follow disposal rules as stipulated in LG PPDA Reg. 2006.

Name of PDE: Mbale Referral Hospital.	
Subject of Investigation: Complaint About Alleged Irregularities in the Procurement Process of Works and Supplies in Mbale Referral Hospital.	
Background: PPDA received a complaint from a whistleblower in respect to the procurement of works and supplies at Mbale Regional Referral Hospital.	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1. The Entity did not use the standard forms issued by the Authority to record all details of the procurement process. This is contrary to Section 56(2) of the PPDA Act 2003. 2. The procurement requirements were not documented using PP Form 20. This was contrary to Regulation 104 of the PPDA 	<ol style="list-style-type: none"> 1. The tender for overhaul of water and sewerage network should be halted since its works were already under Lot 1.

Findings:	Recommendations:
<p>Regulations, 2003.</p> <ol style="list-style-type: none"> 3. The Entity did not record the issue of the solicitation documents using PP Form 30 contrary to Regulation 146(3) (a) of the PPDA Regulations, 2003. 4. The Entity did not record the bids received using PP Form 34 contrary to Regulation 158(3) of the PPDA Regulations, 2003. 5. The bid opening was not recorded using the PP Form 35 contrary to Regulations 164(1) of the PPDA Regulation, 2003. 6. There was no clear boundary between the scope of works presented in Lot 1 – renovations of buildings and Lot-2 – overhaul of the water and sewerage network. 7. Close analysis indicated that 90% of works in Lot 2 were a duplication of works in Lot 1 under the sub-heading “plumbing and drainage.” The manholes and their accessories were placed under “security lights.” This was a fraudulent practice. 8. Retrospective approval of bidding documents by CC was also noted. 9. There was extension of the deadline for bid closing without approval by CC. 10. All minutes of CC relating to this procurement were not signed. 11. Members of the Evaluation Committee did not sign the Code of Ethical Conduct in Business contrary to Regulation 169(9) of the PPDA Regulations, 2003 12. The Evaluation Committee did not carry out the technical and commercial examination of the bids for works in accordance with criteria stipulated in the bidding documents contrary to Section 72(2) of the PPDA Act, 2003. 	<ol style="list-style-type: none"> 2. Tenders for works were to be independently evaluated taking into consideration the omissions noted by the Authority. 3. Tender for supply of furniture were to be re-tendered and the Entity was to consider the provisions of Regulations 348 & 349, recommending the blacklisting of the respective firm for fraudulent practice. 4. Tender for supply of motor vehicle was to be re-tendered as per Contracts Committee decision. 5. The Entity was to proceed with the procurement of medical supplies as per notice of Best Evaluated Bidder since no significant anomalies were noted on this Lot during investigation.

Name of PDE: Posta Uganda.	
Subject of Investigation: Disposal of Used Scrap Motor Vehicle/Service Vans and Motorcycles at Posta Uganda.	
Background: The Public Procurement and Disposal of Public Assets Authority (PPDA) received a complaint from Mr. Tom Barigye who was one of the bidders for the items of disposal citing various irregularities during the disposal process by Posta Uganda.	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1. Bidders were required to pay a non refundable fee of 100,000/= to Posta Uganda. The Authority noted that the amount of money paid by the bidders amounting to 100,000/= was unreasonably high in light of the size of the bid document. This was contrary to Regulation 146 (5) which requires that solicitation documents should be sold in order to cover costs related to printing, copying and distribution. Posta Uganda contravened this regulation by also incorporating towing charges into the cost of the bidding document, thereby transferring unnecessary financial burden to the bidders. 2. From the notice, the complainant Mr. Tom Barigye was the best evaluated bidder for Mitsubishi Pajero 287 UDE at 4,500,000/= and also best evaluated bidder for Mazda UAD 629B at 1,600,000/=. The Authority established that the Mitsubishi Pajero UDE 287 was awarded to the 	<ul style="list-style-type: none"> • Posta Uganda should continue with the disposal process and carry out contract placement in accordance with the Contracts Committee award decisions. • The complainant Mr. Tom Barigye should accordingly be informed as per the CC decision as the best evaluated bidder and awarded the vehicle Mazda UAD 629B at 1,600,000/=. • The Accounting Officer should take appropriate disciplinary action against the Ag. PDU Mr. Caleb Muwanguzi for; <ol style="list-style-type: none"> i. Recommending a high price of the solicitation

Findings:	Recommendations:
<p>third evaluated bidder as the first and second best evaluated bidders didn't come to pay for the vehicle. The UAD 629B Mazda was not awarded and is still available.</p> <p>3. The complainant alleges that he never got communication of the award. He adds that there was no notification of award published and that he never received any phone call from Posta Uganda regarding his notification of award. Over a period of six months, Mr. Barigye claimed he visited Posta Uganda six times, all of which yielded no results as he was unable to get information as to whether he had been awarded or not. The investigation established that some of the Barigye's visits were before the notification of award was put on the notice board.</p> <p>4. The investigation revealed that from the time of bid opening, bidders got information on contract award a month later, as the evaluation had taken longer than had been anticipated. The Authority established the following from three other bidders:</p> <ol style="list-style-type: none"> a. One of the bidders got to know the outcome of the disposal process from the notification of award that was placed on 1st floor next to the Procurement and Disposal Unit office. b. Another bidder received the communication via telephone a month after the bid opening. c. One of the bidders, Eng. George Owili was also informed via telephone. <p>5. Posta Uganda provided communication of the best evaluated bidders, by way of making phone calls to bidders and posting on the notice board a list of the bidders and highlighting the best evaluated bidder contrary to Reg. 336 which requires that the award is displayed within one working day of contract award on the PDE's notice board.</p> <p>6. Posta Uganda erred by not providing sufficient guidance on the time frame within which bidders were to pick their contract awards after being contacted.</p> <p>7. At bid opening Posta Uganda had given an indication that award decisions would be communicated within one week from bid opening. However, Posta erred by failing to inform the bidders of the delay in the evaluation process, leading to the delay in communicating award decisions. Best practice would have required that Posta Uganda inform the bidders about the delay and when the bidders would be contacted.</p>	<p>document.</p> <ol style="list-style-type: none"> ii. Failure to obtain approvals from the Contracts Committee for the price of the solicitation document, [<i>contrary to Regulation 146 (6)</i>], valuation report and evaluation committee [<i>contrary to Regulation 37 (2)</i>]. iii. Failure to use the standard format of the notification of award as per PPDA Guideline 2/2004 and Reg. 336 of PPDA Regulations, 2003. <ol style="list-style-type: none"> 4. Posta Uganda should always appoint Contract Managers to undertake functions as stipulated under Regulation 337 (1) of the PPDA Regulations, 2003. 5. Communication to bidders should always be formalized and documented in accordance with Reg. 336. 6. The Contracts Committee should always provide approvals at key stages of the disposal process.

Name of PDE: Hoima Town Council.	
Subject of Investigation: Procurement of Land for Waste Compositing in Hoima Town Council.	
Background: The Public Procurement and Disposal of Public Assets Authority (PPDA) received a complaint from Mr. Okuja Dennis Peterson, one of the bidders, citing irregularities in the procurement of land for waste compositing project for Hoima Town Council by the District Contracts Committee.	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1. The proposal from Ojuka was eligible but not administratively compliant as he did not submit a sworn affidavit or a statutory declaration about the status of the land. However, further analysis of the availed records indicated that Mr. Okuja submitted the sworn affidavit to the Council and not to the Procurement Officer as indicated in the addendum. 2. The Entity erred when they gave the bidders only one day to respond to the addendum. It was noted that the Entity issued the addendum on Thursday 15th/01/09 and expected the bidders to respond by Monday 19th/01/09 which in effect gave the bidders one working day to prepare an affidavit. This was irregular and contrary to LG.Reg 67 (5) that requires that a bidder should be given reasonable time to take an addendum into account while preparing the bid. 3. The Evaluation Committee erred when they used criteria not communicated to the bidders to evaluate bids. The detailed evaluation report on file indicated that the evaluators adopted additional areas in the evaluation criteria that were not part of the approved criteria in the letter of invitation to bidders. These areas included Topography and the Initial Environmental Impact Assessment report. This was contrary to regulation 48(4) of the Local Government (PPDA) Regulations 2006. 4. The Authority noted from the correspondences submitted and also from the interviews conducted that the recommended bidder Mrs Jane Magezi was a Councillor LC III in Hoima Town Council, the Entity purchasing the land. The position of Mrs Jane Magezi was also confirmed in the initial letter dated 12th September 2008, written to the potential sellers where it was clearly stated that Mrs. Jane Magezi was a Councillor LC III Hoima Town Council. According to Regulation 20(2) of the Local Government (PPDA) Regulations, 2006 <i>“Councillors, employees of a council, members of Contracts Committee and other statutory bodies of a council are prohibited from being bidders or providers to council either directly or indirectly”</i>. This regulation technically disqualifies Mrs Jane Magezi from the bidding process. 5. The budgeted amount is half of the awarded amounting raising concerns on payment. The Authority noted that the Town Council had budgeted for Shs. 15,000,000 for the purchase of land and as confirmed in the approved budget for FY2008/2009. This raises concern as to how the Council was to pay the price of 30 million as awarded. 	<ol style="list-style-type: none"> 1. The Entity re-evaluates the bids submitted by the bidders in line with the criteria stated in the letter of invitation. 2. The bid submitted by Mrs. Jane Magezi be disqualified. 3. The Entity should inform the Authority of the outcome within 14 days after receipt of the report. 4. The Entity should in future ensure that bid documents are drawn up with the input of user departments and approved by CC before a procurement process is initiated. 5. The Bid documents issued to bidders should always state the evaluation methodology to be used as required in LG. Reg 48 (4). 6. The Evaluation Committee should stick to the evaluation methodology as stated in the bid document.

Name of PDE: Mubenda District	
Subject of Investigation: Contractor for the Repair of Bukomero-Kakinzi-Kayera-Kyankwanzi Road (76km)	
Background: The Public Procurement and Disposal of Public Assets Authority (PPDA) received a complaint from M/s Manafa Masaba Constructions Ltd in respect of the procurement of works for repair of Bukomero-Kakinzi-Kayera–Kyankwanzi road (76km).	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1. The Authority reviewed the solicitation documents, the evaluation report, and cross-checked the arithmetic errors, and noted that there were arithmetic errors in three bids namely for M/s Mulwooza & Bros Ltd, M/s Manafa Masaba and M/s Lamba Enterprises. The arithmetic errors were corrected in order to arrive at the evaluated total prices, however the bidders whose bids had arithmetic errors were not notified of and requested to agree to the arithmetic corrections contrary to Regulation 192(3). 2. The Authority noted that the chairperson of the Evaluation Committee did not notify and seek clarification from bidders whose bids had arithmetic errors. This was contrary to Regulation 192 (3) 3. The Engineer’s estimate for the Entity was Ushs 2,584,939,719/=. M/s Lamba Enterprises corrected bid price was Ushs 2,285,694,834/= which is 12% below the Engineer’s estimate. 4. The Authority noted the M/s Lamba Enterprises Ltd quoted Ushs 2,441,053,734/= and not Ushs 2,441,058,784/= as claimed by the complainant 5. The Authority noted that much as the Evaluation Committee computed variance of the bid prices from the Entity’s engineer’s estimate, the outcome of the computation was not used in the ranking of the bids. The variance computations were not of any significance and they were not part of the evaluation criteria. 6. The Authority noted that the Entity display of the notice of best evaluated bidder was not conducted in accordance with the PPDA Regulations. The notice was displayed 10 days after the decision of the contracts committee to award the contract contrary to Regulation 224(1) and the notice was not in the format provided in the seventh schedule of the PPDA Regulations. It was also irregular for the Entity to request the unsuccessful bidders to pick their bid securities as per the notice of best evaluated bidder before entering into contract. This contrary to Regulation 152(5). 7. The Authority noted that the validity of the bids submitted for this procurement expired on April 28, 2009 implying that the bids are now invalid. The Authority further noted that the Entity did not request the bidders to extend the validity period of their bids but instead requested bidders to extend validity of the bid securities. 8. The Accounting Officer instituted an investigation after receipt of the application for administrative review however; his decision was not issued within the stipulated fifteen working days contrary to Regulation 346(4). 9. The Application for an Administrative Review to the Authority by the complainant was technically out of time in accordance with Regulations 347 (1) & (2). The Authority in accordance with Section 8(c) of the PPDA Act, 2003 instituted an investigation into the matter. 	<ol style="list-style-type: none"> 1. The Entity should re-tender this procurement since the bids are now invalid. 2. The Accounting Officer should ensure that the time limits for conducting administrative reviews are strictly observed in accordance with Regulation 346(4). 3. The Head PDU should ensure that members of the Evaluation Committee always sign the Code of Ethical Conduct in Business in accordance with Regulations 169(9). 4. The Head PDU should ensure that Evaluation Committees prepare evaluation reports using the relevant PP Forms in line with Regulation 195(1). 5. The Head PDU and the Secretary Contracts Committee should ensure that the display of the notice of best evaluated bidder is done in accordance with Regulation 224(1) 6. The Head PDU should ensure that a bid security is released promptly to unsuccessful bidder upon expiry of the term of the security or upon the formation of a contract with the successful bidder. 7. The Evaluation Committee should ensure that the evaluation report contains recommendations on

Name of PDE: Bundibugyo District	
Subject of Investigation: Construction of Kikyo Gravity Flow Scheme in Bundibugyo District	
Background: Bundibugyo District Local Government (BDLG) entered into a contract with M/s Sualf Construction Ltd to undertake construction of Kikyo Gravity Flow Scheme with support from Belgium Technical Cooperation (BTC). During the implementation of the contract, it was noted by BTC Project Engineer that the construction works were not executed in accordance with the design of the scheme. Consequently BTC requested the Authority to review the procurement process.	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1. The Authority noted that there were deviations from the specifications of the contract in terms of materials used in the Phase 1 of the contract. The following deviations from the contract were noted: <ol style="list-style-type: none"> i. Intake works: The contractor constructed a straight stone masonry wall at the abstraction instead of a slanting wall specified in the contract. ii. Pipes and fittings on three reservoir tanks: The contractor did not use the pipes and fittings specified in the contract. The pipes and fittings used by the Contractor were much cheaper than the ones stated in the contract. As a result, Ushs. 8,030,000/= was fraudulently paid to the contractor. iii. Pipeline HDPE 110mm PN 6 and PN 10: Two sections of pipeline HDPE 110mm totalling 300 metres were not laid in accordance with the contract. As a result, the contractor was fraudulently paid Ushs. 8,358,150/=. 2. The Authority noted that modifications to the intake works were done by the contractor with hand written instructions from the Ag. District Water Officer Mr. Jaana Misisera. 3. The Authority noted that the Supervising Engineer Mr. Jaana Misisera did not act impartially between the contracting authority and the contractor contrary to Regulation 105 of the LG (PPDA) Regulations, 2006. The Supervising Engineer misrepresented facts, verified and certified the above illegal works for payment. 4. The Contractor in the first payment certificate submitted claims for having laid 110mm HDPE pipes and payment was effected yet the contractor had actually laid 90mm HDPE pipes. This was very unethical of the contractor and is contrary to the Code of Ethical Conduct for Bidders and Providers contained in Guideline No. 4/2003 of the PPDA Guidelines and is a fraudulent practice as defined under LG (PPDA) Regulations, 2006. 5. M/s Sualf Construction Ltd submitted an interim certificate of payment No. 2 amounting to Ugs. 200,512,680/=. This was verified by the Ag. District Engineer, Mr. Jaana Misisera. Upon review by the BTC Project Engineer, Mr. Jeef Ssozi Ssekimpi, it was realized that the contractor had invoiced several items that had not been done and these undone works had been verified and certified by the Supervisor Mr. Jaana Misisera. The certificate of payment was therefore reduced by Ugs. 44,112,000/=. The contractor again submitted a fraudulent claim for payment. 6. The contract worth Ugs. 431,605,747/= VAT exclusive was signed for Phase 2, however the value of works as per the BOQs 	<ul style="list-style-type: none"> • The Contractor, M/s Sualf Construction Ltd should reconstruct the pipeline for Phase 1 and 2 in accordance with the approved Bills of Quantities and designs of the Kikyo Gravity Flow Scheme. • The Accounting Officer should take disciplinary action against Mr. Jaana Misisera for altering designs and Bills of Quantities without seeking the necessary approvals from the Consultant who designed the scheme and the Contracts Committee. • Mr. Jaana Misisera should not continue supervising the contract while on study leave. The Head of the Works Department should nominate a contract supervisor with appropriate skills and experience in line with Regulations 119 (2 & 3) of the LG (PPDA) Regulations 2006. • The Contracts Committee should consider recommending blacklisting of M/s Sualf Construction Ltd in accordance with Regulation 60 of the LG (PPDA) Regulations 2006. • In bid to streamline the contract implementation of Kikyo Gravity Flow Scheme, the Accounting Officer of the Entity should clearly spell out the roles, linkages and the contractual obligations between the BTC

Findings:	Recommendations:
<p>attached amounted to Ugs. 369,468,887/=. The Authority noted that the revised BOQs had significant changes in terms of the pipeline sizes and pressure ratings. Mr. Jana Misisera made these changes without consulting his superiors yet the changes had financial and technical implications contrary to Regulation 105(8) of the LG (PPDA) Regulations, 2006.</p> <p>7. The Contracts Committee and PDU did not approve the revised BOQs. The Contracts Committee and PDU explained that their approval of the second phase was based on deducting the amount in Phase I from the original contract value of Ugs. 847,652,804/=. </p> <p>8. The Authority noted that the contractor implemented Phase 2 using the revised BOQs. The deviations from the approved engineering designs were noted as follows:</p> <ol style="list-style-type: none"> i. From reservoir tank No 3 to Break Pressure Tank 12, the contractor laid 1175m of 75mm HDPE PN 6 pipes contrary to the contract which specified 75mm HDPE PN 10 pipes as per the design and contractor's bid. ii. The section from BPT 12 to BPT 13 the contractor laid 548m 63 mm HDPE PN 6 pipes contrary to the contract which specified 75 mm HDPE to PN 6 pipes as per the design and the contractor's bid. iii. From BPT 13 the contractor laid 1948m of 63 mm HDPE PN 6 pipes contrary to the contract which specified 90 mm HDPE PN 6 pipes as per the design and contractor's bid. iv. From chain age 4+175 to chain age 6+055 the contractor laid 63 mm HDPE PN6 pipes contrary to the contract which specified 90 mm HDPE PN 10 as per design and contractor's bid. <p>9. The Authority in consultation of the report from M/s Warner Consultants who prepared the engineering design of Kikyo Gravity Flow Scheme noted that the changes in the pipe sizes and specifications would have significant impact on the intended objectives of the project.</p>	<p>Project Engineer and the District Contract Supervisor.</p>

Name of PDE:
Subject of Investigation: Recruitment of Rural Financial Services Programme Administrator Unit & UCSCU
<p>Background: The GOU with loan funding from the International Fund for Agricultural Development (IFAD) was implementing the Rural Financial Services Programme (RFSP) and they wanted to use the funds to contract a consultant for recruitment of positions in the Rural Financial Services Programme (RFSP). M/s JAVA Consultants Ltd emerged the best evaluated bidder. However, M/s Dama Consultants were dissatisfied with the evaluation process and they wrote to the Accounting Officer, Rural Financial Services Programme, MoFPED, expressing concerns about the procurement process. MoFPED wrote back explaining the process that had been followed but the complainant expressed dissatisfaction and wrote to PPDA requesting it to carry out an investigation into the procurement process.</p>

Findings:	Recommendations:
<ol style="list-style-type: none"> 1. The Rural Financial Services Programme (RFSP) received a no objection to the terms of reference (TORs) on 29th November 2007 from the World Bank. 2. The Authority noted that under use of Consultants' Qualification Selection (as prescribed by the Consultant's Manual, World Bank), which RFSP had set out to use, requires that upon evaluating the EOIs, a shortlist of firms meeting the requirements is established and from this shortlist, the best firm, with the most appropriate qualifications and references would be selected. 3. The RFP should only have been sent out to the best firm, requesting for a technical and financial proposal and thereafter invited to negotiate the contract. From the evaluation results of the EOIs, UNISIS scored highest and should have been the firm invited to submit technical and financial proposals. 4. In view of the above, the Authority finds that RFSP did not fully adhere to the requirements under use of Consultants Qualification Selection (CQS) as stipulated under paragraph 3.7 of the Guidelines on Selection and employment of Consultants by the World Bank Borrowers. May 2004, Edition and in so doing, the evaluation and award processes were not fully in accordance with the applicable legal provisions. 5. Approvals from MoFPED Contracts Committee: In as much as this procurement was to be guided by World Bank procedures, RFSP is required to follow national procedures, Paragraph 3 of the Programme Loan Agreement states as follows “ <i>procurement of consultant services financed from the proceeds of the loan shall be undertaken in accordance with the Borrower's national procedures, to the extent that they are consistent with the procedures of, and approved by, the cooperating Institution for the procurement of consultant services for similar projects.</i> In light of the above, it was observed that prior to the establishment of the delegated Contracts Committee; no approvals were obtained from the MoFPED Contracts Committee at the following stages: <ul style="list-style-type: none"> ○ Advert for the EOI ○ The evaluation report for the EOIs ○ The terms of reference for the consultancy ○ The bid document to be issued to bidders ○ The shortlist of bidders to be invited ○ The evaluation committee ○ The technical, financial and combined evaluation report 6. Delegation of functions: The function of communicating award decisions/ signing contracts is that of the Accounting Officer. The contract with M/s Java Consulting Ltd was signed by the RFSP Project Coordinator on behalf of the Client. There was however no evidence that this function had been delegated by the Accounting officer to the Project Coordinator, contrary to Regulation 63 (1) (c). 7. Evaluation Criteria: The evaluation criteria in RFP did not include the minimum qualifications required of each of the key professional staff, rendering the evaluation criteria incomplete. For example, the 	<ol style="list-style-type: none"> 1. MoFPED should ensure that projects within their Ministry are given guidance on implementation of the PPDA Act and Regulations, 2003. Procurements and disposals under programmes such as RFSP should be channeled through the MoFPED procurement and disposal structures such as the Accounting Officer, Contracts Committee and Head of PDU unless delegation has been authorised in accordance with Regulation 39 of the PPDA Act, 2003. 2. Procurements and disposals of Programmes/projects that fall within the arm pit of the Ministry should be channeled through the MoFPED procurement structures such as the Accounting Officer, Contracts Committee and the Procurement and Disposal Unit as required under the Public procurement and Disposal of Public Assets Act, 2003. 3. Where MoFPED intends to delegate to the Programmes/projects, the provisions under Regulations 62 to 74 of the Public procurement and Disposal of Public Assets Regulations, 2003, should apply. 4. The RFSP through MoFPED should make arrangements for procurement and disposal training by PPDA of the

Findings:	Recommendations:
<p>academic requirements, professional qualifications and minimum experience required of each of the key personnel should have been indicated in the bid data sheet. Failure to specify such qualifications is bound to lead to subjectivity at the evaluation stage in addition to Consultants submitting non responsive bids.</p> <p>8. Notice of best evaluated bidder: The notice of best evaluated bidder was issued more than two months after the contract had been entered into with M/s Java Consulting Ltd. The notice of best evaluated bidder is required to be displayed within five days of the decision of the CC to award a contract in accordance with Reg. 224 (1). Reg. 224(5 &6) also requires that the notice is sent to all bidders and proof of receipt is obtained.</p>	<p>delegated Contracts Committee as well as other staff of RFSP to enable the different players execute their duties as required under the PPDA Act, 2003.</p>

Name of PDE: Rakai District.	
Subject of Investigation: Collection of Trading Licences in Kyotera Town Council, Rakai District.	
Background: Rakai District was procuring a firm to collect Trading Licenses for Kyotera Town Council. M/s Nabbale Enterprises Ltd wrote to the CAO Rakai District contesting the results after the best evaluated bidder notice was displayed. When the CAO failed to respond to M/s Nabbale Enterprise's complaint, they complained to PPDA.	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1. By 13th February 2009 at 10.00 a.m, the designated closing time for the tenders for collection of trading licences in Kyotera Town, as per the advert in The New Vision of 22nd January 2009, only one firm, M/s Nabbale Enterprises had submitted a bid. 2. The Accounting Officer issued an addendum on 20th February 2009, 7 days after the expiry of the deadline for submission contrary to Reg. 67 (6) which requires that any extension of the bidding period is issued where more than one third of the bidding period is remaining. 3. The Authority notes that the addendum was issued outside the designated period. Therefore, the addendum was invalid and all bids received after 13th February were irregularly received. The bids from M/s V.K Transporters and M/s Kobs after were submitted outside the designated date and time of submission. 4. M/s V.K. Transporters and M/s Kobs paid for the bids on 21/02/2009 and 4/03/2009 respectively and submitted their bids on 4th March 2009. This was 19 days after bid closure contrary to Reg. 70 (7 & 8) states that a bid that arrives at the location of submission after the latest time and date for submission of bids shall not be accepted. The bid for M/s V.K. Transporters arrived after closure of bids and therefore it should not have been accepted, neither should it have been evaluated and the bidder awarded the tender. Subsequently, the bid for M/s V.K. Transporters was invalid and the district should not have entered into a contract with an illegal bidder. Equally, the contract signed with the M/s V.K. Transporters was illegal and therefore it is null and void. 	<ol style="list-style-type: none"> 1. In accordance with Reg. 120 (14, 15 and 16), the contract should be nullified and the procurement should be re-tendered. The contract between the District and M/s V.K. Transporters was illegally constituted. In other words, the contract is null and void under the PPDA LG Regulations (2006). 2. The AO should take appropriate disciplinary action against the Ag. Head PDU, Mr. Charles Zimaze, for the following reasons:- <ul style="list-style-type: none"> o Failure to conduct the pre-bid meeting and bid opening as scheduled contrary to Reg. 68 and 71; o Issuing an addendum without CC approval contrary to Reg. 67(8); o Failure to fulfill his responsibilities as Head, PDU, contrary to Reg. 25 (a, b, f, n, p), Reg 25 (2c), Reg. 17(c) and Reg. 70(9); and o Individually soliciting for bids after closure of bid submission. 3. The AO should take appropriate disciplinary action against the Evaluation Committee for awarding wrong scores to bidders and for mismanaging the evaluation process.

Findings:	Recommendations:
<p>5. Although the CAO denied having received M/s Nabbale's letter/complaint, her Secretary acknowledged receipt of the letter. Therefore, there was enough evidence to implicate the District officials particularly the AO for failure to respond to M/s Nabbale's complaint. The Authority notes that the AO failed to investigate M/s Nabbale's complaint as required under Reg. 14(g), hence M/s Nabbale was not given a fair hearing by the CAO.</p> <p>6. There were irregularities and inconsistencies in the evaluation. The bids were not subjected to the preliminary examination, then technical evaluation and finally financial evaluation in accordance with the LG Guidelines, 2008 and Reg. 77(3).</p> <p>7. The CC usurped the powers of the Evaluation Committee by re-evaluating the bids contrary to (Reg. 18 (9) and 13(4) of the LG PPDA Reg. 2006 and Reg. 52 of the PPDA Act 2003 which states that where the CC disagrees with the PDU, it should reject or return the submission to the PDU for review.</p>	<p>5. The AO should caution the CC members for usurping the powers of the Evaluation Committee and for altering the evaluation report contrary to Reg. 13.</p> <p>6. The Town Clerk should forthwith prepare their work plan and submit it to the PDU for incorporation in the consolidated procurement plan at the District as per Reg. 62.</p> <p>7. The AO takes responsibility for the mismanagement of the procurement process for the collection of Trading Licenses in Kyotera Town Council contrary to Reg. 14.</p> <p>8. The Permanent Secretary, Ministry of Local Government, should take appropriate disciplinary action against Mr. Edward Galabuzi, CAO Rakai, for failing to investigate the complaint lodged by M/s Nabbale Enterprises contrary to Reg. 14(g).</p>

2.3 Contract Audits

Name of PDE: Kampala City Council	
Subject of Investigation: Management of the Taxi Parks and Breach of Contract Agreement Between UTODA and Kampala City Council	
Background: PPDA received a complaint from Commercial Taxi Owners Transport Development Association (COTODA) on the mismanagement of the taxi parks and breach of agreement between UTODA and KCC.	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1. There were no documents for the procurement process, like procurement planning, initiation of bids, evaluation report and notice of award of best evaluated bidder notice on file. 2. Contracts Committee minutes were not available. 3. The process of awarding the contract to UTODA was not done in a competitive manner. 4. There were several letters and communication on file indicating that UTODA was not remitting the monthly dues as required. The process was not cost effective considering that the contractor was in arrears for a whole year. 5. There was no competition sought after every expiry of the UTODA contract contrary to procurement requirements. 6. After expiry of the contract in 2000, the Secretary Tender Board, KCC advised that the contract is re-advertised with a reserve price of 300 million but his advice was not implemented. 7. The Director Finance (Contract Manager) reviewed the performance of UTODA contract and submitted a report 	<ul style="list-style-type: none"> • The Accounting Officer (i.e. Town Clerk-KCC) should invoke clause 15 of the contract and terminate the contract since UTODA has committed a breach as provided under clause 15.1.1 on its monthly payment obligations. Termination of the contract should be in accordance with Local Government (PPDA) Regulation 120 (15) & (16) and clause 15 of the contract as signed on 5th December 2005 and recover the balances owed by UTODA. • The Authority recommends that three months notice of

Findings:	Recommendations:
<p>recommending that the renewal of the contract on condition that:</p> <ol style="list-style-type: none"> a. All arrears are fully paid by the expiry date of the contract, if not, this negates the intended renewal. b. UTODA pays the contract sum at least two months in advance as the council policy now requires. c. UTODA deposits a bank guarantee, equivalent of two months of the contract sum; and d. A new contract is drawn putting in place more feasible ways of ensuring that the contractor does not abscond from any of the mandatory duties. <ol style="list-style-type: none"> 8. Despite the above, the Mayor and the Town Clerk went ahead to renew the contract when the conditions recommended by the contract manager were not fulfilled. 9. Although there was a letter on record informing UTODA of the renewal of the contract for 5 years dated 25/11/2005, and a meeting held by the Kampala District Tender Board on 14/11/2005, the record of these minutes were not availed. 10. The letter required that UTODA indicates in writing within seven days if the conditions (above) are acceptable to them. No response was seen on file. The communication to UTODA was signed by the Secretary Kampala Tender Board instead of the Accounting Officer. 11. The current contract document between KCC and UTODA was an extension of an already existing contract, however the audit team could not establish if the previous procurement and contracting process was handled in accordance with procurement rules and procedures. 12. By August 2007, UTODA contract was not performing well and a notice of termination of contract was submitted to the Chairman of UTODA by the Town Clerk. However, the contract was not terminated after the intervention of the Minister of Local Government in a meeting convened between UTODA and KCC on 13/09/2007 with new deadlines. 13. Four months after the notice of termination of the UTODA contract, KCC made a report on the UTODA performance from July 2007 to November 2007, to the Permanent Secretary MOLG. The reports pointed out UTODA owed KCC Shs.2,331,546,000. Over the same period, UTODA paid Shs.386.7 million out of the expected arrears of Shs.520 million. 14. The Authority also noted that the Minister of Local Government in a letter dated 14/12/2007 informed UTODA Chairman that “Unless you make a deliberate and serious effort to pay arrears of Shs.2,308,346,000 to KCC within three months, I shall be left with no option but to advise KCC to terminate your contract and we shall not discuss this matter with you any more” the Minister concluded. However, performance of UTODA from July 2007 – March 2008 showed that UTODA still owed KCC 2.165 billion and the contract was still running. 	<p>termination be given to UTODA and KCC immediately commences on the procurement process for the management of taxi parks under a competitive process that should be finalized by the elapse of the three months.</p> <ul style="list-style-type: none"> • KCC should ensure that a provision is included in the bid document that; ‘eligibility to participate in the bidding process is for all firms and their company directors that do not owe KCC any outstanding money (debts)’. • In order for KCC to safeguard the revenue remittances, money from the taxis should be directly paid onto KCC account. Then the obligation will be on KCC to pay the contractor the monthly dues for enforcement. This should be on agreed clause in the contract. • Given the census undertaken and the statistics from revenue on vehicles, it is clear that the number of taxis operating in the country and more especially in Kampala City has increased. This calls for revision of monthly fees to be paid to KCC. • The Town Clerk should always ensure that a performance security is issued by the awarded bidder before the contract is signed in accordance with the provisions of Regulation 102 of the Local Government (PPDA) Regulations, 2006.

Findings:	Recommendations:
<p>15. UTODA Chairman later wrote to KCC Town Clerk in May 2008 requesting for reconciliation of contract payments. It was stated in the letter that UTODA had cleared all their dues for January, February and March 2008. However, the Authority noted that not all the amounts due for above dates were paid. The Authority notes that the accumulation of unpaid amounts was a breach of clause 3 of the contract that required UTODA to pay the Council a monthly contract fee of Shs.290,000,000.</p> <p>16. The Authority was presented with documents showing that a position was reached between KCC and UTODA to remit Shs.96 million monthly on arrears in addition to the contracted monthly amount of Shs.290 million.</p> <p>17. An account of the remittances to KCC from Jan 2008-Aug 2008 was presented to the Authority and the following observations were made:</p> <ul style="list-style-type: none"> e. Shs.652.2 million was remitted for the 8 months on arrears instead of Shs.768 million leaving a deficit of Shs.115.8 million on what was expected to be paid on arrears. f. Out of 2,320,000,000 expected for the 8 months remittances on the contract monthly payments, Shs.2,011,113,500 was paid leaving a deficit of Shs.308,886,500. At this rate, UTODA needs not less than 32 months to clear the outstanding arrears. g. The Authority concluded that UTODA failed to fulfill their obligations on the contract payment and payments on arrears. <p>18. The Authority also noted that the taxi operators pays the money into a UTODA account and not KCC account. Therefore, it is upon UTODA to decide from the monthly collections how much is to be remitted to KCC.</p>	

Name of PDE: Ministry of Education and Sports	
Subject of Investigation: Supply of Various Goods for the Establishment of 24 Seed Secondary Schools by Ministry of Education and Sports	
Background: The Ministry of Education received funds from ADB under the Support to the Post Primary, Education and Training project for the establishment of 24 new Seed Secondary Schools and 1 Special Needs School. The Ministry of Education invited prospective bidders for civil works tenders (construction of new schools) in 7 Lots at the same time tenders for supplies (laboratory reagents – lot 1, laboratory equipment –lot 2, furniture – 3 and textbooks lot 4-7) in 7 lots to equip the schools on completion of construction. PPDA received a complaint from DRC Medical requesting for a review of bids.	
Findings:	Recommendations:
<p>1. The Authority established that the planning and procurement process for the support of the establishment of the new 25 Seed Secondary Schools was carried out in accordance with ADB Rules of Procedure for the Procurement of Goods and Services. However, it is required that where the provisions of the PPDA Act do not conflict with the provisions of the financing</p>	<ul style="list-style-type: none"> • The terms and conditions of the signed contract between the Ministry of Education and Streamline Services Limited should be adhered to.

Findings:	Recommendations:
<p>agreement, the procuring Entity would at the same time apply the PPDA rules and regulations. Having a fully signed evaluation report by the members of the evaluation team was an omission committed during the procurement process.</p> <ol style="list-style-type: none"> 2. The Authority established that the funding agreement stated that the procurement will be managed by the rules of ADB. This was not in the bidding document issued but was stated in the public bid notice issued in the East African Newspaper section 4 that stated that “The Instructions to bidders and general conditions of the contract contained in the bidding documents for Goods comply with the Bank’s standard Bidding Documents for the procurement of Goods, July 2000”, thus, the request for an administrative review under the PPDA rules was in conflict with Section 4 of the PPDA Act, 2003, hence the ADB complaints procedure should have been applied. 3. The Authority established that ADB rules on notification to unsuccessful bidders was communicated after signing of contract and receiving of performance guarantee from the successful bidder as in section 3.4.1 of the ADB rules of procedure. 4. The Authority established that the contract for supply and delivery of laboratory equipment was conducted under the ADB procurement rules of procedure that were followed as required. No objection of the bid document and evaluation report was received from ADB. 5. The complainant failed on original registered or notarised Power of Attorney to the signatory of the bid with sample signature, since it was the requirement in the bid document. The Authority did not find merit in the complaint by DRC Medical. 	<ul style="list-style-type: none"> • The Authority will conduct a performance audit for all the 7 lots of civil works and 7 lots of supplies in all the 25 beneficiary schools not later than March 2009.

Name of PDE: Ibanda District	
Subject of Investigation: Construction of Ibanda Town Water Supply and Sanitation Scheme-Pipeline & Building Works	
Background: The Authority conducted an investigation into the evaluation process for the construction of Ibanda Town Water Supply and Sanitation Scheme where M/s Block Technical Services was awarded a tender at an estimated value of UGX 2,552,224,382/=. As a follow-up, a contract audit was instituted to review its implementation and performance.	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1. The Authority observed that WSDF, a project under MOWE, should have used the Ministry procurement structures, namely, AO, CC and PDU for this procurement rather than the structures of Ibanda District since these did not have delegated authority from the Accounting Officer, MOWE. 2. The Project Manager explained that the use of District procurement structures was allowed in the financing agreement between the WSDF and Federal Republic of Austria. There was no evidence availed to the audit team to collaborate this. 3. The signed contract was between GOU represented by MOWE, and the provider. However, the CAO Ibanda and the Facility Manager, Herbert Nuwamanya, signed the contract without delegated authority from the Permanent 	<ol style="list-style-type: none"> 1. The AO should ensure that he spells out the extent of delegation of his procurement functions to the Facility Manager-WSDF and to the Districts in accordance with Reg. 62(a)(ii) of the PPDA Reg. 2003. 2. Contract out the procurement functions of the Ministry’s CC, PDU, or user department to the respective District procuring and disposing entities in accordance with Reg. 62(b)(i) of the PPDA Reg. 2003. The AO is advised to also refer to Regulations 75,78 and 79 of the PPDA Reg. 2003.

Findings:	Recommendations:
<p>Secretary, MOWE.</p> <ol style="list-style-type: none"> 4. The Facility Manager kept the contract management records and none of them were at the PDU. This implied that the Entity was not abreast with the project implementation. 5. At the time of investigation (September 2008), the contractor had completed the project and the works were under the defects liability period. 6. The construction works were properly executed and according to the technical specifications, drawings, bills of quantities and conditions of contract as per signed contract. There were no defects detected by the audit team for the components inspected. 7. The contract completion date was illegally extended which resulted into failure to evoke the liquidated damages' clause. 8. There was failure of the contract to provide the insurance cover in joint names of the employer and the contractor contrary to clause 13 of the general conditions of contract. 	<ol style="list-style-type: none"> 3. The Manager, WSDF should ensure that all contracts are executed in accordance with the terms and conditions specified in the contract. 4. It was recommended that upon receipt of this report, the Accounting Officer, MOWE was to organise a meeting between the Ministry and PPDA to discuss and streamline the procurement linkages among the Ministry, the Local Governments and WSDF.

Name of PDE: Ministry of Education & Sports	
Subject of Investigation: Construction of Sampled Seed Secondary Schools by Ministry of Education & Sports	
Background: PPDA received complaints from various individuals citing irregularities in the construction of Seed Secondary Schools by Ministry of Education and Sports (MoES). The major areas of concern included unrealistic high rates for these projects, lack of compliance to the terms and conditions of the contract between the MoES and the contractors, sub-contracting of contracts and poor supervision of works.	
Findings:	Recommendations:
<ol style="list-style-type: none"> 1. There was minimal involvement of the Districts by the parent Ministry during the construction of seed schools. The Districts were only involved at the initiation stage to agree on the sites but District Engineers were not used in developing the bills of quantities (BOQs). 2. The Ministry did not release the BOQs and the contracts for the construction works to the District Engineers and/or the Districts. As a User Departments, the role of the District or supervision by the District Engineer was minimal because they did not have the BOQs/contract(s) for the works. Contract management therefore was mainly the role of the Ministry. 3. Although Section 7 of the General Conditions of the contract spelt out that “the contractor may subcontract with the approval of the project manager...” it did not state that all the works can be subcontracted. Lack of technical personnel was a big challenge to the Ministry. Most contractors lacked qualified personnel to carry out the job and even when work was sub-contracted, the Ministry found it hard to reprimand the Contractors because they denied the accusation that they were sub-contracting. 	<ol style="list-style-type: none"> 1. The Accounting Officer/ Permanent Secretary should caution the Assistant Commissioner in charge of the Construction Unit for poor supervision of this contract. 2. Districts, as user departments and direct beneficiaries, should be involved in the initiation of the procurements in accordance with Section 34 (b&c). 3. Contract management should be transferred to the user department in accordance with Reg. 258 and Section 34 (g,h,i,j) of the PPDA Act, 2003. The appointed contract managers should always stick to the terms and conditions of

Findings:	Recommendations:
<p>4. Some contractors did not use the recommended materials stated in the bid document. There was no evidence on file that the supervising engineer authorized the changes. There was no evidence to prove that the supervising engineer had raised the observations. This was noted as likely poor contract supervision on the part of the ministry to which caution should be taken at time of certification of the works.</p> <p>5. The building materials used during the construction, e.g sand and bricks, were sub-standard. This led to shaky and weak walls especially when pressure was exerted by the audit team.</p> <p>6. The District Engineers were not fully involved by the Ministry and therefore could not take full supervision of the construction of seed schools. For this reason, the District also could not take ownership and this was seen to be more of the Ministry's Project.</p>	<p>the contracts.</p> <p>4. The Ministry should develop thresholds in their procurements whereby huge projects above a certain figure are handled by the Ministry while the district handles smaller projects.</p> <p>5. The Ministry should come up with agreed standards for works such that the districts are given the autonomy to implement projects while the Ministry plays a supervisory role.</p>

2.4 Follow-ups on Procurement Audit and Investigation Recommendations

The Authority planned to conduct procurement audit and investigation follow-up in 24 entities. However, the Authority conducted thirty four (34) follow-up activities as indicated here below:-

The performance rating of the follow-up was calculated using the formulae below:

$$\frac{\text{No. of recommendations implemented by the entity}}{\text{Total No. of recommendations issued to the entity}} \times 100\%$$

Performance Rating

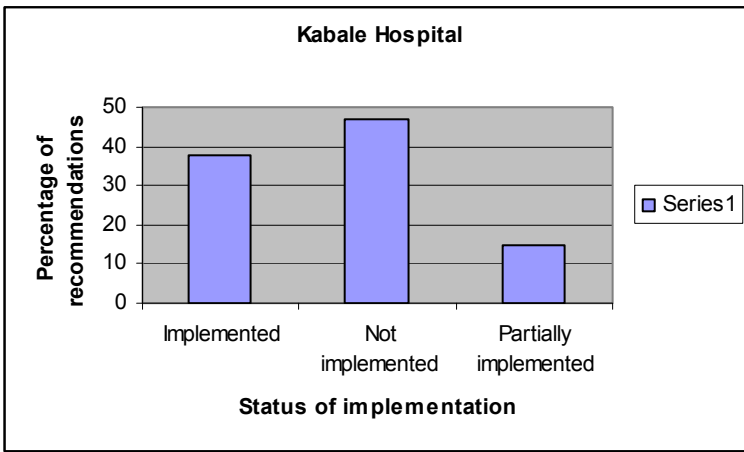
Above 80%	Highly Satisfactory (HS)
60 – 79%	Satisfactory (S)
40 – 59%	Moderately Satisfactory (MS)
Below 40%	Unsatisfactory (U)

2.4.1 Procurement Audits

KABALE HOSPITAL

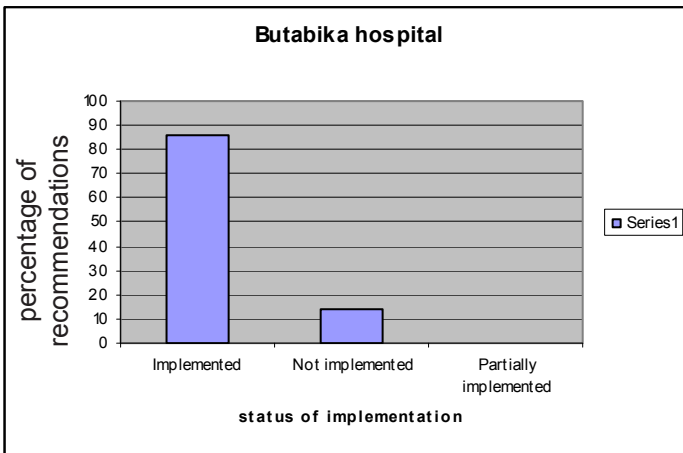
Of the 13 recommendations made to Kabale Hospital, 5 (38%) recommendations were implemented, 6 (47%) were not implemented and 2 (15%) were partially implemented. The recommendations that were not/not fully implemented were:

- The Senior Hospital Administrator still carried out functions of the PDU.
- There was no evidence that the Accounting Officer had cautioned the Senior Hospital Administrator as regards interfering in the procurement process.
- The bidding documents still did not contain the evaluation criteria.
- The entity was still not using the PPDA Standard Bidding documents.
- Procurement referencing was still lacking.



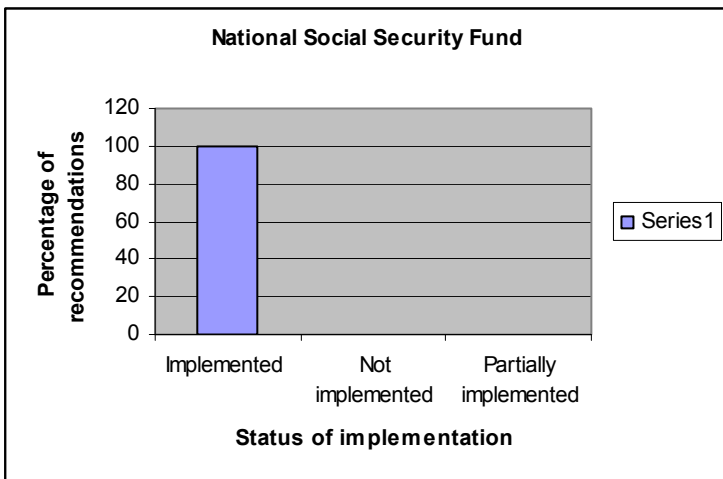
BUTABIKA HOSPITAL

Of the 7 recommendations made, Butabika Hospital implemented 6 (86%) of the recommendations, while 1 (14%) was not implemented. These were recommendations that were to be effected in January 2009. These included framework contracts for supply of non medical sundries on emergencies and direct procurements, framework contract for supply of foodstuffs.



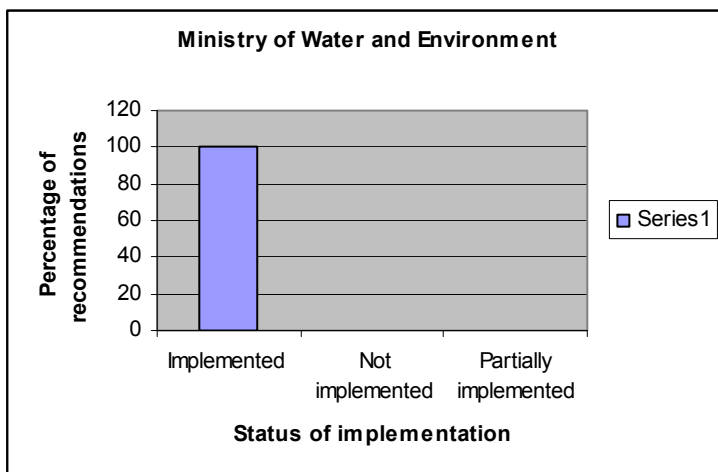
NATIONAL SOCIAL SECURITY FUND

Thirteen recommendations were made from the findings for the audit. All recommendations (100%) were fully implemented.



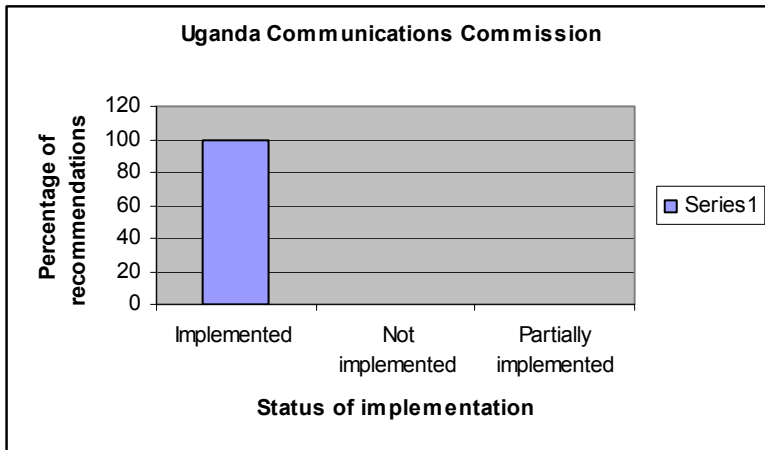
MINISTRY OF WATER, LANDS AND ENVIRONMENT

A number of recommendations were made. In total, 80 recommendations were made to the then Ministry of Water, Lands and Environment and all 80 recommendations (100%) were reported to have been implemented.



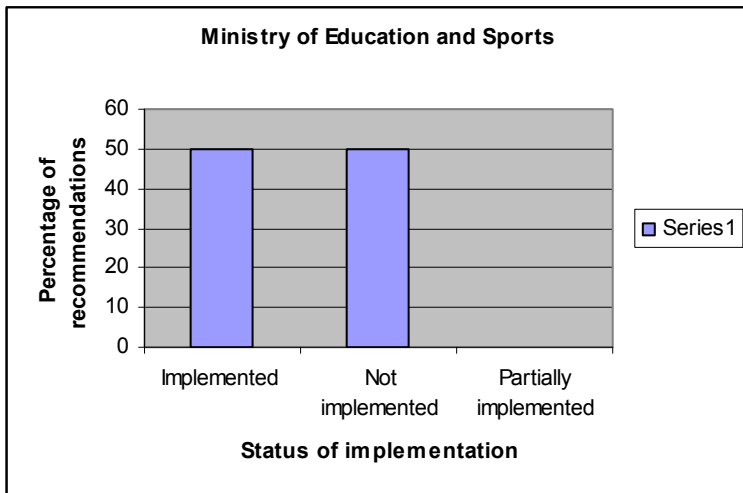
UGANDA COMMUNICATIONS COMMISSION

The Authority noted that UCC had implemented 8 (100%) of the recommendations from the audit findings.



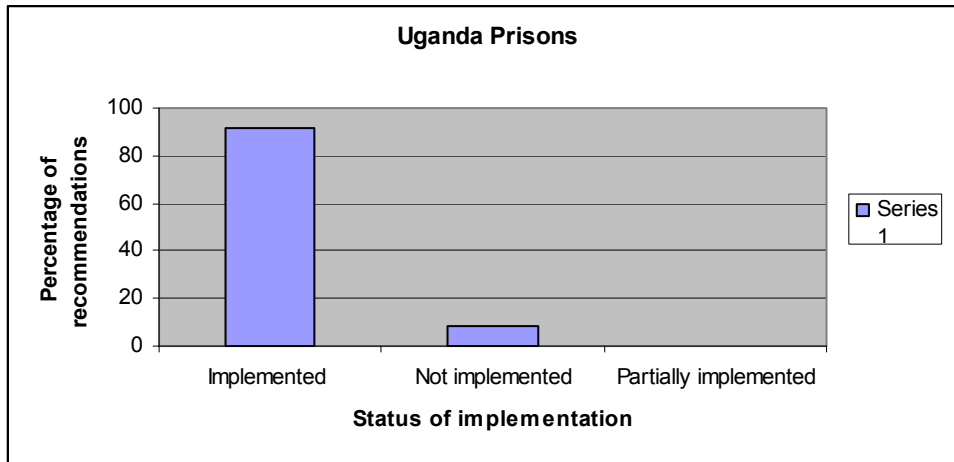
MINISTRY OF EDUCATION AND SPORTS

Of the 8 recommendations made, the ministry had only implemented 4 (50%) and not implemented 4 (50%).



UGANDA PRISONS

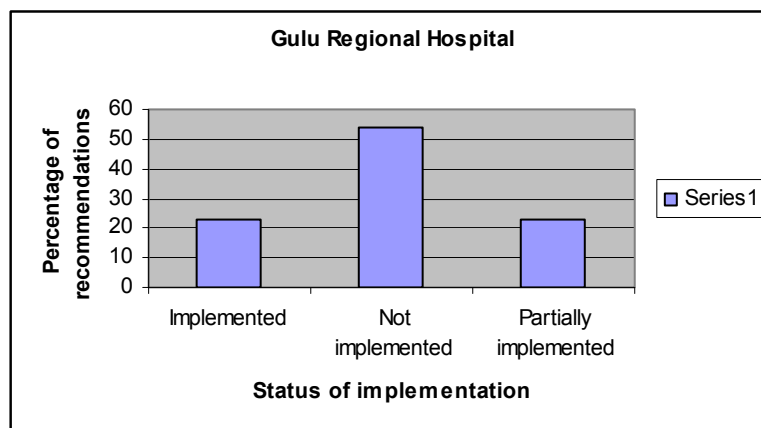
Of the 12 recommendations made, Uganda Prisons implemented 10 (92%) of the recommendations and did not implement 1 (8%).



GULU REGIONAL REFERRAL HOSPITAL

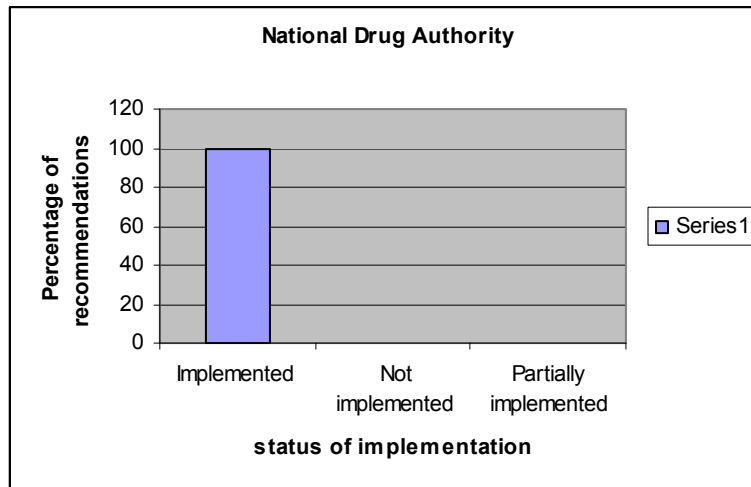
Of the 13 recommendations, Gulu Regional Referral Hospital implemented 3 (23%), 7 (53.8%) were not implemented while 3 (23%) were partially implemented. PPDA observed that:

- The entity had not prepared the procurement plan for FY 2007/08;
- Non pre-qualified providers continued to be invited to bid;
- the hospital did not pre-qualify providers to supply meals, rubbish collection and computer servicing;
- The Accounts Department continued to perform some functions of the PDU;
- The purchase of fuel was still not handled by the PDU;
- The entity had only six (6) complete procurement action files;
- Contracts Committee proceedings were not recorded as required by Reg. 53;
- The PDU did not have a notice board specific to procurement and disposal information.
- The entity had not yet requested for specialized training from the Authority.



NATIONAL DRUG AUTHORITY

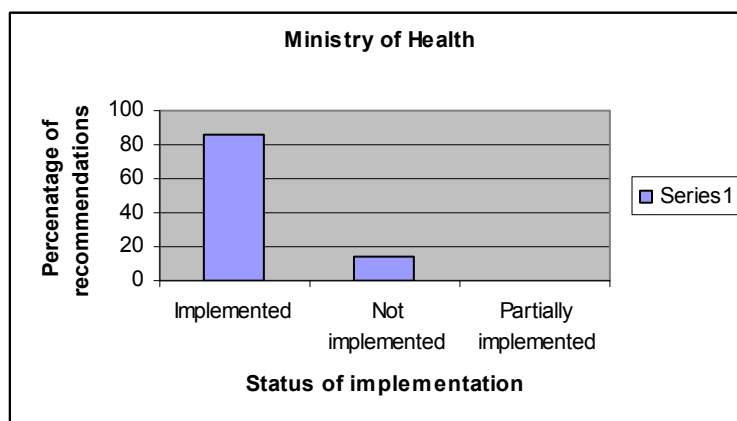
The Authority observed that the entity implemented all the audit recommendations and its percentage rating in terms of implementation status was 100%.



MINISTRY OF HEALTH

The Authority observed that the Ministry implemented 12 (86%) of the audit recommendations and did not recommend 2 (14%). Areas of action not implemented included:-

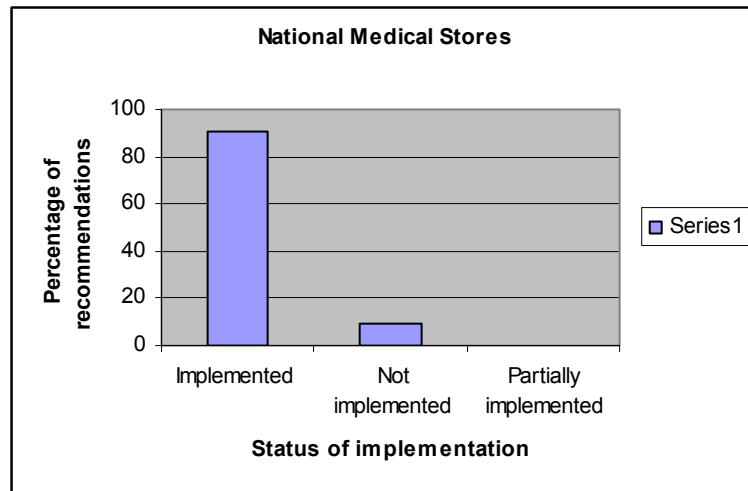
- The Ministry had not responded to the audit report despite numerous reminders from PPDA; and
- The Ministry made changes to a contract after it had been cleared by the Solicitor General without issuing an addendum. PPDA requested for an addendum to the contract from the entity but this had not been submitted.



NATIONAL MEDICAL STORES

The Authority noted that National Medical Stores implemented 10 (91%) of the recommendations and did not implement 1 (9%) of the recommendations. The following, however, was still pending:-

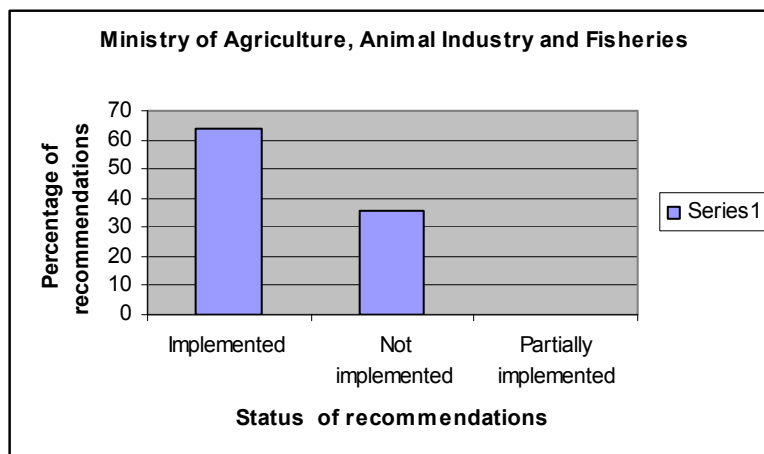
- The Head of Stores, Marketing and Operations who is responsible for identification of requirements and quantification of drugs was still the Chairman of the Contracts Committee.



MINISTRY OF AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES

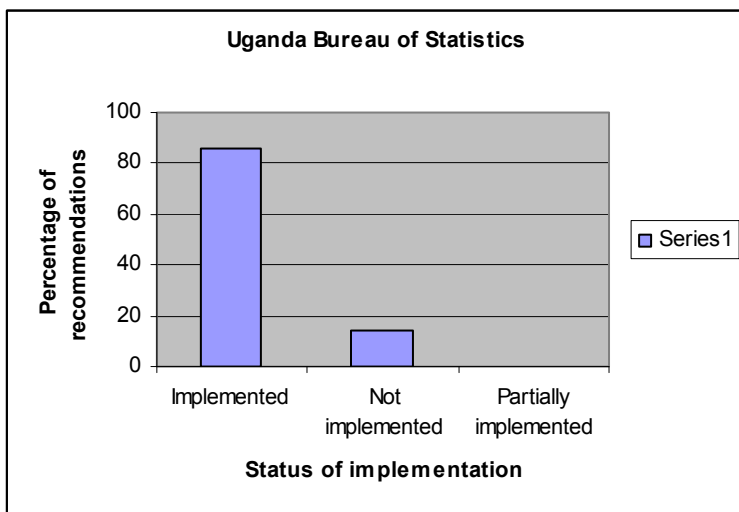
It was observed that the Ministry implemented 9 (64%) of the action areas recommended by the PPDA. However, the following audit recommendations were still pending:-

- The Accounting Officer did not caution the Project coordinators of the following projects for meddling in the Ministry's procurement process – Plan for Modernisation of Agriculture, North West Small Holder Agriculture Development Project and Animal Production and Marketing.
- The Project Co-coordinator of Vegetable Oil Development Project did not submit a report to PPDA concerning the procurement of sun flower seeds as requested.



UGANDA BUREAU OF STATISTICS

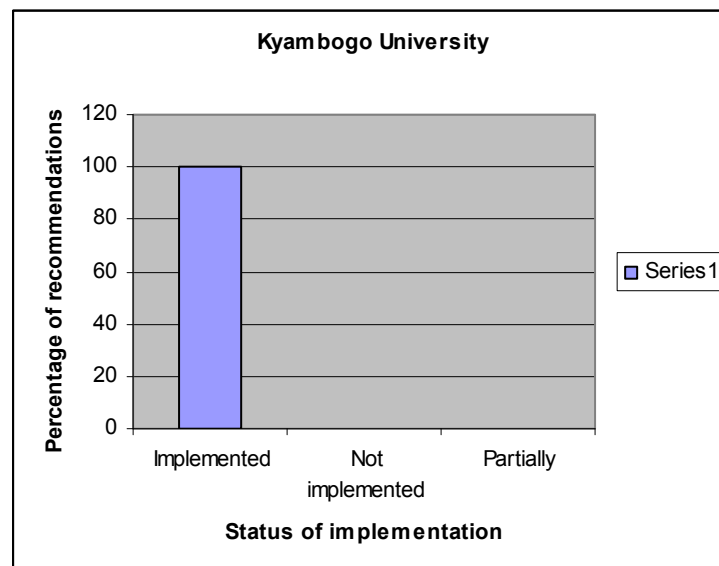
Uganda Bureau of Standards had implemented 6 (86%) of the recommendations. However invoices especially for micro procurement were still not available on file.



2.4.2 Investigations

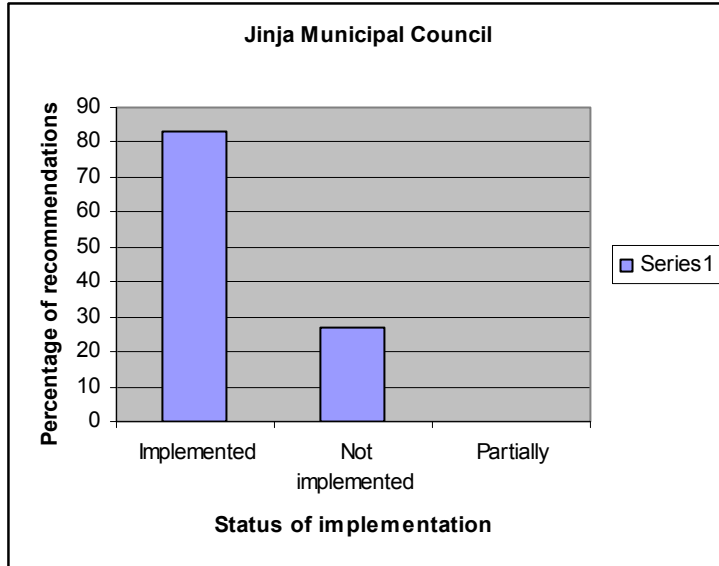
KYAMBOGO UNIVERSITY -Investigation into the procurement of computers and accessories.

Of the 3 recommendations made from the findings of the investigation. All recommendations 3 (100%) were fully implemented.



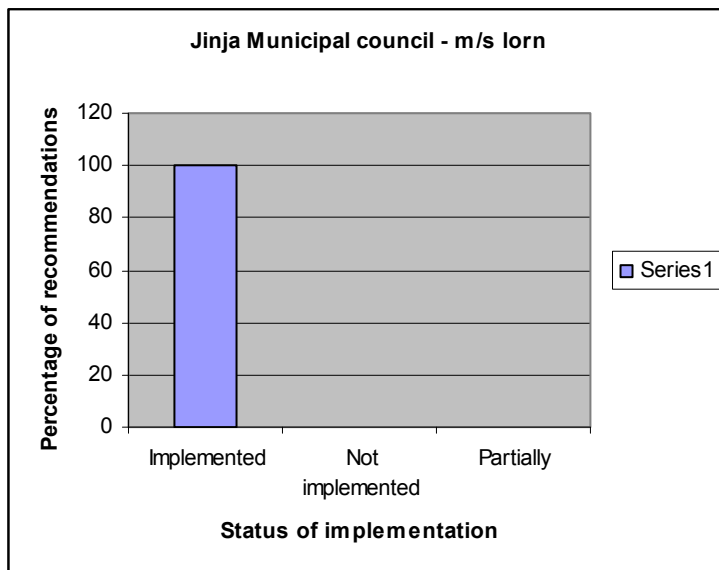
JINJA MUNICIPAL COUNCIL - Tender for management and collection of revenue for Day Street Parking

Out of the six recommendations made arising out of the investigation findings, 5 (83.3 %) were Implemented. The recommendation requiring the Accounting Officer to caution the Contracts Committee members for abdicating their duty of authorizing the solicitation document before issue had not been implemented.



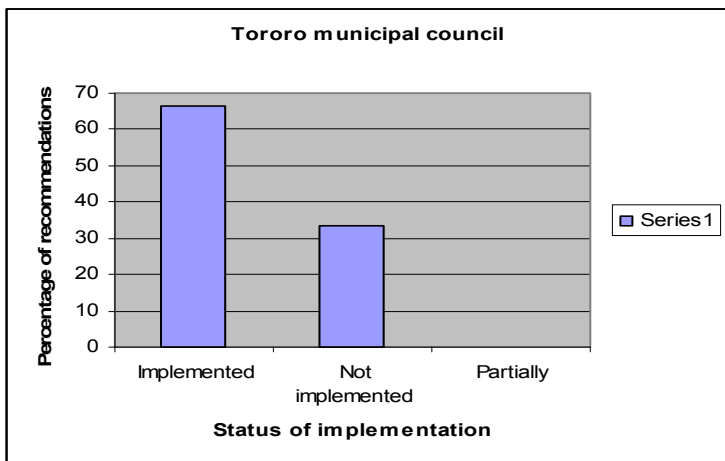
JINJA MUNICIPAL COUNCIL – Complaint by M/s Lorn on tendering process of Abattoir and Bus Park

Three recommendations were made to Jinja Municipal Council regarding this investigation. All three recommendations (100%) were implemented by the Municipal Council.



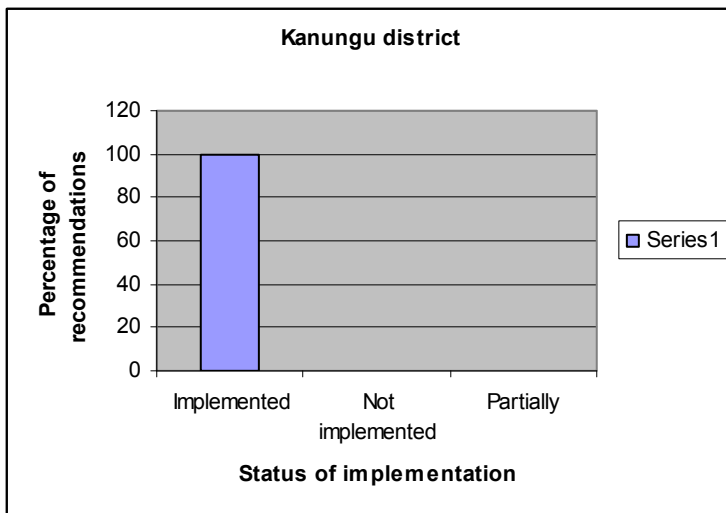
TORORO MUNICIPAL COUNCIL - Investigation for tender for revenue collection from Taxi and Bus Park

Three recommendations were made to Tororo Municipal Council regarding this investigation. Two recommendations (66.6%) were implemented by the Municipal Council. These were to re-advertise the tender for revenue collection from Tororo Municipal Taxi and Bus Park and in the interim take over collection of revenue from the taxi park and bus park. There was no evidence that the Permanent Secretary, MoLG had taken disciplinary action against the Ag. Town Clerk for signing a contract with an illegal company.



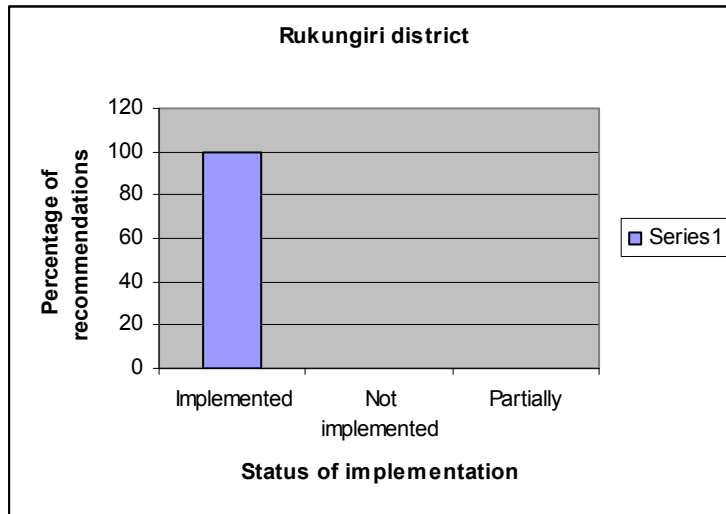
KANUNGU DISTRICT – Kihihi Town Council - Management Contract for Water Supply System for Kihihi Town Council

Two recommendations were made and these were fully implemented by the Town Council.



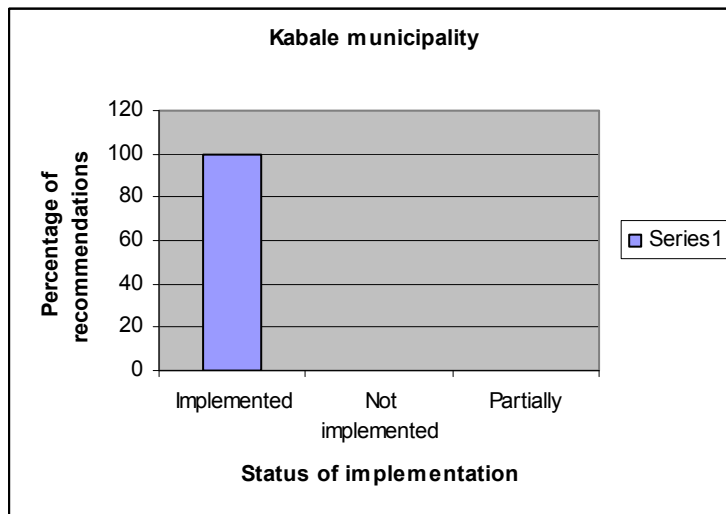
RUKUNGIRI DISTRICT - Sale of Rukungiri Inn and Associated plots

Five recommendations were made and all five had been fully implemented by the District.



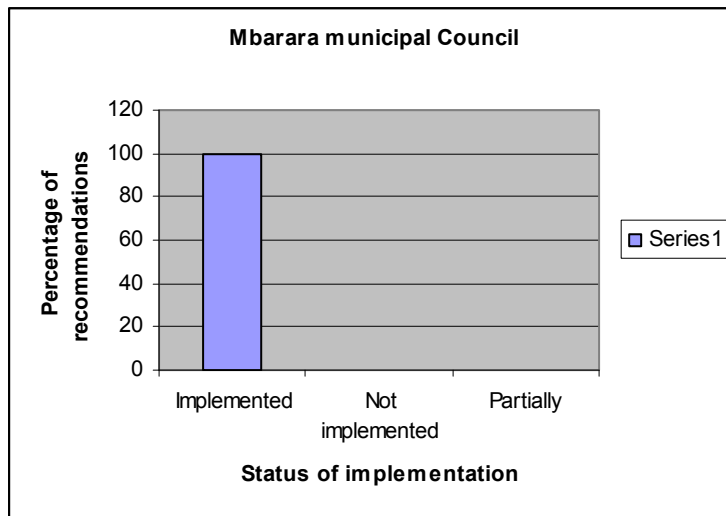
KABALE MUNICIPAL COUNCIL – Management of Taxi/Bus Park

Three recommendations were made and all three have been fully implemented by the Council.



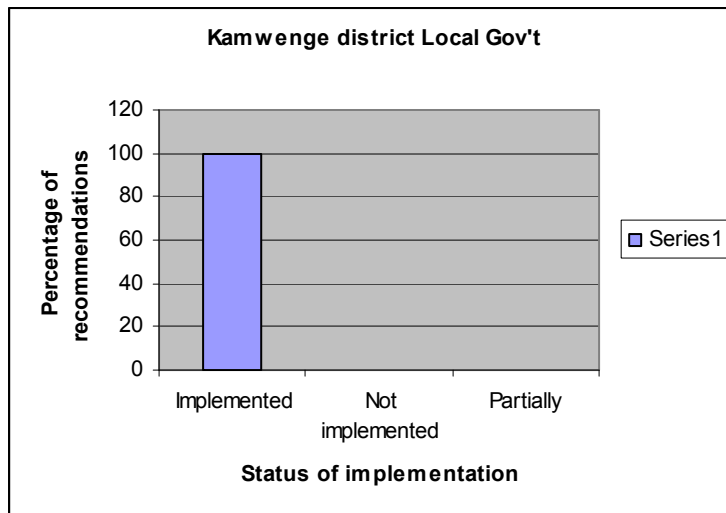
MBARARA MUNICIPAL COUNCIL - Tender to enforce property rates

Three recommendations were made and all three have been fully implemented by the Council. However the Accounting had not communicated to the Authority on the status of the recommendations as required under Regulation 5(4) of the LG (PPDA) Regulations, 2006.



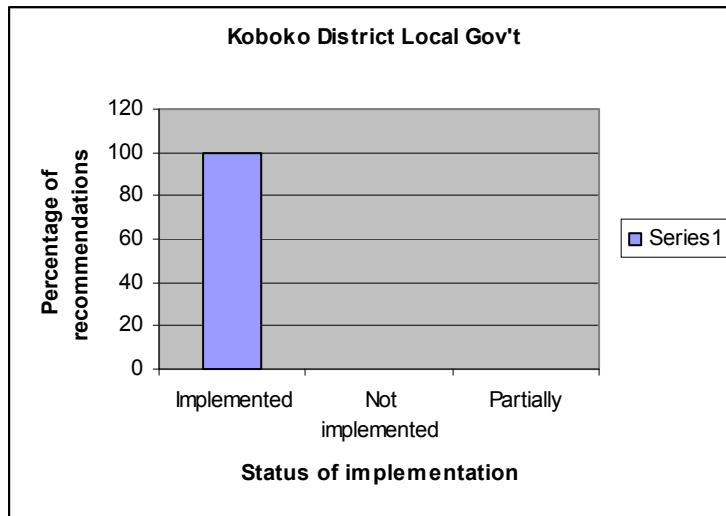
KAMWENGE DISTRICT - Procurement of a provider for completion of Kamwenge Town Council Offices

Three recommendations were made and all three have been fully implemented by the Council.



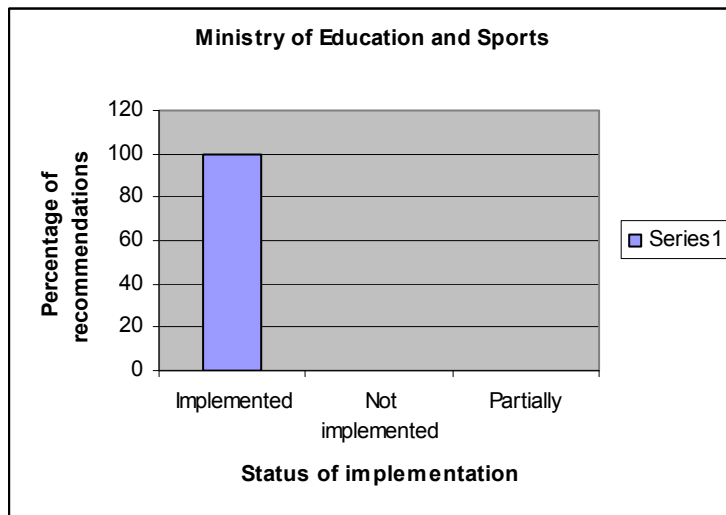
KOBOKO DISTRICT LOCAL GOVERNMENT - Koboko Town Council: Tender for Revenue Collection from Grade 'A' Markets

Three recommendations were made and all three have been fully implemented by the Council.



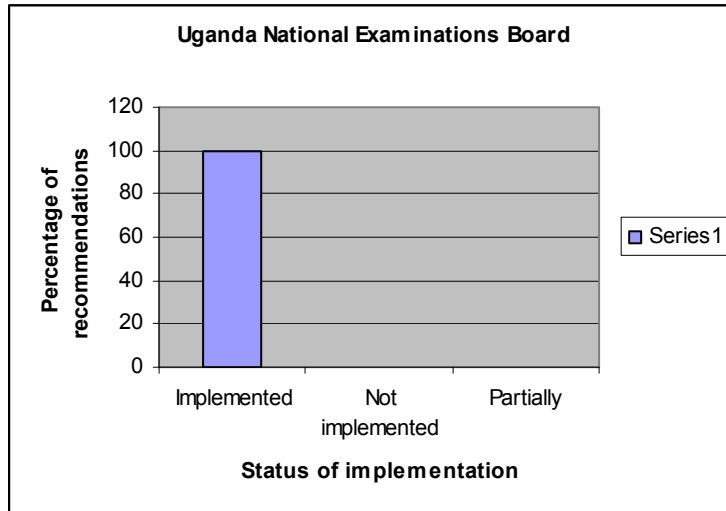
MINISTRY OF EDUCATION AND SPORTS - Investigation on the tender for construction of Kiyuya Seed Secondary School, Masindi District.

Three recommendations were made and all three have been fully implemented by the Ministry.



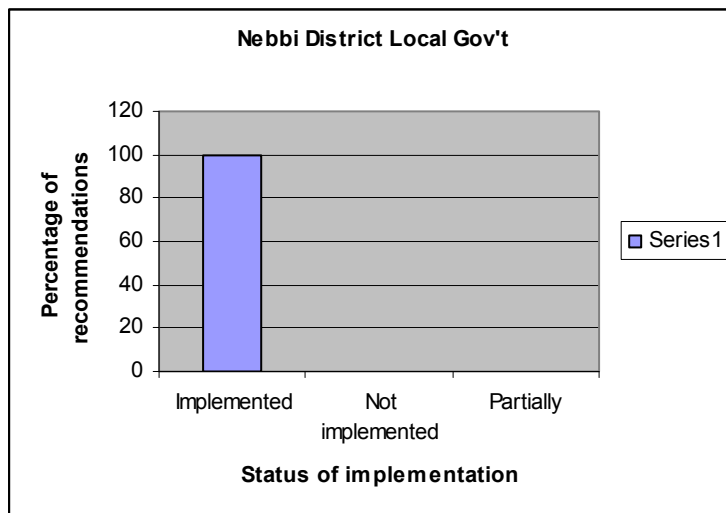
UGANDA NATIONAL EXAMINATIONS BOARD - Investigation into the procurement of UACE certificates.

Three recommendations were made and all three have been fully implemented by UNEB.



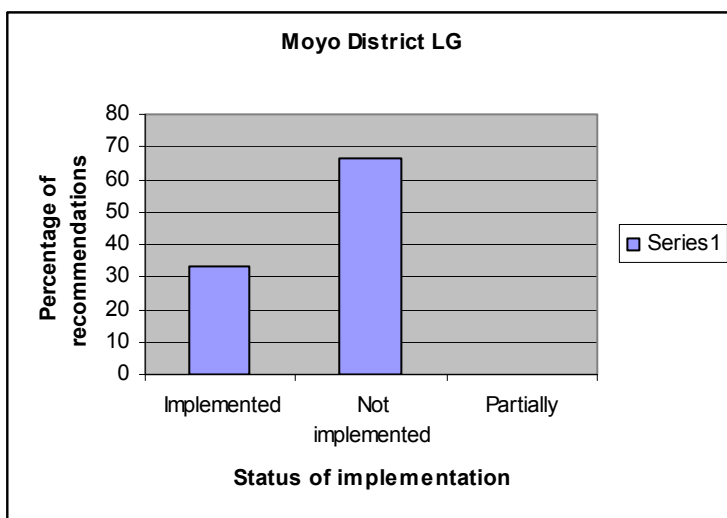
NEBBI DISTRICT LOCAL GOVT - Investigation of the tender for revenue collection from landing sites in Pakwach Town Council

Four recommendations were made and all have been implemented by the entity.



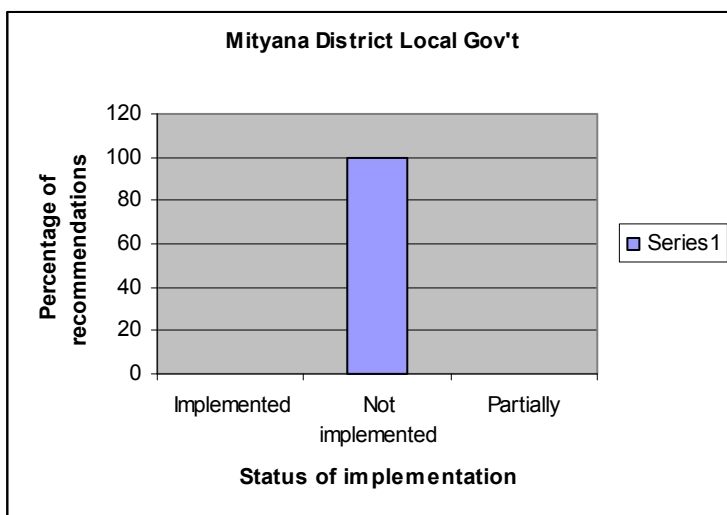
MOYO DISTRICT LOCAL GOVT - Investigation of the Tender for the Operation and Management of Moyo Town Council Taxi/Bus Park

Three recommendations were made. One recommendation (33.3 %) was implemented, while two (66.6%) were not. These were; the Chief Administrative Office, Moyo District Local Government did not reprimand the Town Council Planning Committee members and the Ag. Town Clerk, Mr. Leku Samuel for usurping the functions of the Contracts Committee and the Accounting Officer respectively. Also not implemented was Accounting Officer, Ministry of Local Government taking disciplinary action against Mr. Tabu Job (Currently Assistant CAO) for conflict of interest in the award of tender for renovation of office block.



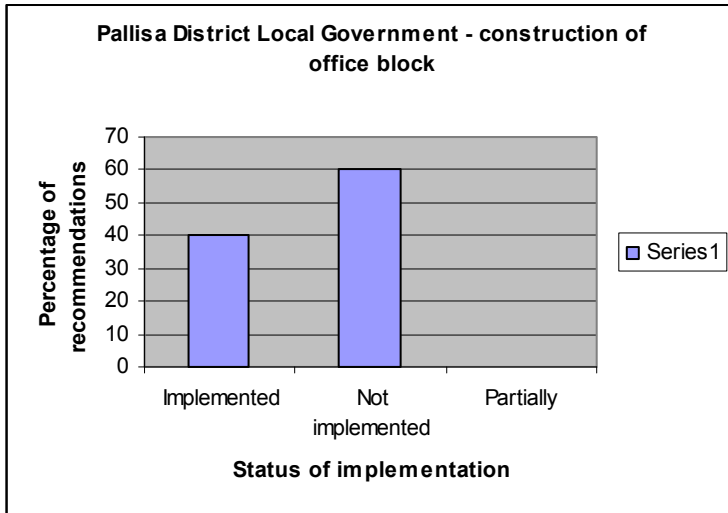
MITYANA DISTRICT LOCAL GOVT - Investigation of the Tender for Management and Collection of Revenue from Mityana Taxi/Bus Park

The two recommendations made in the report had not yet been implemented.



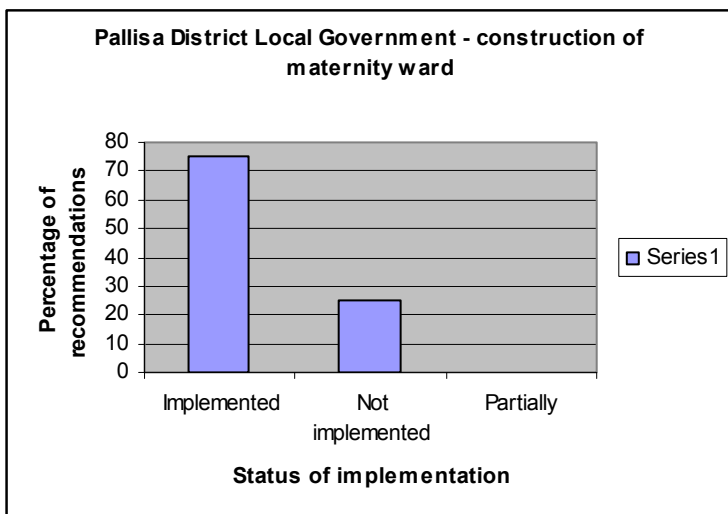
PALLISA DISTRICT LOCAL GOVT – Construction of Office Block by Pallisa District Local Government

Five recommendations were made. Two recommendations (40%) were implemented, while three (60%) were not. These were; the Permanent Secretary, Ministry of Local Government did not take appropriate disciplinary action against the Chief Administrative Office, Mr. Musobya Kiganda Abdullah for failure to implement the same recommendations made by IGG in 2004. The advanced payment to China Nanjing International has never been recovered and the contract has never been terminated.



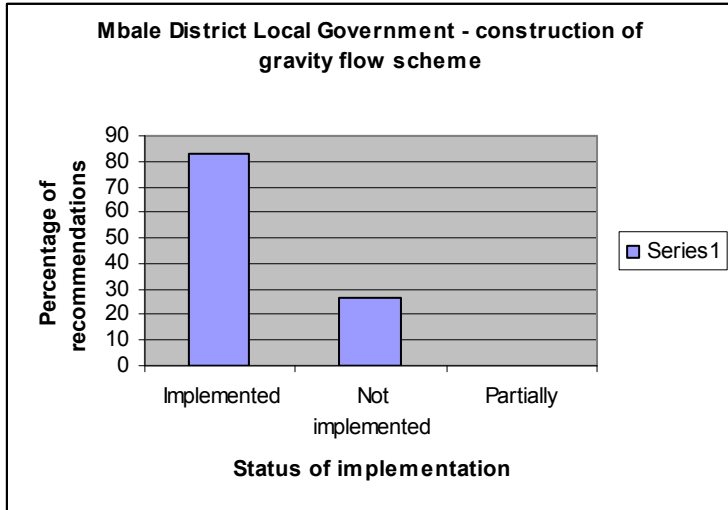
PALLISA DISTRICT LOCAL GOVT – Construction of a Maternity Ward at Kakoro Health Centre by Pallisa District Local Government

Four recommendations were made. Three recommendations (75%) were implemented, while one (25%) was not. The AO did not take appropriate disciplinary action against Mr. Hibombo Kainan, the Head of PDU, but instead elevated him to become the Sub-County Chief in the District. The Authority was concerned that the District had not considered Mr. Hibombo's past performance but instead gave him more powers and independence by controlling the sub-county's budget.



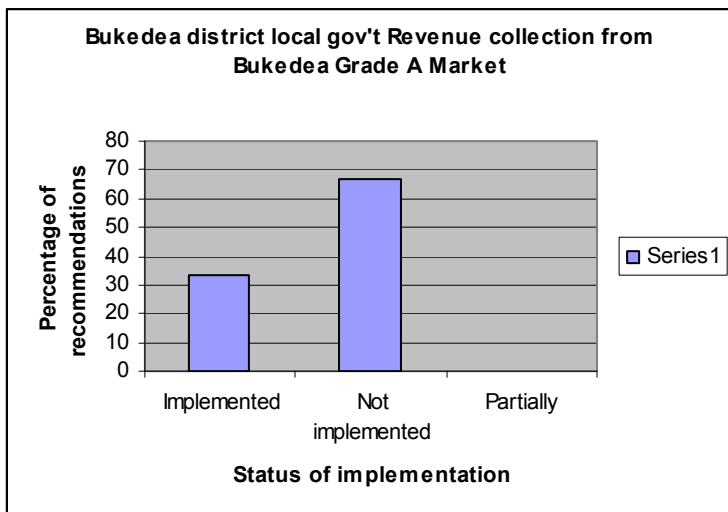
MBALE DISTRICT LOCAL GOVT – Construction of a Gravity Flow Scheme in Mbale District LG

Six recommendations were made. Five recommendations (83.3%) were implemented, while one (26.7%) was not. The Accounting Officer did not inform the Authority on the implementation of the recommendations within 10 (ten) working days after receipt of the report.



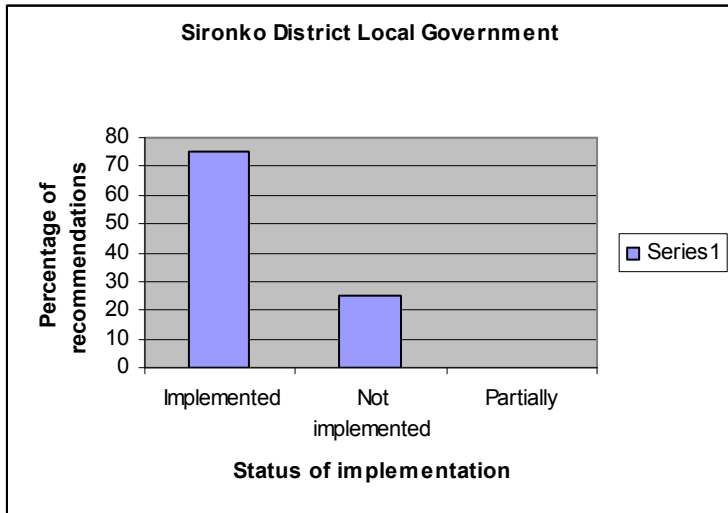
BUKEDEA DISTRICT LOCAL GOVT – Revenue collection from Bukedea Grade A Market

Three recommendations were made. One recommendation (33.3%) was implemented, while two (66.7%) were not. These were; the entity did not have any procurement action file at the time of the follow-up. Also to note was that they were no procurement structures in place and no PDU staff had been recruited.



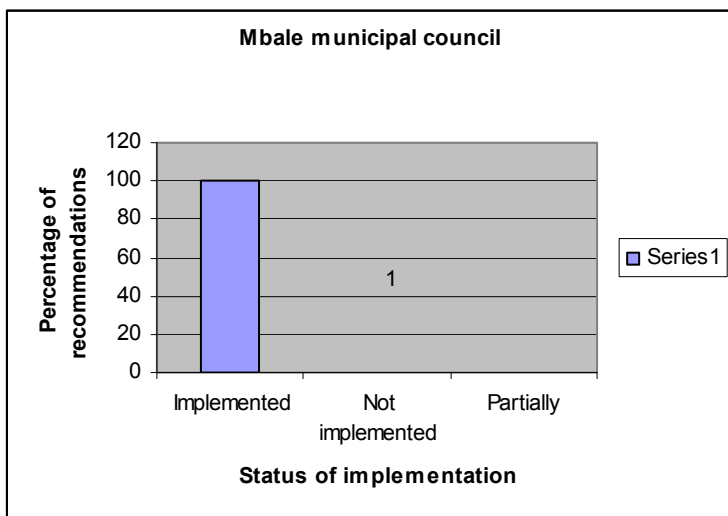
SIRONKO DISTRICT LOCAL GOVT – Revenue collection from Buteza Grade A Market

Eight recommendations were made. Six recommendations (75%) were implemented, while two (25%) were not. These were; the Sub-county chiefs were still signing contracts on behalf of the AO without delegated authority and the AO was awarding tenders before the expiry of the best evaluated bidder notice.



MBALE MUNICIPAL COUNCIL – Revenue collection from Mbale Main Taxi Park

Seven recommendations were made and all of them implemented.



2.5 Applications for Administrative Review

The Authority derives its mandate to conduct administrative reviews from Sections 8 (e) and 91 of the Public Procurement and Disposal of Public Assets Act 2003, Regulation 347 of the Public Procurement and Disposal of Public Assets Regulations 2003 and Regulation 140 of the Local Governments (Public Procurement and Disposal of Public Assets Regulations 2006).

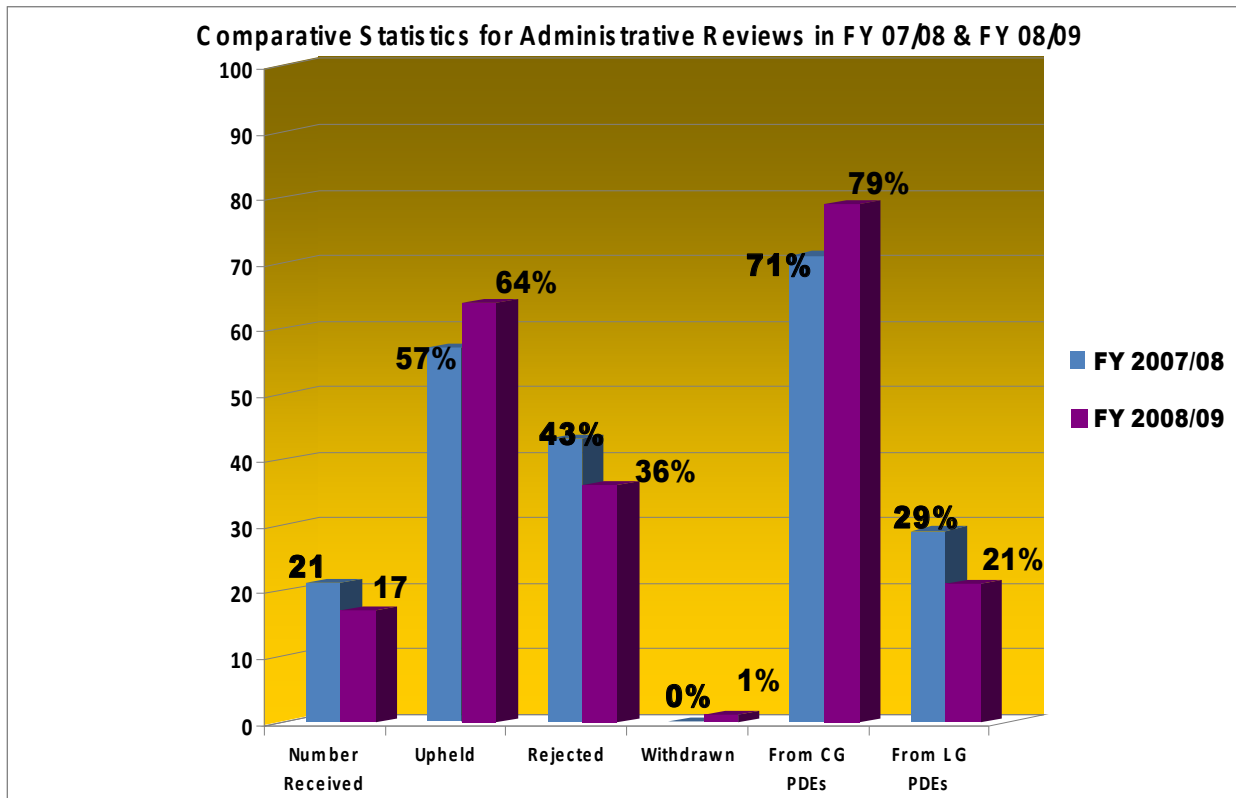
During the FY 2008/09, the Authority received a total of **17** Applications for Administrative Review from Entities. Of these **9 (52.9%)** were upheld while **7 (41.1%)** were rejected and **1 (5.88%)** was withdrawn.

Out of the 17 applications, **6 (35.2%)** were from Central Government PDEs while **11 (64.7%)** were from Local Government PDEs. The details of the subject matter and the decision of the Authority are contained in **Annex 1**.

The statistics of the applications for deviations and the decision of the Authority are depicted in the table below:

No Received by PPDA	No & % Upheld	No & % Rejected	No & % Withdrawn	No & % From CG PDEs	No & % From LG PDEs
17 ¹	9 (64%)	7 (36%)	1 (0%)	14 (79%)	3 (21%)

A comparative analysis of the applications for deviations received by the Authority in FY 2007/08 and FY 2008/09 illustrated in the bar chart below:



¹ The number of Applications for Administrative Reviews submitted to PPDA in FY 2008/09 decreased by **5 (19%)** from 21 that were submitted to PPDA in FY 2007/08.

2.6 Applications For Deviations

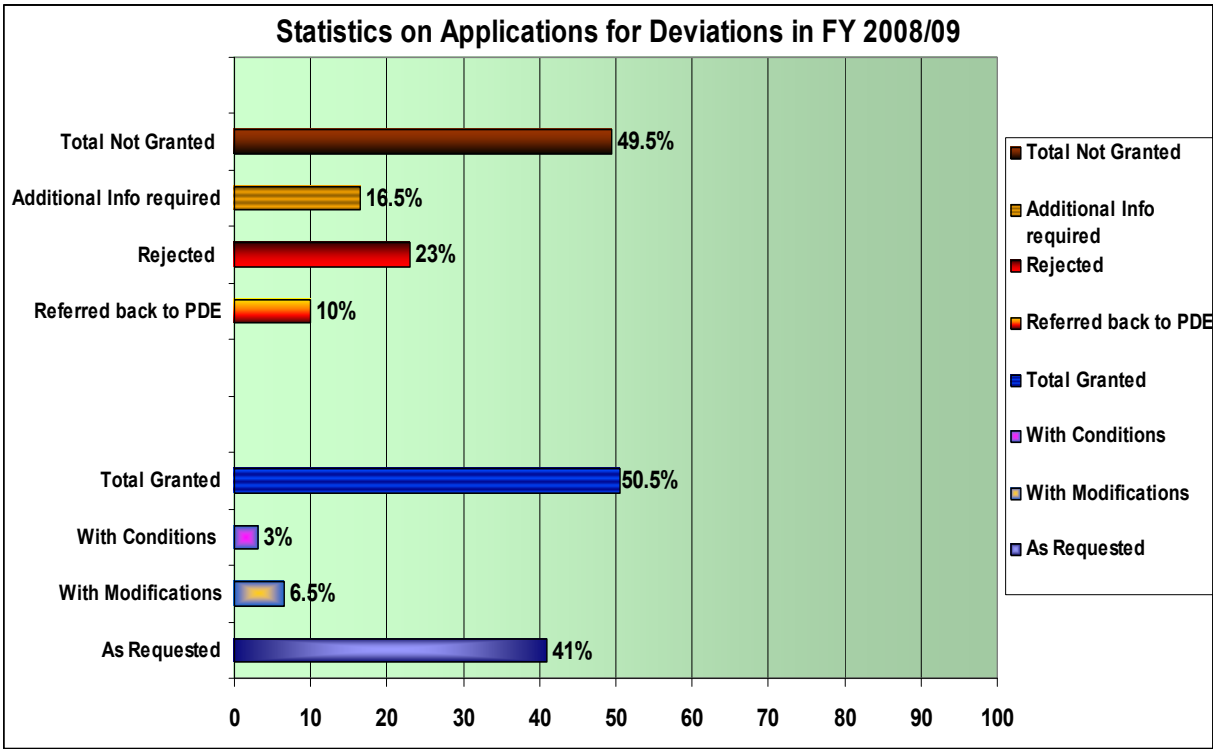
The Authority derives its mandate to handle Applications by Entities for Deviations under Section 7 (e) of the PPDA Act and PPDA Regulations 6 (c) and 339. For the case of Local Governments this power is under Regulation 61 of the Local Governments (Public Procurement and Disposal of Public Assets) Regulations. Under the above provisions, the Authority has powers to permit a deviation from the use of a procurement/disposal method, rule or document by an Entity-

- (a) where exceptional requirements make it impossible, impractical or uneconomical to comply with these Regulations;
- (b) where market conditions or behaviour do not allow effective application of these Regulations; or
- (c) for specialised or particular requirements that are regulated or governed by harmonised international standards or practices.

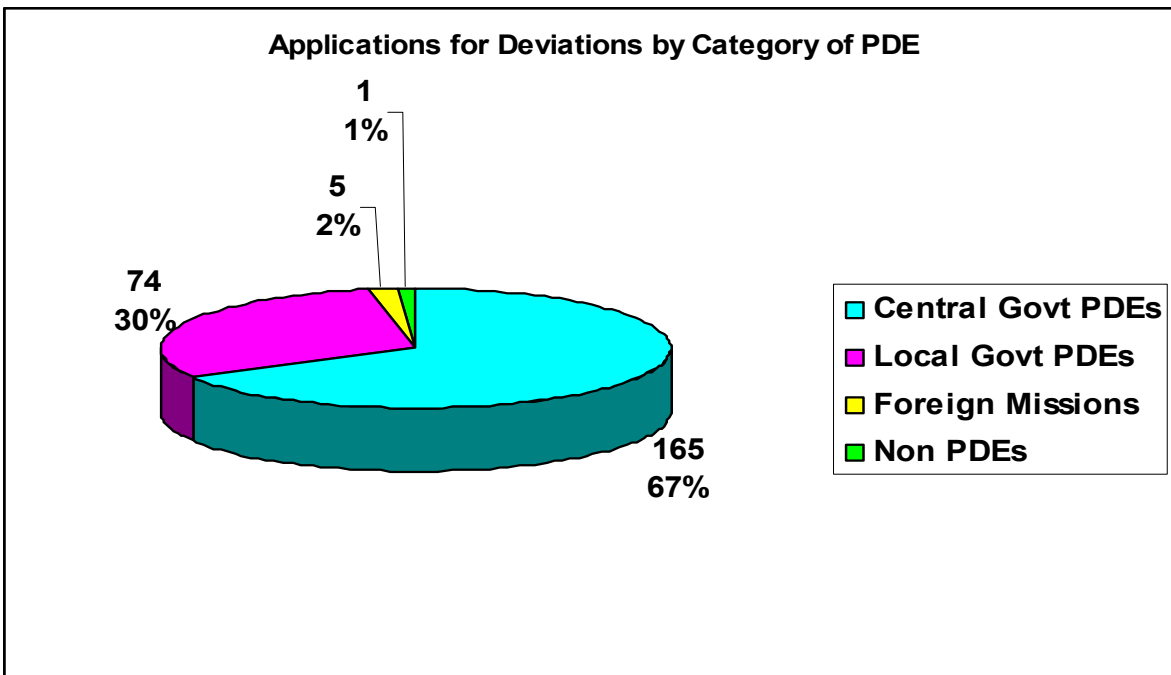
The Authority under Section 7(e) of the PPDA Act and Regulations 6(c) and 339 of the PPDA Regulations has powers to permit a deviation from the use of the procurement/disposal method, rule or document by a Procuring and Disposal Entity (PDE). The Authority received a total of 247 applications for deviations from procuring and disposing entities during FY 2008/09. A table showing the list the procuring and disposing entities that submitted applications to the Authority for deviations and the decision of the Authority is attached as **Annex 2**.

Decision of the Authority: Out of the 247 applications received by the Authority, 124 (50.5%) were granted as follows; 101(41%) were approved as requested, 16 (6.5%) were approved with modifications and 7 (3%) approved with conditions. The number of applications for Deviations that were not granted were 123 (49.5%) and these included 25 (10%) that were referred back to the Entity, (e.g. emergencies, premature, advice on the use of force account and some were not by PDEs), 57 (23%) applications were rejected (i.e. were retrospective requests or did not meet the conditions under PPDA Regulation 339) and 41 (16.5%) applications that were deferred pending submission of additional information by the Entity e.g. non submission of procurement plans or monthly/quarterly reports, Contracts Committee minutes, proof of confirmation of funding etc.

During this period, the Authority revoked a deviation that had been granted to Ministry of Energy and Mineral Development for the procurement of fuel for government strategic reserves on the ground that the entire process was flawed.



Category of PDEs: Out of the 247 applications, 170 (69%) were from Central Government, 74 (30%) from Local Governments, 1(0%) from foreign missions and 2 (1%) from private firms that were not procuring and disposing entities (PDEs) as shown in the pie chart below

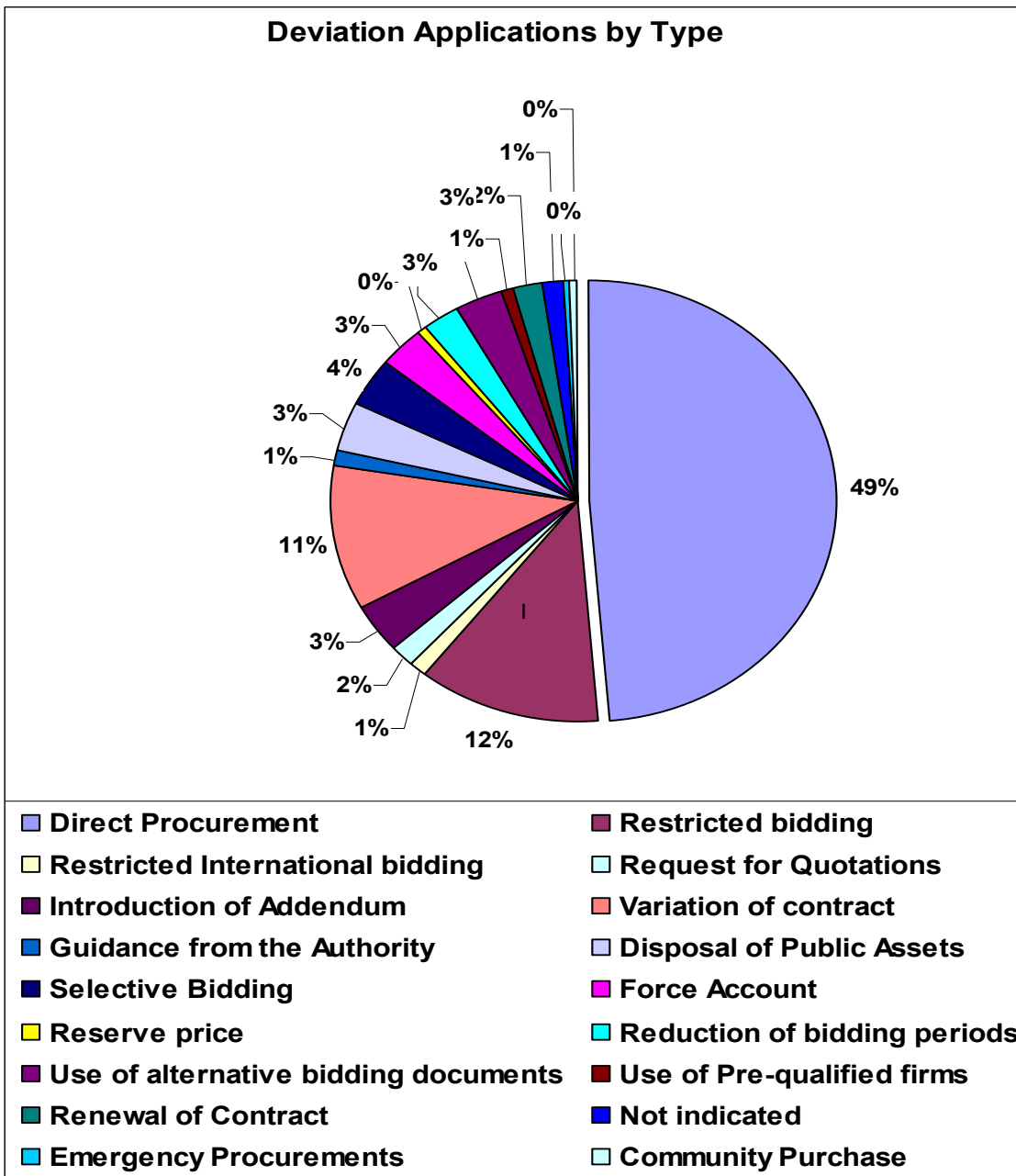


Types of Deviations: This is in respect to the procurement method and rules/ procedures in the PPDA Act and Regulations 2003 that were the subject of the deviation application by the Entity.

During this period, out of the 247 applications, the types of deviations requested included the following-

- (a) 128 (53%) for direct procurement;
- (b) 7 (3%) for selective bidding;
- (c) 33 (13.3%) for use of restricted domestic method;
- (d) 6 (2 %) for use of request for quotation;
- (e) 4 (2 %) for use of restricted international bidding,
- (f) 27 (11 %) for variation of contract;
- (g) 10 (4%) for approval of addendum;
- (h) 6 (2 %) for use of alternative bidding documents;
- (i) 4 (2 %) for disposal of public assets;
- (j) 7 (3%) for use of force account;
- (k) 8 (3%) for reduction of bidding period;
- (l) 4 (2%) for use of firms on the Entity's pre-qualified list;
- (m) 1 (0.4%) for introduction of a variation order;
- (n) 2 (1%) for use of emergency procedures; and
- (o) 1 (0.4%) for use of the community purchase method.

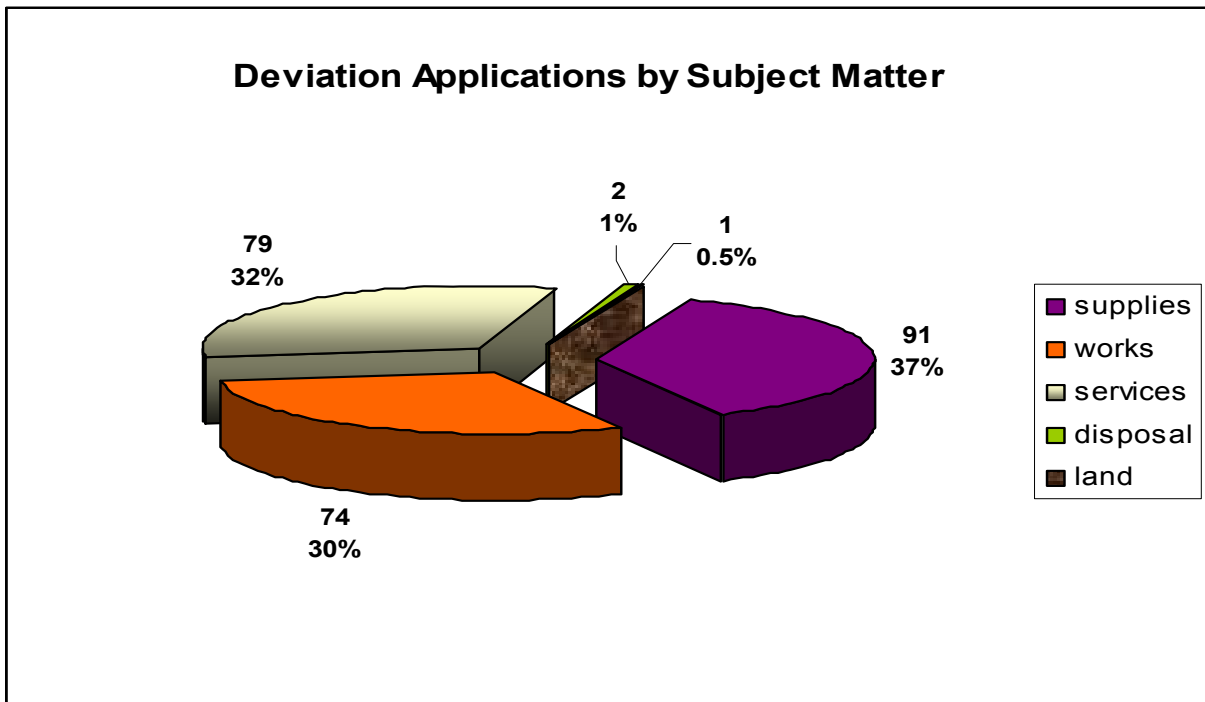
A summary of the types of deviation applications is illustrated in the pie chart below.



Subject Matter: This is in respect to the category of procurement /disposal of the deviation application sought by the Entity i.e. whether supplies, works, services, purchase of land and disposal. Out of the 247 applications, the subject matter was in respect of the following-

- (a) 91 (36.5 %) were in respect of supplies,
- (b) 79 (32 %) for services;
- (c) 74 (30 %) for works;
- (d) 2 (1%) for disposal of assets; and
- (e) 1 (0.5%) for purchase of land.

A summary of the subject matter of the deviation applications is illustrated in the pie chart below.



2.7 Suspension of Providers

The Authority derives its mandate to suspend providers under Section 94 of the PPDA Act and PPDA Regulation 351 that provide that the Authority may suspend a provider who does not comply with the Act, Regulations or Guidelines made under the Act. Under PPDA Regulation 349 a recommendation to suspend a provider shall be submitted to the Authority in writing by a contracts committee of an Entity. Thus, the Authority is not empowered to suspend a provider on its own initiative or on the recommendation of any party other than a contracts committee.

During this period the Authority received only one (1) recommendation from Ministry of Education and Sports for suspension of M/s T& Brothers General Enterprises Limited following its failure to comply with the contract terms of completion of construction works for the Entity despite several extensions.

The Board of Directors of the Authority at their meeting held on Thursday 11th June 2009 reviewed the recommendation to suspend M/s T& Brothers General Enterprises Limited and noted the following. The Authority noted that the contract management by the User Department fell short of what is required under PPDA Regulation 260. The contract was for a period of four months but the User Department only inspected the site during the third month when it was noted that the Bidder had not yet commenced on the works or even ferried materials to the sites. This laxity on the part of the Contract Manager resulted in the subsequent extensions to the contract which further exacerbated the poor workmanship since the Bidder had no sense of urgency to complete the works especially since the certificates presented were always cleared for payment by the Contract Manager.

Mr. Kiyuba of M/s T& Brothers ignored two written requests by PPDA to present their side of the case against the recommendation of the Entity to have their firm suspended. This was despite several telephone calls between Mr. Kiyuba and staff of the Authority in which he confirmed receipt of the letters from PPDA forwarding to him the Entity's case against him and requesting him to present his defence.

The Authority was of the view that the conduct of the Mr. Kiyuba as the official representative of M/s T& Brothers was deliberately uncooperative and this conduct needs to be investigated further to establish

whether it amounts to connivance or collusion to commit a fraudulent or corrupt act contrary to Section 95 (1) (d) of the PPDA Act.

The decision of the Authority was that the matter be referred to the Director of the Criminal Investigations Department (CID) with a view to conducting a thorough investigation on the directors of M/s T & Brothers General Enterprise Limited (Mr. Kiyuba George and Mr. Ibanda Ben) and the staff of the User Department of Ministry of Education and Sports. The investigation by CID will cover the process leading to the contract award and the subsequent implementation of the contract for the construction of two libraries at Kapchorwa and Bukedea Primary Teachers Colleges to establish whether by their actions or omissions they had connived or colluded to commit a fraudulent or corrupt act contrary to Section 95 (1) (d) of the PPDA Act, 2003.

2.8 Applications For Accreditation

The Authority derives its mandate to handle Applications by Entities for Accreditation under PPDA Regulation 342. The Board appointed the Management Advisory Committee (MAC) to handle the above mandate of the Authority. An analysis of the outcome of the matters handled by MAC during the period July 2008 to June 2009 is provided in the following sections.

During this period the Authority received two (2) Applications for Accreditation from the following Entities:

- (a) National Social Security Fund; and
- (b) Post Bank (U) Ltd.

2.8.1 National Social Security Fund (NSSF)

The NSSF submitted an application to the Authority for accreditation of the acquisition system under its Investment Policy as an alternative procurement system under PPDA Regulation 342.

In its application NSSF stated the following:

- (a) NSSF is a Government controlled Entity set up by an Act of Parliament, the National Social Security Fund Act (Chapter 222 of the Laws of Uganda) to act as a social security institution operating a provident fund, in which employers and employees contribute 10% and 5% of the employee's gross salary respectively for the benefit of the employee.
- (b) The governing body of the Fund is the Board of Directors which is charged with the responsibility of investing surplus funds in consultation with the Minister responsible for Finance.
- (c) There are three types of Investments that are usually undertaken by NSSF under its investment Policy namely-
 - i. Fixed Income Investments. These include treasury bills; treasury bonds, commercial bonds, commercial paper, fixed deposits, loans, bank placements, lines of credit and structured portfolio that include derivatives quoted commodities, futures, oil, platinum and gold.
 - ii. Real Estate. This applies to real estate to be developed or purchased solely for purposes of capital gains, disposal for profit or rental income. They are either commercial or residential. They include BOOT arrangements, BOT arrangements, land bank transactions, securitization of residential mortgages, residential and commercial estate developments, and forestry developments.
 - iii. Equities. They include quoted shares, unquoted shares (joint ventures, start-up investments, public private partnerships, regular partnerships, special purpose vehicles, private equity), indices, equity based derivatives

On 19th August 2008, the PPDA Board of Directors, in accordance with PPDA Regulation 342 (5), approved the application by National Social Security Fund as contained in the Investment Policy subject to the following conditions:

- i. The scope of the approved accreditation is to cover only the investments that fall under the categories of Fixed Income Investments and Equities as defined above. However, NSSF should ensure that the procedures used to acquire these investments are transparent and based on sound commercial practices and other applicable laws.
- ii. In order to promote linkages between the procurement structures and the Investment structures, the Head of the Procurement and Disposal Unit shall be a mandatory member of the Evaluation Committee where investment projects under the categories of Fixed Income Investments and Equities require an evaluation process. Similarly two members of the Contracts Committee should be appointed to the Investment Committee of Management.
- iii. All other investments that fall under the category of Real Estate are to strictly follow the PPDA Act. In addition, NSSF should ensure that all investments in real estate offer value for money by subjecting the proposed investments to open and competitive bidding before NSSF enters into any legally binding commitment for the investment project.
- iv. All procurements and disposals of goods, services and fixed assets for NSSF's use, outside the area of investments, shall follow the PPDA Act. Accordingly, NSSF shall continue to submit monthly reports to the PPDA on these procurements and disposals.
- v. The accreditation for investments under the categories of Fixed Income Investments and Equities shall be for an initial period of two years during which the Authority shall monitor the implementation of the alternative system and shall require changes to the system or withdraw the accreditation where appropriate.
- vi. NSSF shall submit to the Authority bi-annual reports on the procurement and disposal activities undertaken under the Investment Portfolio.

2.8.2 Post Bank (U) Ltd (PBU)

The Post Bank (U) Ltd submitted an application to the Authority for accreditation of the procurement process related to its core banking function. In its application, the main areas proposed by PBU for accreditation were the following-

1. Acquisition of sites/premises for new branch locations. This includes the Consultancy services for the structural design and construction supervision and the actual sourcing and engaging Contractors for the refurbishment works.
2. Procurement of ICT/ Core banking requirements and this includes the acquisition of both core banking hardware and software.

As of 30th June 2009, the application by PBU had not yet been considered by the PPDA Board which will take a final decision on the matter in the next financial year.

2.9 Publication of Contracts above US\$ 100,000

During the FY under review, 111 PDEs were compliant to the request to submit to PPDA the report on contracts awarded above US\$ 100,000. 55 PDEs submitted a NIL return report while 56 PDEs awarded a total of 387 contracts.

Most PDEs used the open domestic bidding method of procurement with a total of 236 (61%), procurements being handled using this method. 74 (19%) procurements were handled using the restricted domestic and

international methods, 42 (11%) procurements were conducted using open international bidding, while 12 (3%) procurements were conducted using Request for Quotations & Proposals and 23 (6%) procurements were conducted using the direct procurement method.

The Authority in a bid to promote transparency in public procurement published the above report on the website. A detailed analysis of the report is provided in the table below:

Table 1: Report on Contracts Awarded Above US\$ 100,000

ENTITY	METHOD													
	Direct Method			Open Domestic			Open International			RFQ/P			Restricted	
	Nos	Value		Nos	Value		Nos	Value		Nos	Value	Nos	Value	
Uganda Revenue Authority	1	435,569,407		3	1,522,283,835									
Jinja Municipal Council				2	503,430,534									
Kabale Regional Referral				2	2,965,637,510									
State House	3	3,305,452,372					1	354,744,592		8	3,281,036,927			
UETCL				2	1,124,308,012		6	4,522,264,068						
Ministry of Water	1	299,365,736		16	9,824,547,882					1	196,930,000			
KCC	1	827,819,705		29	21,472,063,097									
Butabika							8	33,991,152,086						
UEDCL	4	1,326,924,186		8	5,363,610,495									
Butaleja DLG				5	1,505,405,111									
Kasese DLG				18	5,001,785,758					1	178,118,850			
NWSC				9	13,384,763,423		3	3,420,906,813						

ENTITY	METHOD									
	Direct Method		Open Domestic			Open International		RFQ/P		Restricted
UBC			2	2,766,704,202	1	1,139,150,137			3	17,562,691,786
Makerere University			4	2,709,788,749						
Rural Electrification Agency	1	1,194,510,000	9	20,380,124,837						
Mbale Regional Hospital			3	1,162,669,391						
Ministry of Works	2	831,982,588	28	36,714,440,012	2	2,249,371,677			29	15,783,573,213
Amuru			2	585,000,000						
NMS	3	3,479,930,000	1	200,454,700			3	4,393,957,705	21	60,391,557,140
Private Sector					11	14,178,749,329				
OPM	2	3,074,549,345	12	12,244,224,570			8	5,181,144,000	2	586,117,374
CAA	1	286,250,197	16	7,397,095,277					2	2,457,636,580
Tororo DLG			3	953,000,318						
Office of President			2	1,774,590,000						
Gulu University			1	766,295,425						
Fort Portal Referral Hospital			1	625,691,684						
Mbale Municipal			1	950,600,000						

ENTITY	METHOD						RFQ/P	Restricted
	Direct Method			Open Domestic				
Kiboga DLG					3	969,650,314		
Arua DLG				1		220,000,000		
Sembabule DLG				3		1,140,193,230		
Wakiso DLG				5		1,638,121,788		
Uganda Industrial Research				2	8	633,714,469	4,890,085,870	
Paliisa DLG				3		893,436,337		
Kabale DLG				1		237,814,063		1
Ntungamo DLG				3		2,135,532,177		330,000,000
Mbarara University				1		1,016,683,865		
Cotton Development Orgn	3	4,050,261,310		2		770,846,800		1
Kabarole DLG				4		14,489,857,550		680,648,100
Kalangala DLG				1		495,162,338		
Kyenjojo DLG								2
Isingiro DLG				1		2,382,692,249		220,000,000
Kabale Municipal				2		546,117,163		
Mayuge DLG				1		441,128,722		

Table 2 : Analysis by Procurement Method (Number)

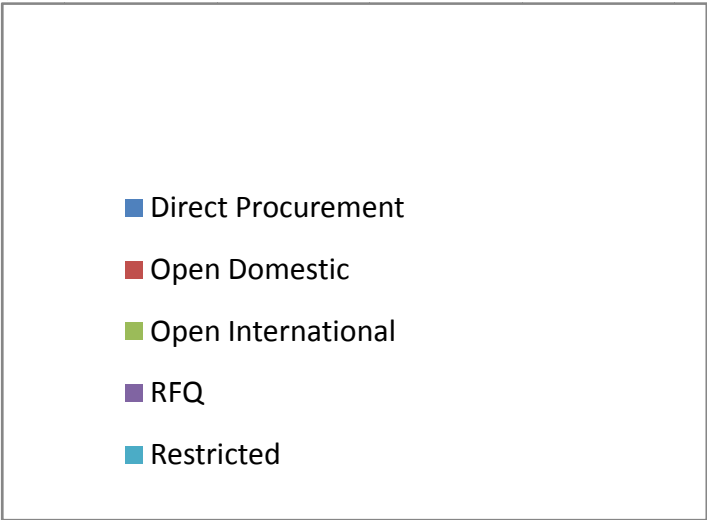
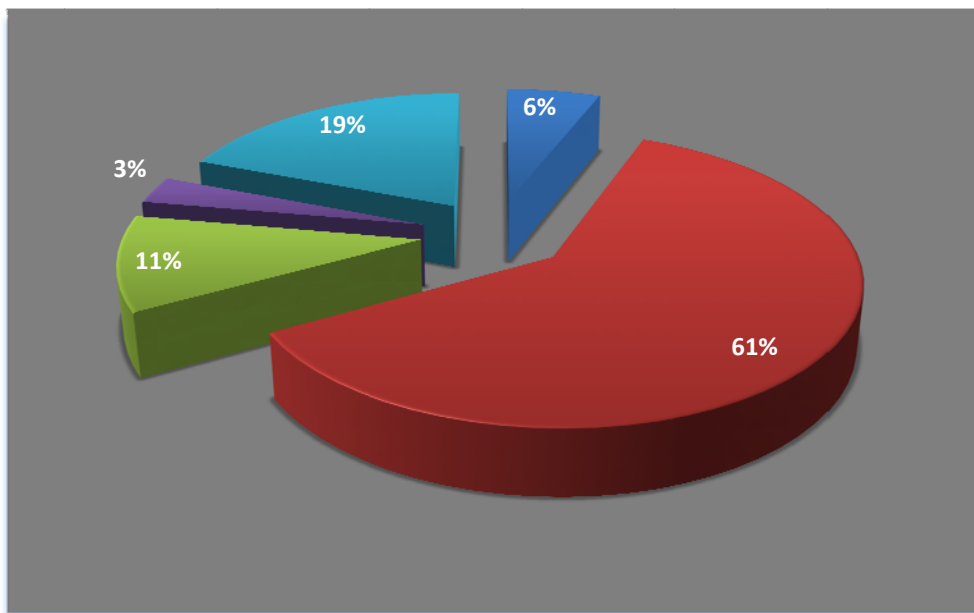
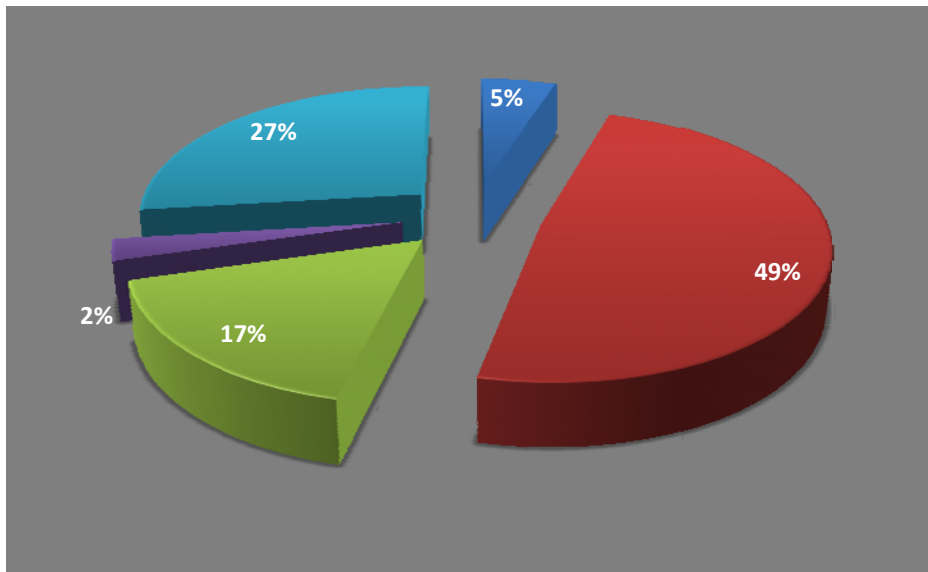


Table 3: Analysis by Procurement Method (Value)



- Direct Procurement
- Open Domestic
- Open International
- RFQ
- Restricted

CHAPTER 3: HARMONIZATION OF PROCUREMENT AND DISPOSAL POLICIES, PRACTICES AND SYSTEMS

In accordance with Section 6 (b) of the PPDA Act, is mandated to harmonize the procurement and disposal systems and practices of the Central and Local Government Entities and statutory bodies. During the FY under review the Authority undertook to carry out the following activities:

3.1 Development of Standard Bidding Documents for Local Governments

The Authority developed the Local Government Standard Bidding Documents (SBDs). The SBDs included the following:

- (a) Registration (Annual Short listing);
- (b) Supplies -Open and Selective bidding;
- (c) Works -Open and Selective bidding;
- (d) Services -Open and Selective bidding; and
- (e) Disposal.

The final LG SBDs were approved by the PPDA Board of Directors on 11th June 2009 for issuance to the Local Governments.

3.2 Standard Bidding Documents for Revenue Collection

The Authority developed Standard Bidding Documents for Revenue Collection. The draft documents were submitted to the Local Government Finance Commission and the Commission submitted its comments on the documents. The documents were also submitted to the Privatization Unit for comments and PPDA was yet to receive PU's comments. The SBDs will be issued next financial year.

3.3 Development of a Local Government Public Procurement and Disposal Manual

The Authority under the EU Project developed the Local Government Public Procurement and Disposal Manual/User Guide. The User Guides were distributed to all Local Government Entities including Municipalities.

3.4 Equipping/Re-tooling of the Procurement and Disposal Units

In an effort to build capacity of the Local Government Procurement and Disposal Units, the Authority procured equipment and furniture for the PDUs in the Local Governments using funds from both EU and FINMAP. The equipment and furniture procured for the Procurement and Disposal Units included internet connectivity, computer desktop, UPS(s), printers, filing cabinets, computer desks, office chairs and desks, fax machines and photocopiers, sign posts, tender boxes and notice boards, banners, stickers, T-shirts and motorcycles. Among others included 744 copies of the Local Government (PPDA) Guidelines, 2008, and 740 copies of the combined LG Amendment Act and LG Regulations. The following entities benefited from the re-tooling exercise:-

1. Amuru
2. Apac
3. Arua
4. Arua Municipality
5. Bududa
6. Bukedea
7. Buliisa
8. Bundibugyo
9. Busia
10. Hoima
11. Kaberamaido
12. Kamwenge
13. Kanungu
14. Kasese

15. Kayunga
16. Kisoro
17. Kotido
18. Kumi
19. Lira Municipality
20. Luwero
21. Lyantonde
22. Maracha-Terego
23. Masindi
24. Mayuge
25. Moyo

20. Mpigi
27. Nakaseke
28. Nakasongola
29. Nebbi
30. Ntungamo
31. Oyam
32. Pallisa
33. Rakai
34. Sironko
35. Soroti
36. Tororo

3.5 Asset Engraving and Verification in the 11 EU Supported Local Governments.

The Authority conducted an asset engraving exercise for all the equipment distributed in the eleven (11) EU supported Local Governments after the re-tooling. The 11 districts included:-

- | | | |
|----------------------|--------------|-------------|
| 1. Arua District | 5. Kamwenge. | 9. Mpigi |
| 2. Arua Municipality | 6. Kanungu | 10. Nebbi |
| 3. Busia | 7. Kayunga | 11. Pallisa |
| 4. Hoima | 8. Kisoro | |

CHAPTER 4: SETTING PUBLIC PROCUREMENT AND DISPOSAL STANDARDS

In accordance with Section 6 (c) of the PPDA Act, PPDA is mandated to set standards for public procurement and disposal systems in Uganda. During the FY under review, the Authority undertook to carry out the following activities:-

4.1 Development of the Register of Providers

The PPDA in conjunction with the Anti-Corruption Country Threshold (ACT) Project invited Expressions of Interest (EOI) for the development and operation of the Register of Providers. M/s Kisaka & Company/Solutions for Business (JV) was contracted to develop and test the Register of Providers.

4.2 Development of Common Specification Standards of Common User Items

The Authority in collaboration with Uganda National Bureau of Standards (UNBS) finalized eleven (11) standards for paper and paper products. These standards were declared as Uganda Standards (US) by the National Standards Council. UNBS also forwarded the following draft standards to the Authority:

- i. Stationery: Scholastic stationery and Paper
- ii. Fuel: Petroleum and Kerosene
- iii. Food and Agriculture

Upon request from the PPDA, the UNBS prepared simplified versions of 10 standards in order to make them user friendly. The UNBS submitted to the Authority simplified versions of the following standards:

- i. Bond paper
- ii. Liquid detergent
- iii. Pneumatic tyres
- iv. Scholastic stationery
- v. Rubber Gloves
- vi. Synthetic Gloves
- vii. All Glass/metal Syringes (Dimensions)
- viii. All Glass/metal Syringes (Design and Performance)
- ix. Ball pens

4.3 Development of Sector Standard Bidding Documents for Central Government Entities

The Authority developed the Standard Bidding Documents for the Health, Roads and Education (Textbooks) Sectors. Consultative meetings were held with the following stakeholders: Health (Ministry of Health, National Drug Authority, National Medical Stores and Pharmaceutical Society of Uganda), Textbooks (Ministry of Education and Sports) and roads (Ministry of Works and Transport, Uganda National Roads Authority, UNABCEC and Uganda Association of Certified Engineers).

The documents are still being reviewed and are to be completed in the next Financial Year.

4.4 Amendments to the PPDA Act.

The Authority participated in Technical Working Group (TWG) meetings chaired by MOFPED on the Amendments to the PPDA Act. The main objectives of the Amendments to the PPDA Act were the following:

- (a) To improve efficiency of the public procurement system;
- (b) To strengthen PPDA in order to improve compliance levels; and
- (c) To remedy any defects in the PPDA Act.

The TWG completed the discussions on the proposals collected from various stakeholders and submitted their report on the proposed amendments to the Permanent Secretary/Secretary to the Treasury (PS/ST) for further consideration by the World Bank, MOFPED Top Management and the PPDA Board.

The main proposals in the Report of the TWG on Amendment of the PPDA Act included the following:

- (a) Scope of application of the PPDA Act** should be clarified to cover the following;
 - i. Procurement and disposal by an Entity within or outside Uganda;
 - ii. Procurements in non government entities financed from specific public funds; and
 - iii. Procurement by companies in which a PDE has majority interest.
- (b) PPDA Board Composition**-The PPDA Board to include more stakeholders like the public, the contractors, the procurement association and any others who are affected by the PPDA.
- (c) Debriefing of Unsuccessful Bidders** -The law should require Entities to inform the unsuccessful bidders of the reasons they failed and PPDA could develop a standard format to guide Entities on how to respond to the unsuccessful bidders.
- (d) Definition of Accounting Officer**- To clarify the definition of an Accounting Officer of an Entity to include any person appointed under any Act or under any instrument of appointment made under any Act including the Companies Act, to perform the functions of accounting officer of a PDE or of an entity, not of Government, but which is financed from specific public funds.
- (e) Definition of Supplies** – Supplies definition should be amended to cover land, assets or anything capable of being supplied whether tangible or intangible.
- (f) Ineligible members of the Contracts Committee** - The head of the finance department, but not the head of the accounts department, where the positions are held by different officers, and the staff of the department of internal audit of a procuring and disposing entity are not eligible for nomination to a Contracts Committee
- (g) Procurement and Disposal Planning** – Strengthen the provisions on procurement planning to require an Entity to display the approved and updated plan on its procurement and disposal notice board for not less than twenty working days. And on a quarterly basis and in any other case, where necessary, review and update its procurement plan and notify the Secretary to Treasury of any modification and submit the updated and approved plan to PPDA
- (h) Preference Schemes** – To clarify that the circumstances for the application of a Margin of Preference to be accorded to a provider and for goods and works the following were proposed:-
 - i. To be applicable only for procurement methods of open domestic and open international bidding
 - ii. To be based on price only by adding the specified margin of preference to financial proposals of non eligible bids.
 - iii. To be related to the percentage of a procurement activity to be undertaken as local inputs and proportional to the percentage of the contract to be actually executed by national or resident providers or sub contractors

- (i) **Donation as a method of Disposal** - Disposal of public assets may be by way of donation only where a PDE cannot effect disposal of public assets by any of the other prescribed disposal methods
- (j) **Disposal Committee** - An Accounting Officer shall establish a disposal committee to assess and verify the public assets identified by the user department and or Board of Survey as due for disposal. The Disposal Committee is to have the function of causing the identified assets to be valued; and setting a reserve price for the public assets to be disposed of.
- (k) **Appeals Tribunal** – To improve on the Appeals Mechanism by the establishment of an independent Administrative Review Tribunal whose mandate is to include the following:
 - i. Reviewing Administrative Review decisions of PPDA as an appellate body where a bidder is aggrieved following the decision of PPDA.
 - ii. Reviewing matters where a Bidder alleges that PPDA has a conflict of interest in a matter.
 - iii. Reviewing decisions of PPDA when a PDE or any other person alleges they have been aggrieved by the decision of PPDA.
- (l) **Suspension of Providers** - PPDA may on recommendation of a PDE or after investigations on its own initiative, suspend a provider from engaging in any public procurement or disposal process

4.5 Development of a Dual Classification List for Defence and National Security Organs

The Authority nominated two persons to liaise with Internal Security Organization, External Security Organization and Uganda Police to discuss their dual classified lists. The officials were vetted and approved by the security agents.

State House submitted its list of classified items for the FY 08/09 to the Authority while Ministry of Defence, Internal Security Organization and Uganda Police submitted their procurement plans for FY 2008/2009 to the Authority. The Entities have been complying with PPDA's requirement of submission of monthly procurement and disposal reports.

Meetings with the above National Security Organs are to be held in the next Financial Year to agree on the procurement procedures to be used for their classified procurements.

4.6 Development of Guidelines

The Authority developed two guidelines on sub-contracting/preferences and de-briefing of bidders. These two areas were however included as proposed amendments to the PPDA Act and therefore guidelines could not be issued on them.

The Authority identified another area instead that required a guideline namely the use of Force on Account by Local Governments. This was developed and on 28th August 2008, the Authority issued a Guideline to LG PDEs on "Conditions for the use of Force on Account by Local Government PDEs".

CHAPTER 5: MONITORING COMPLIANCE OF PROCURING AND DISPOSING ENTITIES

In accordance with Section 6 (d) and 7 (r) of the PPDA Act, 2003 and Regulation 6 (e) (iii) of the PPDA Regulations, 2003, PPDA is mandated to monitor compliance of Procuring and Disposing Entities, administer and enforce compliance with all the provisions of the Act, Regulations, Guidelines, Solicitation documents and specification standards issued by the Authority. During the FY under review, the Authority undertook to carry out the following activities:-

5.1 Conducting 120 Compliance Checks as a PRSC IV Requirement

In fulfillment of the PRSC 7 prior action, the Authority with the assistance of six (6) individual consultants conducted 120 compliance checks on both Central and Local Government Procuring and Disposing Entities. The final report was submitted to the Permanent Secretary/Secretary to Treasury (PS/ST) and copied to the World Bank Country Manager. A summary of the findings is given in **Annexes 1 and 2**. Findings of the report were placed on PPDA's website and are to be published in PPDA's e-newsletter in the next Financial Year.

5.2 Conducting 61 Compliance Checks

The Authority conducted Compliance Checks in the following Entities:

Twenty five (25) spillovers from FY 2007/08:

- | | |
|---|--|
| 1. Amnesty Commission | 13. Ministry of Foreign Affairs |
| 2. Arua District Local Government | 14. Ministry of Health |
| 3. Butabika Hospital | 15. National Agriculture Research Organisation |
| 4. Civil Aviation Authority | 16. National Council of Sports |
| 5. Electoral Commission | 17. Uganda Blood Transfusion Services |
| 6. Jinja Hospital | 18. Uganda Broadcasting Corporation |
| 7. Judicial Service Commission | 19. Uganda Bureau of Statistics |
| 8. Lira Hospital | 20. Uganda Land Commission |
| 9. Makerere University | 21. Uganda Law Reform Commission |
| 10. Mbarara University of Science and Technology | 22. Uganda National Bureau of Standards |
| 11. Ministry of Agriculture, Animal Industry and Fisheries. | 23. Uganda Tourist Board |
| 12. Ministry of East African Community Affairs | 24. Uganda Wildlife Authority |
| | 25. Uganda Wildlife Education Centre |

Thirty six (36) for FY 08/09:

- | | |
|----------------------|--------------------------|
| 1. Amolator District | 8. Dokolo District |
| 2. Amuru District | 9. Ibanda District |
| 3. Bududa District | 10. Jinja District |
| 4. Bugiri District | 11. Kaberamiado District |
| 5. Bukedea District | 12. Kaliro District |
| 6. Buliisa District | 13. Kamuli District |
| 7. Butaleja District | 14. Kilembe Mines |

- | | |
|----------------------------------|--|
| 15. Kumi District | 27. Mityana District |
| 16. Kyenjojo District | 28. Nakaseke District |
| 17. Lira District | 29. National Animal Resource Genetic Centre & Databank |
| 18. Lyantonde District | 30. National Drug Authority |
| 19. Manafwa District | 31. Ntungamo District |
| 20. Masaka MC | 32. Office of the President |
| 21. Masindi District | 33. Rakai District |
| 22. Mayuge District | 34. Sironko District |
| 23. Mbale MC | 35. Soroti District |
| 24. Mbarara District | 36. Tororo District |
| 25. Mbarara Hospital | |
| 26. Ministry of Local Government | |

The summary of findings from the 25 Compliance Checks and 36 Compliance Checks is contained in **Annexes 3 & 4** respectively. Findings of the reports were placed on PPDA's website and are to be published in PPDA's e-newsletter in the next Financial Year.

5.3 Reviewing Monthly and Quarterly Procurement and Disposal Reports

5.3.1 Monthly reports

The Authority was expected to review 1,296 reports from both Central Government and Local Government PDEs per quarter. During the financial year 08/09, 909 reports were submitted to PPDA of these only 205 reports were reviewed, that is, 124 monthly reports from the Central Government and 81 quarterly from Local Government for the Financial Year 2008/09. The number of reports reviewed was low due to the heavy workload in the Department of Legal and Compliance which reviews the reports.

The main findings from the reviewed reports were as follows;

- i. Some of the entities submit omnibus reports as opposed to monthly or quarterly reports;
- ii. Some entities do not report on micro procurements;
- iii. Some entities do not report on utilities such as water, electricity and telephone bills;
- iv. Some entities do not report on disposals and contracts completed;
- v. Procurements are split to avoid use of more competitive methods of procurements;
- vi. Direct procurements are used for procurements such as vehicle repairs, workshop facilities, air tickets;
- vii. Some entities do not use correct format for reporting;
- viii. In many cases the appropriate Contracts Committee minutes are not attached; and
- ix. The most commonly procured items include stationery, workshop facilities, tyres, motor vehicle repair, cleaning services.

5.3.2 Procurement plans:

The Authority received 148 procurement plans and reviewed 77 of them. One of the main findings was that some entities do not use the standard format for preparation of procurement plans. The list of Central and Local Government Entities that were/were not compliant to the requirement of submitting a Procurement Plan for FY 2008/09 was published in the press and is attached in **Annexes 5 and 6** respectively.

5.4 Conducting Compliance Assessment in 5 Foreign Missions.

The Authority conducted compliance checks and hands on capacity building on the following foreign missions:

- i. Kinshasa, Democratic Republic of Congo
- ii. Kigali, Rwanda
- iii. Nairobi, Kenya
- iv. Dar-es-Salaam, Tanzania
- v. Cairo, Egypt

The assessment was conducted based on the Foreign Missions **Guideline 1/2008**. The Guideline takes into account the challenges faced by the missions in their respective countries when conducting procurement and disposal with regard to the areas of Procurement Structures, Procurement and Disposal methods, Procurement Planning and Reporting. The Authority noted that the missions face the following challenges:

- i. Low staffing in the missions which poses a challenge to constituting the procurement structures in accordance with the Missions Guideline
- ii. Lack of a clear understanding of the PPDA law
- iii. Procurement Thresholds do not attract competition in the respective countries because they are considered low.
- iv. Late remittance of funds by Ministry of Finance leads to delayed implementation of procurements in accordance with annual procurement plans.
- v. Pre-qualification of providers
- vi. Approval by the Solicitor General
- vii. Preference for use of Quotations Method as opposed to publication of adverts which is costly.
- viii. Conflict between Disposal rules in the countries where the missions are located and the PPDA law.
- ix. One mission (Nairobi) did not have office facilities such as computers & cabinets.
- x. All the 5 missions did not have an official website, and this limits communication.
- xi. There was no procurement plan in all the 5 Missions visited.
- xii. All the 5 missions visited never used form PP20 to initiate procurements and did not have a pre-qualification list of providers.
- xiii. Lack of quarterly reports in all the 5 Missions.
- xiv. Vehicles & other items for disposal were not attracting competent bidders
- xv. Most missions had problems with constituting a board of survey, to identify and value assets for disposal
- xvi. There were no designated Procurement Officer and no Contracts committee in all the 5 foreign missions visited.

In an effort to address some of the challenges mentioned above, the Authority made the following recommendations to the Missions:

- i. Entity should organise for training from PPDA in areas where they lack capacity.
- ii. Use framework contracts for repeatedly procured items
- iii. Missions should put in place Pre-Qualification Lists with about 3 Providers for each category.
- iv. Missions should apply for deviations in cases where the provisions of the law are impossible to adhere to.
- v. Foreign missions should be retooled with Computers and filing cabinets
- vi. Foreign missions should be connected to the internet

- vii. Procurement plans based on the approved budgets should be prepared and submitted to PPDA for compliance purposes
- viii. Initiation of procurements should be done using form PP20 and maintain a list of pre-qualified providers.
- ix. Missions should prepare quarterly reports and submit them to PPDA.
 - x. Alternative methods for disposal such as sale to Public officers should be used.
 - xi. The Accounting Officers should appoint a Board of Survey to verify the assets due for disposal. Foreign missions should establish a PDU and Contracts Committee in accordance with the law

5.5 Development of a Compliance Database.

The Authority, with the support of the EU Project, developed an Electronic Compliance Database and Monitoring System. The users were trained and the database is now operational.

5.6 Framework contracts:

The Authority in consultation with UNRA drafted a framework Standard Bidding Document for works. On 11th June 2009, the Board of Directors approved the issuance of the framework SBD for Works. The document will be issued to stakeholders next Financial Year.

5.7 Review of procurement adverts in the press:

On average the Authority reviews about 80 procurement adverts per month to ensure that they are in compliance with the PPDA Act and Regulations.

5.8 Printing of combined CG PPDA laws:

Under a budgetary reallocation, the Authority printed 450 copies of the combined Central Government PPDA Act and Regulations.

5.9 Court Cases

The Authority handled the following Court Cases in the Financial Year:

- i. HC Misc. Application No. 380 of 2008, Clear Channel v. PPDA. Ruling was delivered on 14th April 2009 where the Ruling was given against PPDA and PPDA ordered to pay costs. The Authority was dissatisfied with the Judgment and appealed to the Court of Appeal against the decision. The Authority has made an application for stay of execution of the High Court decision but Justice Y. Bamwine who made the ruling, declined to hear the application to stay the execution of his own decision, so the application was made to the Court of Appeal and is pending a hearing date. Meanwhile we have put in an application for an interim stay in case the main application takes long to hear (there must be at least three judges to form a quorum) as the application for an interim order can be heard by the Registrar.
- ii. Masaka HC Misc. Application No. 27 of 2009, CHOGM Tour Agents 2007 (U) Ltd v. Masaka Municipal Council. Judgment was delivered on 8th April 2009 where Court found that PPDA acted within its mandate and the application was dismissed.

- iii. HCCS No.216 of 2004, MK Publishers and Others v. PS Ministry of Education and Sports and PPDA. MK Publishers was scheduled to complete payment of money owed to the Authority by 30th June 2009. Though the company kept on defaulting on its own schedules, due to pressure from us we have received the last two cheques totaling 5,900,000/- and if they clear the matter will finally come to an end.
- iv. HC Civil Application No. 80 of 2009, Uganda Inland Port Ltd v. Attorney General. There have been so many applications filed by the parties and the matter was set for hearing of submissions on June 23rd 2009, but due to the saga surrounding the trial judge, the matter is still in abeyance until the Judicial Service Commission makes a recommendation to the appointing authority (H. E. the President) about his fate.
- v. HC Misc. Application No. 5 of 2009, UTODA v. PPDA and KCC. Case was set for hearing on 20th May 2009, but unfortunately Justice Musoke-Kibuuka was in Masaka finishing his cases there (he was formerly a resident judge in Masaka). But there is a new twist to the case as UTODA and KCC have consented to a payment schedule giving UTODA up to 30th November 2009 within which to settle all outstanding arrears meanwhile the termination of the contract has been withdrawn up to this time, meaning if UTODA fulfils its part of the agreement, the contract will continue till 2010 when it expires. The Authority has in light of this written to KCC to officially communicate to PPDA its position in the matter vis-à-vis the pending court case.
- vi. HC Civil Application No. 208 of 2008, NSSF v. PPDA. The Minister for Finance, Planning and Economic Development advised that the matter be settled out of court. The matter was adjourned to 30th April 2009 for the parties to file a Consent Ruling or proceed. Due to the personal effort of the ED., the matter was finally settled amicably and the case has been withdrawn from court with each party bearing its own costs.
- vii. HC Civil application No. 295 of 2009, Alliance Media Ltd Vs. Clear Channel Independent (Uganda) Ltd and PPDA. On 30th June 2009, PPDA was served a Notice of Motion and annexures in respect of the suit. The Authority has instructed the Attorney General's Chambers to handle the matter.

CHAPTER 6: BUILDING PROCUREMENT AND DISPOSAL CAPACITY

Section 6 (e) of the Public Procurement and Disposal of Public Assets Act, 2003 specifies one of the five objectives of the Authority as 'to build procurement and disposal capacity in Uganda'. During this financial year PPDA carried out capacity building activities to address the capacity gaps identified during the previous financial year. During the year under review, the authority under took the following activities

6.1 Build Procurement and Disposal Capacity in PDEs

6.1.1 Hands on Support

PPDA used the hands on support approach to build capacity in PDEs, where PPDA consultants and staff guided PDEs practically on how procurements and disposals should be conducted in accordance with the law. PPDA conducted hands-on support exercises in **Forty Eight (48)** PDEs namely:

- | | |
|------------|------------|
| 1. Kitgum, | 3. Kaliro, |
| 2. Pader, | 4. Mayuge, |

5. Nakasongola,
6. Kibaale,
7. Nakaseke,
8. Mukono,
9. Luwero,
10. Masindi,
11. Buliisa,
12. Mbale,
13. Isingiro,
14. Kiruhura,
15. Rakai,
16. Bugiri,
17. Amuria,
18. Bushenyi,
19. Mubende,
20. Hoima ,
21. Kapchorwa,
22. Entebbe Municipality,
23. Jinja Municipality,
24. Mbarara Municipality.
25. Rukungiri
26. Kabale,
27. Masaka,
28. Sembabule,
29. Kiboga,
30. Gulu,
31. Adjumani,
32. Kanungu,
33. Lira ,
34. Pallisa,
35. Kabarole,
36. Kisoro ,
37. Kasese
38. Soroti ,
39. Wakiso,
40. Arua ,
41. Bundibugyo District,
42. Kampala City Council,
43. Lira Municipal Council,
44. Tororo Municipal Council.
45. Ministry of Health
46. Ministry of Local Government,
47. Ministry of Education and sports
48. Ministry of Water and Environment.

Key issues noted from Hands on support activities and recommendations for action:

During the hands on support for PDEs, the following issues were raised and recommendations made as shown in table below:

Table 4: Key Issues Raised From Hands on Support and Recommendations.

No	Key issues	Recommendations
1.	Lack of facilitation of the evaluation committee in Local Government PDEs	The districts should facilitate the evaluation committees through the proceeds from sale of bid documents.
2.	User departments are still interfering in the role of the PDU by the issuing of LPOs.	Users should be sensitized on their roles, and not to interfere with the activities of the PDU.
3.	There are delays in payment to the providers which affects the delivery of services.	Providers should be contracted based on the availability of resources. Moneys due to the providers should be paid within 30 days after delivery
4.	Lack of facilitation of the PDUs	Accounting officers should try to facilitate the PDUs. The MOFPED should create a funding code (IPF) for PDUs in the Local Governments
5.	Use of force account was cheaper for the Local Governments since they had inadequate funds to implement projects, but it was not provided for in the PPDA law.	A circular or guideline on the use of force account should be issued.
6.	The standard bidding documents were too bulky and complicated creating low	Providers should be sensitised on the use of the standard bid documents.

No	Key issues	Recommendations
	responses from provider particularly in the Local Governments	PPDA should come up with a simpler SBD for the local governments
7.	Local Government PDEs were not guided on preparation and use of framework contracts and they therefore continued to issue repeated LPOs for repetitively procured goods.	A guideline on the use of framework contracts should be developed and circulated to Local Governments
8.	Administrative review fees were high and preventing the providers from raising complaints to the accounting officers.	Administrative review fees should be revised after consultation with the different stakeholders.
No	Key issues	Recommendations
9.	Delays in the release of funds from Central Government make the implementation of the procurement plan difficult.	MOFPED should release funds to local governments timely.
10.	A lot of funds were spent on advertising costs for bids under open bidding due to low thresholds	The threshold for open bidding should be increased to 150million to reduce on the cost of advertising.
11.	Evaluation committee members were not motivated to do their work because of lack of funds to pay their allowances.	PPDA should lobby the MOFPED to facilitate District Local Governments to pay allowances for Evaluation committee members.
12.	There were no guidelines for procurement of Land	PPDA should come up with procedures on the buying and selling of land by entities
13.	Delays by PS/ST to approve members of Contracts Committee	PS/ST should speed up the process of approving members of Contracts Committee
14.	Lack of office equipment such as computers and photocopiers	PDU should be facilitated with computers and photocopiers. Lists of LGs not yet re-tooled should be prepared in terms of their capacity gaps and plans made to equip them.
15.	Delays in approval of contracts above 50M by solicitor General.	PPDA should write to the Solicitor General to address this issue. There is need to increase the threshold to over shs. 100m
16.	Some donor funded projects such as NAADS and NUSAF had their procurement structures and were not following the PPDA Law	There is need to harmonize the various conflicting procurement legislation. Guidelines by the donors should be used after ratification by PPDA
17.	Delays in preparation of procurement plans and submitting them to PPDA	It is now mandatory for PDEs to prepare Procurement plans before funds are released.
18.	Some LGs have resorted to the use of public bidding for collection of revenue from markets and parks; which is not provided for in the PPDA guidelines.	PPDA needs to come up with an SBD for revenue collection (parks, utilities and markets).

6.1.2 Training for Eleven (11) Local Governments

PPDA conducted training for **11 Local Governments**. The local governments trained included:

1. Wakiso,
2. Nakasongora,
3. Nakaseke,
4. Kalangala,

- | | |
|--------------|----------------|
| 5. Kyenjojo, | 9. Kayunga, |
| 6. Kiboga, | 10. Mpigi, and |
| 7. Luwero, | 11. Masaka. |
| 8. Mukono, | |

The areas covered during the training included the New Local Government Public Procurement and Disposal framework, Procurement Planning, the Procurement process, Evaluation of bids, and Contract management among others.

Main challenges faced by the Eleven (11) Local Governments:

I. Procurement Planning Challenges:

- i. Uncertainty about the expected resource envelope. Whereas it was quite easy to estimate what would come from the consolidated fund, this was not normally the case with local revenue, especially after the removal of Graduated Tax. Hence, procurements tagged to local revenue would most times not be realized.
- ii. Political interests most times override what has been planned leading to distortion of the procurement work plan. Moreover, at times, political interests do not respect the laid down procedures and would have to be accommodated as and when they would occur.
- iii. The unit costs for the works provided by the line ministries were, most times, unrealistic leading to gross under costing.
- iv. Sometimes, the total cost of projects planned and executed by the central government are much higher than similar projects by LGs. PPDA should investigate this.
- v. Not all local governments were using the standard procurement planning format issued by PPDA.
- vi. It was evident that procurement planning in local governments was done more as a requirement under the Local Government Development Program (LGDP) than as a management tool for controlling, monitoring and evaluating the procurement function.
- vii. It was clear from the workshops that procurement planning was still a big problem. Whereas local governments had the capacity to identify their requirements on an annual basis and reflect them in their budgets and programme work plans, for many local governments, these had not been translated into a procurement plan. Where procurement plans had been prepared, there was a very weak link between the procurement plans, the annual budget estimates and the programme work plans.
- viii. The user departments and the lower local governments had very limited, if any, involvement in procurement planning process. The exercise was being undertaken by the Secretary, contracts committee.
- ix. The following specific aspects of the procurement work plan were a general problem to most local governments:
 - Determining the timeframes for the specific stages of the procurement process
 - Determining the basis for choosing one procurement procedure or method against another
 - Coming up with realistic costs

II Preparation and Management of Standard Bidding Documents

There was no one common set of standard bidding documents issued by a single body used across LGs. What existed in local governments were different types of bidding documents issued by different funding sources such as PPDA (for the central government), Local Government Development Program (LGDP), School Facilities Grant (SFG), Health, and European Union. There was need for PPDA to quickly release the SBDs for local governments.

- i. Bidders in local governments were not given access to standard bidding documents prior to purchase. They only accessed these documents upon payment.
- ii. The cost of standard bidding documents in local governments was not based on a cost recovery basis but rather looked at as a source of revenue. PPDA needed to intervene.
- iii. Standard documents for use in local governments were mainly for works. There was no or limited use of standard bidding documents for services, especially non-consultancy ones, as well as supplies.
- iv. The language used in the standard bidding documents was complex to be comprehensively understood by ordinary contractors. Translating to local languages was proposed.
- v. The standard bidding documents in local governments were mainly the preserve of the Engineering staff.
- vi. Customizing the standard bidding documents to fit the particular LG needs.
- vii. How to balance the actual cost of standard bidding documents against the revenue generated by local governments in the sale of SBDs
- viii. Wording of the standard bidding documents for ease of understanding by all the providers given the varied type of providers in local governments.
- ix. Determining the ample time for the bidders to access and study the standard bidding documents.
- x. Who should be involved in the preparation and management of standard bidding documents? In many local governments, this had been the preserve of the Engineering staff.

III. Bid Evaluation

Bid Evaluation knowledge and skills was identified as clearly lacking in most of the technical staff in local governments.

- i. The different evaluation methodologies were not known and used by the technical staff in local governments. They had some general understanding of the merit point system of evaluation.
- ii. Most times, the evaluation criteria were not made known to bidders in the standard bidding documents.
- iii. Time allocated to the evaluation exercise was normally inadequate to handle the large volume of procurements. The practice in local governments was to handle a large volume of procurements at one ago necessitating evaluating many tenders at ago. Because of inadequate time, quality was normally compromised.
- iv. Financial and Technical evaluations were being conducted concurrently. Many times, all the bids opened at the bid opening stage went through the entire evaluation process. The benefits of having the bids sieved through the different stages of the evaluation process were missing.
- v. Conflict of interest – how can it be enforced and upheld?
- vi. Not indicating the evaluation criteria in the SBDs.
- vii. Not conforming to the evaluation criteria stated in the SBDs during evaluation.
- viii. Not adhering to the principle of confidentiality by members of the Evaluation Committee.

IV. Contracts Management

- i. Generally, there was weak contracts management in local governments. The responsibility of contracts was mainly vested in the local government engineers, who many times were expected to oversee a large number of projects that were running concurrently.
- ii. There were no contract managers;
- iii. There were no records of contract management i.e. no files at all;
- iv. Monitoring of contracts, especially works was being done by the politicians, whose knowledge of the works was very limited. As policy makers, they were not obliged to report to the Accounting Officer. This meant that monitoring of contracts was not focused.
- v. Collusion between the local government staff and the providers, which leads to poor quality work
- vi. Political interference
- vii. Not having contract managers to prepare contract management reports
- viii. How to manage contract variations

ix. Contract monitoring not being done

6.1.3 Procurement Cadre Forum for Central Government Ministries and Statutory Bodies

PPDA with funding from FINMAP conducted a Procurement Cadre Forum for Central Government and statutory bodies. The theme of the Forum was “**Improving Efficiency and Effectiveness of Procurement and Disposal Units**” and focused Procurement planning, Design and use of Evaluation criteria in the procurement of goods, Works and Services and framework contracting. Participants for the Forum were staff from Procurement and Disposal units from Central Government Ministries, and statutory bodies. **Eighty eight (88)** Procurement officers attended this Forum.

Issues raised and recommendations from the Procurement Cadre Forum.

A number of issues were raised during the forum as reflected in the table below.

Table 5: Key Issues raised at the Central Government Procurement Cadre Forum

No	Issue	Recommendations
1	There are many and voluminous forms within the procurement cycle which need a lot of stationery and storage space	PPDA should consolidate some of these forms to reduce on stationery expenses and save storage space
2	Failure by PDEs to adhere to procurement plans	Accountant General should write Accounting officers to follow Procurement Plans
5	Evaluation committees were not remunerated and therefore not motivated to do their work	This should be handled by accounting officers.
6	Procurement officers are not involved in the budgeting process	Procurement officers should be involved in the budgeting of their respective PDEs
7	Approval of contracts beyond 50M by solicitor General takes too long.	Solicitor General should speed up approval of contracts and the threshold be raised
8	Providers in the printing industry did not know the requirements for doing business with Government.	PPDA should organise training for providers in the printing sector
9	Standard bidding documents were hard to be interpreted by providers therefore some providers fail to conform to requirements when responding to solicitation documents	Providers should recruit or seek advice from procurement professionals to guide them in preparation of bidding documents
10	Most Referral hospitals and other PDEs were understaffed with only one Officer	A staff needs assessment should be carried out to ascertain the number of staff required in the PDUs
13	Lack of technical personnel in some entities to conduct bid evaluation	There in need to continue training users in bid evaluation
14	Commercial PDEs like UBC, and NEC are finding it difficult to compete with other companies while following the PPDA Law	There is need for these entities to apply for accreditation like NHCC Ltd did.

No	Key issues	Recommendations
15	There was no guideline on procurement and disposal under Public Private Partnerships (PPPs) arrangements	Guidelines for PPPs should be developed

6.1.4 Procurement Cadre forum for Local Governments

Under the funding of FINMAP, PPDA conducted a 2nd Procurement Cadre forum for Local Governments. The areas covered during this Forum included Procurement of Management, Control, Maintenance and collection of revenue from lorry, pick-up and buses parks, Procurement of management of Markets. Ninety (90) Procurement Officers attended this Forum

Issues raised and recommendations from the Procurement Cadre Forum for local Governments.

A number of issues were raised during this training as reflected in the table below.

Table 6: Key Issues raised at the Local Government Procurement Cadre Forum

No	Issue	Recommendations
1	Lack of finances affects operations of PDUs since they cannot independently budget for their requirements.	PPDA will write to the Accountant General to provide for a budget code for PDUs, so that they can plan as a department
2	The probation period of 2 years for Procurement officers is too long as PDU staff can not be funded for training.	The Accountant General to address the issue, so that staff can be funded for training even when still on probation
3	No provision for promotion of officers beyond Senior Procurement officer or Principal Procurement Officer.	Ministry of Public service to provide for structures that cater for promotions beyond these levels
4	Lack of guidelines on Revenue collection for Parks and Markets	PPDA to come up with an SBD and a guideline for procurement and management of Markets, landing sites and Parks.
5	Use of force Account as a procurement method.	Force account is a method of contracting under works. This can be used but all the inputs have to be acquired competitively.
6	The overlapping roles of PPDA and IGG	There is need to ensure harmony between the two oversight agencies.
9	Evaluation committees were not remunerated and therefore not motivated to do their work	There is need for PPDA to provide for the evaluation of EC members in the amendment of the Act
11	Use of reserve prices during evaluation of bids	Reserve prices should not be used for evaluation since it is basically an estimate, unless under fixed budget selection methodology, where the budget is known to all.
12	The need to Prequalify providers for 3 years in LGs like the Central government entities.	LG PDEs should still pre-qualify for one year until this provision is made in the law.
13	Need to centralize the recruitment and deployment of procurement officers in Local governments by the Ministry of Finance	PPDA is to liaise with the Accountant General over the possibility of recruitment of Procurement Officers in Local governments by MOFPED

6.1.5 Supply Driven Training

PPDA conducted training for the Districts of Bundibugyo, Kasese, and Kampala City Council. In addition Central Government Ministries which included Health, Local Government, Water and Environment and Education and Sports were trained. The training conducted covered the 12 PPDA training modules .Issues raised in the training are contained in table below:

Table 7: Emerging Issues Under Supply Driven Capacity Building Activities

No	Issues	Recommendations
1.	There are no cleaner guidelines for revenue collection from Markets and parks.	PPDA should come up with guidelines for revenue collection from markets and parks
2.	The Local Governments were concerned that use of force account was cheaper than use of contractors yet force account was not a recognized procurement method.	PPDA should issue guidelines on the use of force account
3.	Most providers in local governments were illiterate and unable to understand the PPDA Act and regulations	PPDA should translate the PPDA Act and Regulations into local languages.
4.	PPDA was making recommendations to the appropriate authorities for taking disciplinary action against those who breach the procurement law but with no action on some recommendations.	There is need to amend the law to give PPDA more powers to deal with people who work contrary to the law. Provisions should also be made for penalties incase of various offences.
5.	There was lack of clarity on what classified procurements were, and why they should not be regulated by the PPDA Law.	Ministry of defence should give clarification on classified procurements
6.	There was a general observation that Government projects were costing higher than projects funded by NGOs such as churches.	Government should benchmark on NGO projects when budgeting for government projects
7.	There were no provisions in the law for electronic procurement .This would render it difficult to put in practice the knowledge and skills acquired in this training.	The law should be amended to provide for e-procurement i.e. use of fax
8.	The use of electronic procurement requires the use of computers and KCC, Kasese and Bundibugyo Districts lack computers to facilitate electronic procurement	PPDA should review the retooling needs of these entities and solicit for funds to retool the entities with computers.

6.1.6 Demand Driven Training for Central Government PDEs

PPDA conducted demand driven training in twenty three (23) PDEs and one (1) procurement Students Association in which **1626 people were trained**. The people trained included Accounting officers, Contract committee members, users, PDU staff, politicians and board members. The PDEs trained included:

- | | | | |
|----|---------------------------|----|-----------------------------|
| 1. | Busitema University | 3. | Civil Aviation Authority |
| 2. | Capital Markets authority | 4. | Comboni College |
| | | 5. | Dairy Development Authority |

- | | |
|---|--|
| 6. Directorate of Ethics | 15. National Forestry Authority |
| 7. East African Community affairs | 16. National Medical Stores |
| 8. Kyambogo University | 17. Office of the auditor General |
| 9. Mandela National Stadium | 18. Parliamentary commission |
| 10. Ministry of Defence | 19. Posta Uganda |
| 11. Ministry of Health | 20. Presidents Office (ISO) |
| 12. Ministry of Water and Environment | 21. Uganda colleges of commerce institutions |
| 13. National Agricultural Research Organization | 22. Uganda Investment Authority |
| 14. National Drug Authority | 23. Uganda Revenue authority |

The details of the training conducted are contained in the **Annex....**

6.1.8 Residential Workshop for 13 Referral Hospitals

PPDA conducted a one day residential workshop for **13 regional referral hospitals** and other stakeholders. The main objective of the workshop was to discuss the peculiar procurement issues affecting the stakeholders in the procurement and supply of medicines and make suggestions on how to improve performance of their respective roles in the procurement and disposal process. The areas covered during the workshop included the Procurement and Disposal Legal framework, Policy on Procurement of Drugs and Sundry items in Hospitals and Supply of Drugs and sundry items

The referral hospitals which attended included

- | | |
|-----------------------------------|-------------------------------|
| 1. Arua Referral hospital | 7. Kabale Referral hospital |
| 2. Butabika Referral hospital | 8. Lira Referral hospital |
| 3. Fort- Portal Referral hospital | 9. Masaka Referral hospital |
| 4. Gulu Referral hospital | 10. Mbale Referral hospital |
| 5. Hoima Referral hospital | 11. Mbarara Referral hospital |
| 6. Jinja Referral hospital | 12. Soroti Referral hospital |
| 13. Ministry of Health | 15. National Medical Stores |
| 14. National Drug Authority | 16. Joint Medical Stores. |

Key Issues from the Residential Workshop for 13 Referral Hospitals

During the residential workshop for 13 referral hospitals issues were raised and recommendations made. The issues and recommendations are contained in table below:

Table 8: Key Issues from the Residential Workshop for 13 Referral Hospitals

No.	Issues	Recommendations
1.	The PPDA thresholds for micro procurement is low	The threshold should be increased to 5m
2.	The policy on credit line is only favoring NMS	Ministry of Health should release part of the credit line funds to Joint Medical Stores and not National Medical stores alone
3.	All Medicines need to be embossed / sealed	JMS should emboss medicines and drugs like NMS
4.	There are contradictory guidelines for the procurement and supply of drugs with the PPDA Act, 2003.	The PPDA, Ministry of Health and National Medical Stores procurement procedures should be harmonized with that of PPDA
5.	There are inefficiencies in the delivery	National Medical Stores should inform PDEs of

No	Key issues	Recommendations
	of drugs causing shortages in Hospitals	delivery dates and time as opposed to just delivering any time any day without prior communication
6.	Poor coordination of drug procurements, poor handling of emergencies and lack of knowledge on dealing with stock-outs	PDEs should forward annual Procurement plans to Joint Medical Stores and National Medical stores for purposes of planning for supply National Medical stores should provide PDEs with Procurement plan format specific to drugs
7.	The lengthy procurement process of Drugs is a problem especially in emergency cases	The handling of emergency procurements is catered for in the PPDA Law (fourth schedule)
No.	Issues	Recommendations
8.	Evaluation Committees need to be remunerated	Accounting Officers should work within their operational budget to motivate the evaluation committees
9.	Solicitor General clearance is too lengthy and bureaucratic causing Procurement delays	PPDA should take up the matter with MOJCA and also train The Ministry of Justice and Constitutional Affairs Staff annually
10.	Lack of cooperation in PDEs and poor interpersonal relations	Accounting Officers to handle administratively
11.	There is need for regular workshops of all stakeholders involved in procurement and supply of medicines.	National Medical Stores should organize consultative workshops and should not wait for PPDA PPDA should organize stakeholders' workshops annually
12.	Late release of funds by Ministry of Finance, Planning and Economic Development	PPDA should advise MOFPED to release funds early
13.	Certificate of non-availability only used to procure using funds of PDEs	Credit line money should be shared between NMS & JMS on a percentage basis
14.	NMS lacks regional distribution centres and causes delays in distribution	NMS should open Regional distribution Centres

6.1.9 Conduct Research on Procurement and Disposal Systems and Capacity Building Initiatives

PPDA conducted research to identify problematic areas/points in the public procurement and disposal processes. Two (2) individual consultants were engaged to conduct research. This study was undertaken and the findings were as follows:

Table 9: Research findings on procurement and disposal systems and capacity building initiatives

No	Findings	Recommendations
1.	The minimum lead-time for a simple procurement was about 7 weeks	The authority considers revision of the thresholds to reflect the demands of the various stakeholders. However, extensive consultations have to be made with different actors to forge the appropriate limits of the thresholds
2.	The Structure and set up of the contracts committee was a problem. 5 members who are in	The formation of the contracts committee should be revisited with a view of considering membership to

No	Key issues	Recommendations
	most cases senior people in PDEs are always busy and can hardly form a quorum thereby frustrating procurement work	officers who are relatively less busy but who can also withstand the influence from their superiors. The study found out that most entity procurements delay because the quorum for CC meeting cannot be raised due to commitment of officers on other 'official responsibilities'
3.	The frequent transfers of procurement officers within public service were affecting procurement work.	The Accountant General and the policy unit under the Ministry of Finance should come with guidelines on the modalities for transfer of officers.
No.	Issues	Recommendations
4.	The major problematic areas in the procurement process included (1) records management, (2) Procurement planning, (3) Evaluation of bids, and (4) Awarding of contracts. These are the areas that needed critical attention by managers at institutional level but also policy makers like the PPDA	It was suggested that PPDA carries out a study among all stakeholders that had been trained to assess the extent to which the transfer of knowledge in workshops had actually been realized and to also identify new knowledge gaps where capacity building interventions and strategies should be based. This study should cover central and local government entities .
5.	The number of PP forms used in procurement and disposal were too many.	In the amendment of the law, a provision should be made to rationalize the PP Forms by aggregating some of them.
6.	The major problems that contributes to delayed procurement in central government entities include (1) Lack of technical capacity to prepare bid documents; (2) Poor motivation of Contract Committee members;(3) Lack of sufficient pre-qualified providers; (4) Wrong documentation to Contract Committee(5) Delayed advertisement due to Lack of funds to pay media firms (7) Delays in sending out solicitation documents (8) conflict of interest (9) lack of technical capacity (10) political interference	It was recommended that PPDA takes up these issues to a higher policy level to come up with a solution.
7.	The major problems that lead to delays in the procurement process during formation of contract stage were found to be (1) Delayed clearance by the solicitor general for contracts above 50m, ;(2) The length of statutory display period being long;(3) Delay in furnishing a performance security; and (4) Delayed dispatch to the provider of the signed contract.	It was suggested that the authority reviews the requirement for approval like of documents and thresholds which were already clarified by the law.
8.	other minor problems but which need to be addressed included (a) Delayed contract committee meetings and (b) Delays in display of the best-evaluated bidder which affects timely award	Accounting officers need to ensure these issues are handled administratively to speed up the process.

6.1.10 Dissemination of Procurement and Education Training Regulations 2008

PPDA held Eight (8) meetings and one stakeholders' workshop to spearhead the dissemination of Procurement Education and Training standards. In addition a hands on support was carried out in 8 universities to disseminate the standards .The universities visited included:

- i. Islamic University in Uganda (IUIU).
- ii. Kyambogo University
- iii. Makerere Business School (MUBS)
- iv. Nkumba University
- v. Uganda Christian University (UCU)
- vi. Uganda Management Institute (UMI)
- vii. Uganda Martyrs University

During the consultations and hands on support the following issues were raised and are contained in the tables below.

Table 10: Key issues from issues from the Procurement Standards Stakeholder’s Workshop

No.	Issue	Recommendations
1.	National Council for higher education has not sufficiently disseminated the new entry requirements to Universities	There is need for more dissemination implementation and feed back
2.	Other training courses were run in Universities and tertiary institutions without guiding regulations passed by parliament	There is need for statutory instruments for other courses such as medicine ,Nursing etc
3.	In most cases Regulations are passed by parliament but National Council for higher education does not sufficiently disseminate the Regulations to stakeholders.	National council for higher education should find more ways of disseminating the passed Regulations. Institutions should subscribe to Uganda gazette to get information on regulations passed by parliament
4.	Some courses offered by universities and other tertiary institutions may no longer be relevant to the current employment requirements and therefore needed to be improved upon	Universities should trace people they taught who are employed to ascertain whether what they taught them is still relevant Universities should carry a needs assessment with employers to identify their current training needs. Professional bodies should also be consulted during the design of training curriculum
5.	The training standards of some higher institutions of learning some times do not measure to the required national standards	For standardization of training government needs to closely monitor private institutions
6.	Since these regulations are being implemented for the first time, a lot of challenges are expected in the implementation process.	There is need to hold another stakeholders workshop in future to discuss the implementation challenges and the way forward
7.	Some Private Institutions such as Uganda Martyrs University reported that they had inadequate skills and knowledge to manage procurement and disposal and there fore expressed the need for training for their procurement stakeholders.	Training institutions should write to PPDA and request for training.
8.	Most Universities lacked procurement reading materials /text books and did not subscribe to International journals	More textbooks for procurement courses should be procured and also subscribe to international and national journals.
9.	Getting placements for student’s internship was a challenge. Government entities and other organisations are not receptive of students who go there for industrial training	PPDA in collaboration with MOFPED, and MOLG should make contacts for students to undertake industrial training Universities should take personal efforts to secure placements for industrial training

No.	Issues	Recommendations
10	Low qualifications of Lecturers at Mbarara University of Science and Technology	Lecturers should be upgraded through training for Masters and PHD programmes
11	Limited computer access points in Mbarara University of science and Technology and Kyambogo University were reducing accessibility to international Journals	Improve internet system to enable Students access international journals
12	Inadequate funding from government for the Government funded Universities	Government should increase funding to universities
13	Inadequate number of academic lecturers to match with the big number of students/high enrolment in Government funded institutions	Universities should increase the number of lecturers to match with the high number of students.
14	Insufficient facilities such as training space and computers.	There should be Sufficient training space and computers should be provided
15	There is need for skills based training but the time available is so short to accommodate that training	Universities should start providing skills based training
16	Lack of enough library facilities at UMI at Mbarara Centre	UMI Should provide sufficient library facilities in all its centres
17	Lack of enough computers at UMI and Kyambogo university to cater for the big number of students	UMI and Kyambogo University should buy more computers and have separate computer labs for procurement students

CHAPTER 7: STRENGTHENING THE INTERNAL ORGANISATION

Internal administration and management of the Authority is provided for under Section 17 to 22 of the PPDA Act. Under the provisions of Section 17 and 22 of the PPDA Act the PPDA manages the Human Resource function, general administration, information technology that includes records management and library; and accounting and finance related matters.

7.1 Human Resource

At the end of the financial year the Authority had 63 members of staff in post. Five (5) positions fell vacant during the year as a result of staff resignations, new posts being created and unfilled positions on the establishment. The following six (6) positions were filled during the year.

- i) Officer Procurement Audit and Investigations
- ii) Administrative Secretary
- iii) Manager Legal and Compliance
- iv) Accounts officer
- v) Office Assistant

Towards the end of the financial year, the following four (4) vacant positions were advertised to have them filled:

- i) Information Technology Support Officer
- ii) Accounts officer
- iii) Receptionist
- iv) Stores and Records Assistant

In a bid to enhance staff welfare, the Authority signed a contract with East African Underwriters Ltd to provide medical insurance services to staff and their dependants.

In a bid to attract, motivate and retain staff in the Authority, staff remunerations were revised upwards with effect from 1 July 2008 after benchmarking with the Authority's sister organizations.

The Authority organized a staff retreat for its staff under the theme "Governance and Service delivery" in March 2009. Five (5) resource persons were hired to make presentations on selected topics. The staff also discussed issues that affect their work.

A training program for the purpose of training newly recruited staff in the Authority was drawn. It was found necessary to give them sufficient training in their jobs to facilitate acceptable levels of performance. It was not possible to train the rest of staff due to insufficient funds however some of them attended continued professional development programs.

7.2 General Administration

During the Financial year 2008/9, the Authority continued to provide operational logistics to staff in a conducive work environment that enabled them to appropriately deliver on the Authority's mandate.

7.3 Information Technology

7.3.1 PPDA Website

The Authority enhanced its website (www.ppda.go.ug) to provide procurement and disposal related information in a way that promotes transparency and builds confidence in the entire public procurement and disposal practice including making PPDA's mandate known and also providing information and guidance on the PPDA Act to the public.

7.3.2 Electronic Document Management System

The Authority's advisory function under its mandate brings with it a lot of communication on paper with both providers and procuring and Disposing Entities; and subsequently the paper work generated, processed and stored by the Authority is increasing exponentially. The increase in documents and communication affects efficient work-flow, file space and file management. In order to address these issues; the Authority procured an Electronic Document Management System (EDMS) that should be able to provide for Electronic processing of both electronic and paper-based documents, including long-term secure and reliable storage for documents. Staff have been trained in the use of the system and documents are being transformed into electronic form.

CHAPTER 8: CHALLENGES

While the Authority has realized a number of achievements as mentioned above, it is still faced with a number of challenges in the fulfillment of its mandate as indicated below:

1. Low compliance levels with the PPDA law at CG and LG level especially with respect to record keeping and the Authority has limited enforcement powers.
2. Procurement planning and monitoring of implementation of the plans is lacking.
3. Delays to initiate procurements by Procuring and Disposing Entities affects absorption and use of the correct procurement methods and therefore, competition is not always considered during procurement.
4. Poor handling of complaints by Accounting Officers. There is need to strengthen the complaints handling mechanisms at both the Procuring and Disposing Entity and PPDA levels.
5. Collusion between PDEs and Bidders frustrates the Authority's attempts to suspend bidders with unethical practices.

6. Low capacity of bidders to submit responsive bids leads to aggressive commercial wars in procurement.
7. Lack of adherence to the principle of confidentiality during the bidding process by PDEs.
8. Failure of Entities to debrief bidders on reasons why they were not successful.
9. Low attendance of workshops by participants in the capacity building process.

CHAPTER 9: WAY FORWARD FOR THE FY 2009/10

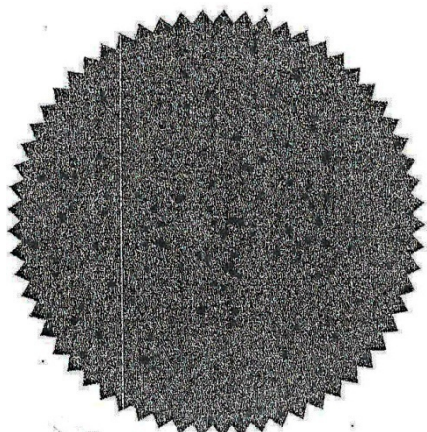
In line with its overall mandate of promoting transparency, efficiency and value for money, and enforce its mandate, the Authority will focus on the following areas as priority in the FY 2008/09:

In light of the PPDA Corporate Plan, the ASWG strategy and the National Development Plan, the Authority this Financial year shall prioritise its activities as follows:

- a) Develop an effective procurement performance measurement system (PPMS) to progressively monitor the performance of the public procurement system in Uganda.
- b) Enforce compliance of the procuring and disposing entities with the PPDA Act by increasing the number of compliance checks and procurement audits undertaken on procuring and disposing entities and making regular follow ups on the status of implementation of PPDA recommendations by the competent authorities.
- c) Enforce the requirement of procurement planning by procuring and disposing entities as critical tool for the effective management of the procurement function and the efficient delivery of services by linking the implementation of procurement plans to the budget execution process.
- d) Review and streamline the structure and operations of PPDA with a view to making them more efficient and effective in achieving the mandate of PPDA.
- e) Participate in the process of amendment of the PPDA Act to ensure that there is a strengthened public procurement system that delivers value for money.
- f) Implement the PPDA Capacity Building Strategy through by the development of the capacity of the various stakeholders to efficiently and effectively manage the procurement function.
- g) Develop, operate and maintain a Register of Providers to serve as a central reference point of information on providers and thus enhance transparency and a competitive business environment for the public procurement system.
- h) Strengthen the internal Information Communication and Technology function to support the efficient and effective implementation of PPDA's mandate.
- i) Review the PPDA Public Relations and Communications Strategy to enhance the development of strategic partnerships and linkages with key stakeholders as well as raise awareness amongst the public of the role of the PPDA and the public procurement system in Uganda.

CHAPTER 10: AUDITOR GENERAL'S REPORT

OFFICE OF THE AUDITOR GENERAL



THE REPUBLIC OF UGANDA

PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY

(PPDA) FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2009

TOGETHER WITH THE REPORT AND OPINION THEREON BY

THE AUDITOR GENERAL

PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY

Financial Statements for the Year Ended 30th June, 2009

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Statement of cash flows	122
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**REPORT OF THE AUDITOR GENERAL TO PARLIAMENT IN RESPECT OF PUBLIC
PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY FOR THE YEAR
ENDED 30TH JUNE 2009**

Under the terms of section 21 of the Public Procurement and Disposal of Public Assets Authority (PPDA) Act of 2003, I am required to audit the accounts of the Authority and report to Parliament in accordance with Article 163 (4) of the Constitution.

Report

The financial statements of Public Procurement and Disposal of Public Assets Authority set out on pages 5 to 15 which comprise the balance sheet as at 30th June 2009, the statement, statement of changes in equity and cash flow statement for the year then ended and summary of significant accounting policies and other explanatory notes have been audited.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and the Public Procurement and Disposal of Public Assets Authority Act, 2003. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

The responsibility of the Auditor is to express an independent opinion on the financial statements based on the audit. The audit was conducted in accordance with International Standards on Auditing. Those standards require that the audit is planned and performed to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Auditor considers the internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements give a true and fair view of the state of affairs of the Authority as at 30th June 2009 and of the surplus and cash flow for the year then ended and comply with the Public Procurement and Disposal Act, 2003.

Report on Other Legal and Regulatory Requirements

As required by the Public Procurement and Disposal of Public Assets Authority (PPDA) Act, I report to you based on the audit, that:

- (i) All the information and explanations which were necessary for the purposes of the audit were obtained.
- (ii) Proper books of account have been kept by the Authority, so far as appears from the examination of those books, and
- (iii) The Authority's balance sheet and income statement are in agreement with the books of account.



John F.S. Muwanga

AUDITOR GENERAL

KAMPALA

8th December 2010

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

CORPORATE INFORMATION

DIRECTORS

Mr. James Kahoza (Chairman)

Eng. Y.B. K Mpagi

Mr. Anthony Okwenye

Mr. John B.O. Wabwire.

Ms. Sarah Lubega

Mr. David Kabateraine

Mr. Agaba Edgar (Executive Director)

BOARD SECRETARY

Mrs. Sabiti Cornelia

AUDITORS

Office of the Auditor General

Government of Uganda

PRINCIPAL BANKERS

Bank of Uganda

P. O. Box 7120

Kampala

Uganda

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

REPORT OF THE DIRECTORS

The Directors present their report together with the audited financial statements for the year ended 30 June 2009 in accordance with the PPDA Act Section 22 which discloses the state of affairs of the Authority.

Incorporation

Public Procurement and Disposal of Public Assets Authority was established by the Parliament of Uganda under the Public Procurement and Disposal of Public Assets Act, No.1 of 2003.

Objectives

The PPDA's objectives are as set out in Section 6 of the Act, namely, to:

- a) ensure the application of fair, competitive, transparent, non-discriminatory and value for money public procurement and disposal standards and practices;
- b) harmonise the procurement and disposal policies, systems and practices of the Central Government, Local Governments and statutory bodies;
- c) set standards for the public procurement and disposal systems in Uganda;
- d) monitor compliance of procuring and disposing entities; and
- e) build procurement and disposal capacity in Uganda.

Ownership

Public Procurement and Disposal of Public Assets Authority is an autonomous body corporate established by an Act of Parliament.

Results

The results for the year are shown on page 6.

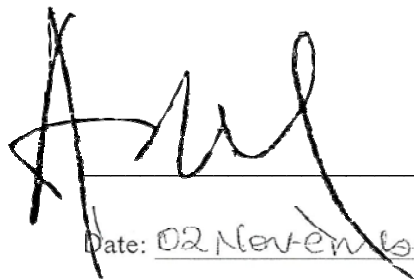
Directors

The present membership of the Board is set out on page 2.

Auditors

The audit of the Authority was carried out by the Auditor General in accordance with the powers entrusted to him in Article 163(3) of the Constitution of the Republic of Uganda.

By order of the Board



Executive Director
Date: 02 November 2010

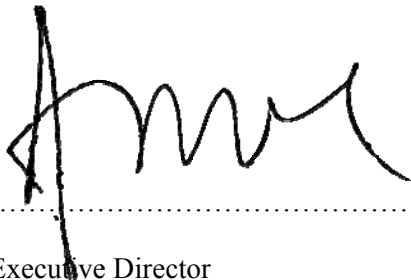
PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

Statement of Directors' responsibilities

For the year ended 30th June 2009

The Public Procurement and Disposal of Public Assets Act of 2003 requires the directors to prepare financial statements for each financial year. It also requires that the Authority keeps proper books of Account and records of all its transactions.

The directors accept responsibility for the annual financial statements, set out on pages 5 to which have been prepared using appropriate accounting estimates; in conformity with International Financial Reporting Standards and the requirements of the Public Procurement and Disposal of Public Assets Act. The directors are of the opinion that the statements give a true and fair view of the financial affairs of the Authority and of its surplus for the year. The directors accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate systems of internal control.



.....

Executive Director



.....

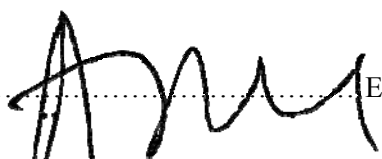
Head, Finance and Administration


PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

STATEMENT OF FINANCIAL POSITION

AS AT 30TH JUNE 2009

	NOTES	2009	2008
		SHS	SHS
NON-CURRENT ASSETS	2	,423,231,903	2, 477,614,570
CURRENT ASSETS:			
Stores	3	42,324,097	26,778,700
Debtors & Prepayments	4	216,938,505	394,465,796
Bank and Cash Balance	5	<u>1,335,086,083</u>	<u>2,439,332,118</u>
		<u>1,594,348,685</u>	<u>2,860,576,614</u>
CURRENT LIABILITIES:			
Accounts Payable and Accruals	7	<u>459,867,651</u>	<u>507,439,663</u>
NET CURRENT ASSETS:		<u>1, 134, 481,034</u>	<u>2,353, 136,951</u>
TOTAL NET ASSETS		<u>3,557, 712,937</u>	<u>4830,751,521</u>
FINANCED BY:		3,557,712,937	4,830,751,521
		<u>3,557,712,937</u>	<u>4,830,751,521</u>

.....

 Executive Director


 Head, Finance and Administration

Date: 02 November 2010

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30TH JUNE 2009

ITEM DESCRIPTION	NOTES	SHS	SHS
		2008/2009	2007/2008
REVENUE			
Government Release		3,568,403,369	3,520,100,000
Donor funding	14	2,170,441,678	4,204,076,519
Other revenue	15	<u>63,409,302</u>	<u>25,954,813</u>
Total Revenue		<u>5,802,254,349</u>	<u>7,750,131,332</u>
EXPENDITURE			
Staff costs	8	3,273,189,872	444,414,845
Finance & Administration costs	9	954,051,628	892,050,921
Other expenses	10	146,510,973	101,705,833
Board Expenses	11	92,400,327	115,993,476
Other charges	12	2,285,685,277	2,277,593,983
Finance cost	13	1,748,192	16,770,790
Depreciation	2	<u>331,615,451</u>	<u>312,954,719</u>
Total Expenditure		<u>7,085,201,720</u>	<u>6,161,484,567</u>
SURPLUS (DEFICIT) for the year		<u>(1,282,947,371)</u>	<u>1,588,646,765</u>

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30TH JUNE 2009

	Note	SHS 2009	SHS 2008
Balance at 1st July		4,830,751,521	3,384,583,650
Prior Year Adjustments	17	28,047,950	0
Refunds to funding sources	16	<u>(18,139,163)</u>	<u>(142,478,894)</u>
Restated balance		4,840,660,308	3,242,104,756
Surplus/ (Deficit) for the year		<u>(1,282,947,371)</u>	<u>1,588,646,765</u>
Accumulated Surplus for the year as reported		<u>3,557,712,937</u>	<u>4830,751,521</u>

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

STATEMENT OF CASH FLOWS FOR YEAR ENDED 30TH JUNE 2009

		SHS	SHS
		2009	2008
Cash flows from operating activities			
Excess of income over expenditure (operating surplus)		(1,282,947,371)	1,588,646,765
Adjustments for:			
Loss on sale of equipment		22,269,229	0
Depreciation		331,615,451	312,954,719
Prior year adjustments (Revenue Reserves)	17	<u>28,047,950</u>	<u>0</u>
		(901,014,741)	1,901,601,484
Decrease/(increase) in goods in transit		0	81,491,486
Decrease/ (Increase) in stores control account		(15,545,397)	(5,816,753)
Decrease in debtors & prepayments		177,527,291	6,781,256
Increase/ (Decrease) in payables		<u>(47,572,012)</u>	<u>(31,970,364)</u>
Net cash flows from operating activities		(786,604,859)	1,952,087,109
<u>Cash flows from investing activities</u>			
Purchase of property, plant and equipment		(333,787,012)	(764,888,814)
Proceeds from sale of equipment		34,284,999	0
Refunds to funding sources	16	<u>(18,139,163)</u>	<u>(142,478,894)</u>
Net cash flows from investing activities		<u>(317,641,176)</u>	<u>(907,367,708)</u>
<u>Net increase (decrease) in cash and cash equivalents</u>		(1,104,246,035)	1,044,719,401
<u>Cash and cash equivalent at beginning of the year</u>		2,439,332,118	1,394,612,717
<u>Cash and cash equivalents at year end</u>		<u>1,335,086,083</u>	<u>2,439,332,118</u>

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR 2008/09

1. ACCOUNTING POLICIES

a. BASIS OF ACCOUNTING

- (i) The accounts are prepared under the historical cost convention together with the accrual concept.

All the relevant International Accounting Standards (IASs) have been complied with.

b. STORES

Items in stock are stated at the lower of cost and net realizable value. These are all Consumables.

c. DEPRECIATION

Fixed assets are depreciated for twelve months in the year of acquisition and no depreciation is charged in the year of disposal as follows:

Motor Vehicles	25%
Office Equipment	20%
Office Furniture	10%
Telecommunication System	20%
Computers	33%
Buildings	04%

Depreciation is calculated using Reducing Balance method.

d. FOREIGN CURRENCY

Foreign currency transactions are recorded in Uganda shillings at the prevailing rate of exchange on the date of the transaction.

Assets and liabilities in foreign currency at the close of the year are translated into Uganda Shillings at the rate ruling at the Balance Sheet date. Any resulting gains or losses are taken to the Income and Expenditure Account.

No foreign currency bank account was held during the year.

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR 2008/09

e. **GOVERNMENT RELEASES**

All Grants received in cash form are reflected in the Income and Expenditure Statement for the period.

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

NON CURRENT (FIXED) ASSETS										TOTAL
DESCRIPTION	LAND	BUILDINGS	OFFICE FURNITURE	COMPUTERS	OFFICE EQUIP'T	MOTOR VEHICLES	TELECOM SYSTEM	OTHER EQUIP'T		
Depreciation rate	4%	10%	33%	20%	25%	20%	20%			
COST/VALUATION										
July 01, 2008	955,405,756	376,380,698	268,799,797	649,722,511	170,844,848	1,129,654,201	109,974,536	785,000	3,661,567,348	
Additions in the year	54,844,831	0	5,090,001	37,132,106	23,900,000	195,831,772	2,805,303	1,500,000	321,104,013	
Disposals in the year	0	0	21,911,758	2,674,240	14,492,797	127,424,872	0	0	166,503,667	
June 30, 2009	1,010,250,587	376,380,698	251,978,040	684,180,378	180,252,051	1,198,061,101	112,779,839	2,285,000	3,816,167,694	
ACCUMULATED DEPRECIATION										
July 01, 2008	0	5,018,409	62,458,345	329,214,667	75,064,490	669,019,802	42,685,065	492,000	1,183,952,778	
Charge for the year	0	15,055,228	18,224,981	104,894,584	23,263,594	155,846,261	13,972,203	358,600	331,615,451	
Disposal for the year	0	0	168,565	2,403,310	9,644,859	110,415,704	0	0	122,632,438	
June 30, 2009	0	20,073,637	80,514,761	431,705,941	88,683,225	714,450,359	56,657,268	850,600	1,392,935,791	
NET BOOK VALUE										
June 30, 2009	1,010,250,587	356,307,061	171,463,278	252,474,437	91,568,826	483,610,742	56,122,572	1,434,400	2,423,231,903	
June 30, 2008	955,405,756	371,362,289	206,341,451	320,507,844	95,780,358	460,634,399	67,289,473	293,000	2,477,614,570	

Note:

Included in the net book value of Computers is a net book value of Software of Ughs 30,719,805
No existing Software has been replaced by the additions during the year.

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

3. STORES

Items in the store were valued at Shs.42, 324,097=

4. DEBTORS & PREPAYMENTS

Debtors included in the Balance Sheet refer to Accountable advances to Staff to procure office related goods or services, staff salary advances, and prepayments made for goods and services that were received after year end.

	SHS	SHS
	2009	2008
Accountable Advances	78,382,162	84,963,273
Personal Advances	41,905,919	29,679,420
Deposits and Prepayments	82,343,021	259,820,755
N.S.S.F	0	382,500
C. P. Tax	0	50,000
Sundry Debtors	<u>14,307,403</u>	<u>20,219,848</u>
	<u>216,938,505</u>	<u>394,465,796</u>

5. CASH AND BANK BALANCES

Bank - Bank of Uganda RNG Project.	1,233,004,796	2,049,882,403
Bank - Bank of Uganda Vote	4,727,087	38,700,008
Bank - Bank of Uganda UNDP Project	33,686,630	358,988
Bank - Bank of Uganda DANIDA Project	9,902,926	10,826,366
Bank — Bank of Uganda EU Project a/c 2	45,808,539	303,780,657
Bank — Bank of Uganda EU Project a/c 1	10	10
Bank-Citibank	4,118	4,118
PPDA Office Imprest	1,193,600	2,472,600
Cash at Rand	5,015,377	31,563,968
Contingency Float— DANIDA	1,000,000	1,000,000
Office Imprest — EU Project	243,000	243,000
ED's Office Imp rest	<u>500,000</u>	<u>500,000</u>
	<u>1,335,086,083</u>	<u>2,439,332,118</u>

6. CURRENCY

The financial statements are expressed in Uganda shillings.

7. ACCOUNTS PAYABLE AN.D ACCRUALS:

Other Local Trade Creditors	248,652,412	483,124,078
Accruals	177,634,515	688,159
Local Service Tax Payable	5,495,000	0
P.A.Y.E	4,206,855	2,821,955
Income due to Government	Nil	3,001
Salaries Payable	5,734,400	6,785,895
NSSF	1,546,546	0
WHT Payable	<u>16,597,923</u>	<u>14,016,575</u>
	<u>459,867,651</u>	<u>507,439,663</u>

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR 2008/09

	SHS	SHS
	2008/2009	2007/2008
8. STAFF COSTS		
Salaries	3,179,347,791	2,368,137,360
Other staffing costs	<u>93,842,081</u>	<u>76,277,485</u>
	<u>3,273,189,872</u>	<u>2,444,414,845</u>
9. FINANCE & ADMINISTRATION COSTS		
Rent	191,499,840	191,499,840
Stationery	70,225,247	92,364,901
Equipment maintenance	78,944,713	62,034,787
Travel	78,994,304	89,398,055
Vehicle running & maintenance	164,793,685	133,651,677
Communications	123,073,389	146,903,044
Utilities	19,320,116	7,654,411
Office Cleaning	31,700,489	15,069,848
Newspapers, magazines & periodicals	13,279,100	10,465,000
Office miscellaneous	75,250,651	7,316,703
Fees and Charges	84,700,865	71,692,655
Loss on sale of Fixed Assets	<u>22,269,229</u>	<u>0</u>
	<u>954,051,628</u>	<u>892,050,921</u>
10. OTHER EXPENSES		
Subscriptions	31,337,853	12,321,790
Insurances	56,894,717	36,939,527
Public Relations	<u>58,278,403</u>	<u>52,444,516</u>
	<u>146,510,973</u>	<u>101,705,833</u>

11. BOARD EXPENSES

Sitting Allowances	34,420,000	43,150,000
Retainer Fees	43,000,000	54,100,000
Foreign and Local transport	4,270,000	13,661,000
Other Board Expenses	<u>10,710,327</u>	<u>5,082,476</u>
	<u>92,400,327</u>	<u>115,993,476</u>

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR 2008/09**

	SHS	SHS
	2008/009	2007/2008
12. OTHER CHARGES		
Technical Management Assistance	0	137,902,867
Human Resource development	53,576,499	532,804,157
Corporate Programs	386,230,297	412,268,546
Documentation Centre & Library development and admin program activities	37,397,008	25,258,325
Training support for procuring entities	180,033,750	197,488,466
UNDP/Capacity Building Project	424,896,554	264,324,484
Audits, Inspections & investigations	391,053,585	221,156,305
Harmonize Central & Local Government procedures & Policies	<u>812,497,584</u>	<u>486,390,833</u>
	<u>2,285,685,277</u>	<u>2,277,593,983</u>

13. FINANCE COST

The total finance cost of Shs 1,748,192=, refers to bank charges.

14. DONOR FUNDING

	SHS	SHS
Donor		
USAID – ACT	0	3,245,293
DFID	0	2,327,836
European Union	440,915,631	751,175,000
DANIDA	60,000,000	479,233,612
United Nations Development Program	415,181,047	401,776,249
Royal Netherlands Government	<u>1,254,345,000</u>	<u>2,566,318,529</u>
	<u>2,170,441,678</u>	<u>4,204,076,519</u>

15. OTHER REVENUE

Bid Income	1,690,000	925,000
Sale of Publications	12,304,729	19,229,384
Loss on disposal of Assets	0	40,590
Exchange gain	3,548,574	5,759,839
Disposal proceeds	<u>45,865,999</u>	
	<u>63,409,302</u>	<u>25,954,813</u>

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

16. REFUNDS TO FUNDING SOURCES

Refunds to funding sources refer to balances on accounts not utilized by the end of the financial year and returned to funding source:

	2008/9	2007/8
	SHS	SHS
1. Balance on Vote a/c returned to Consolidated Fund	18,139,163	130,944,125
2. Balance on Startup to EU Project returned to EU	<u>0</u>	<u>11,534,769</u>
	<u>18,139,163</u>	<u>142,478,894</u>

17. PRIOR YEAR ADJUSTMENTS

Prior year adjustments refer to adjustments made to correct very old creditors' balances.

Creditor	Amount
Dama Consultants	15,316,000
Cephas Inn	1,250,000
Travelog	62,325
Travelog	128,460
Bushnet	125,925
Developlan	500,000
Kazinga Channel	965,000
Magazine Centre	2,242,000
Lornrho Motors	3,137,171
Amber House	2,878,873
Muva Printers	374,400
Spice Radio	533,898
Spice Radio	533,898
Total	28,047,950

APPENDIX 1

i. Procurement audit of Uganda Investment Authority

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	22	73%	2,194,160,490	15%
Medium Risk	3	10%	38,488,210	0%
Low Risk	4	13%	2,422,688,075	17%
Satisfactory	1	3%	9,724,046,539	68%
Total	30	100%	14,379,383,314	100%

Key findings

- Twenty two (22) procurement action files lacked most of the procurement records.
- There was no CC involvement whatsoever in many of the procurements audited.
- The procurement environment issues included:-
 - Extremely weak procurement structures
 - No procurement plan
 - No evidence of how the pre-qualification list was generated.
 - Non pre-qualified providers invited to bid
 - No evidence of contracting and contract performance in many cases
 - Disregard of Public procurement rules and Regulations
 - Entity did not report to PPDA at all over the period reviewed

Recommendations

- CID should investigate twenty two (22) procurement action files with missing records.
- The AO must ensure that the PDU and user departments maintain the procurement records and contract management records in accordance with Regulations 90 &91
- The AO should ensure that the PDU prepares a consolidated annual procurement plan encompassing all the projects of the entity to facilitate orderly execution of procurement activities.
- The AO should ensure that monthly procurement reports are submitted to the Authority by the 15th day of each month for the previous month using PP form 200 and attaching PP form 202 on the micro-procurements.
- AO should consider training of the procurement structures of the entity in Public procurement modules to enhance and improve the performance of the entity in the procurement function.

Procurement audit of Kabarole District Local Government

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	17	57	553,451,710	59

Medium Risk	9	30	275,718,000	29
Low Risk	4	13	113,000,000	12
Satisfactory	0	0	0	0
Total	30	100	942,169,710	100

Findings

- Procurements requisitions were raised without the statement of requirements contrary to PPDA LG Regs. 2006.
- There was no evidence of confirmation of funds by the Accounting Officer contrary to Regulation 65(7) of the PPDA LG Regulations, 2006.
- The entity was using the wrong method of procurement(s).
- There were instances where the evaluation criterion would not be stated in the bid document contrary to Section 71 (2) of the PPDA LG Regulations, 2006. The Evaluation Committees recommended award of contracts using budget estimates and ignoring the bidder's price proposals.
- For contracts above 50 million, there was no evidence of approval of contract document by the Solicitor General in all the cases audited.
- The entity incurred financial loss totaling Shs 2,590,211/= mainly arising from awarding contracts at budget estimates.
- The three procurements without documentation with a total value of 9,695,500/= were missing.
- There is no substantive PDU and the role of PDU was carried out by the Assistant CAO.

Recommendations

- The Accounting Officer should account for 9,695,500/= that was unaccounted for and recover 2,590,211/= from the various individuals cited in the detailed report.
- The Accounting Officer should ensure that all procurement requirements are initiated using LG PP Form 1 and specifications attached in accordance with LG/PPDA Regulation 65(1).
- The Accounting Officer should ensure availability of funds are confirmed prior to commence of the procurement process be in accordance with LG/PPDA Regulation 65(7).
- The Accounting Officer should ensure that the position of HPDU at the Entity is filled.
- The Head PDU should prepare bidding documents for all procurements in accordance with L/G/PPDA Regulation 25(1) (h).
- The Head PDU should ensure that the evaluation exercise is properly managed in accordance with LG/PPDA Regulation 25 (2) (d).
- All contracts above 50 million should be forwarded to the Solicitor General for approval as a constitutional requirement.
- The AO should ensure the PDU maintains procurement and disposal records as required under LG/PPDA Regulation 31(o).

Procurement audit of Uganda Blood Transfusion Services

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	15	50%	1,350,491,223	74%
Medium Risk	1	3%	62,900,000	3%

Low Risk	3	10%	400,565,800	22%
Satisfactory	11	37%	19,744,750	1%
Total	30	100%	1,833,701,773	100%

Key findings

- Seven (7) procurement action files worth 12,507,079/= were not availed for review.
- In the procurement of blood testing kits, the best financial offer was from Faram E.A Ltd at US \$ 258,143.90 against Mission Pharma's offer of USD 339,996.59. However the Evaluation Committee split the award between the two bidders (Faram E.A Ltd \$ 218,294.96 and Mission Pharma \$ 100,708.92). The combined recommended bid price for this procurement (Lot 3) was thus USD 319,003.88. This was \$ **60,860** more than Faram's offer of USD 258,143.90.
- Bids for the supply of medical equipment were accepted after the deadline for bid submission without evidence of extension of deadline. M/s Jos Hansen was denied award of tender by the EC under unclear circumstances causing a financial loss of **\$8,482**.
- Poor record keeping such that most cases lacked post contract and contract management documentation, bid notices, records of issue, receipt and opening of bids, evaluation reports, no signed ethical codes of conduct by Evaluation Committee. All documents concerning payments were kept at Aclaim Africa (PEPFAR fund managers) and no copies were kept by the PDU or Accounts Section at UBTS.

Recommendations

- The Accounting Officer should take disciplinary action against the Evaluation Committee for causing a probable financial loss of **\$ 8,482**.
- The Criminal Investigations Department investigate the procurement of blood testing kits and take appropriate action against the officers responsible for causing a probable financial loss of **USD 60,860**.
- The CID should investigate the **7** missing files worth **12,507,079/=** and take appropriate action against the responsible Officer (HPDU).
- The Accounting Officer should take disciplinary action against the Procurement Officer, Mr. Kajungu Geoffrey for evaluating bids received after submission deadline contrary to Reg 158 (5) & (6).
- The AO should take appropriate disciplinary action against the CC for granting retrospective approval of procurement.

ii. Procurement audit of Mubende District Local Government

The Authority sampled 20 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	12	60%	312,630,009	30%
Medium Risk	1	5%	1,500,000	0%
Low Risk	7	35%	727,724,937	70%
Satisfactory	-	-	-	-
Total	20	100%	1,041,854,946	100%

Key findings

- Seven files worth UGX **86,525,164** were not provided for review
- Poor record keeping e.g no evaluation records on file and contract management documents missing
- There was an unexplained variance of Shs.4.3 billion between procurements reported to PPDA and procurements as budgeted for.
- Wrong procurement methods used.
- The District was not using standard bidding documents and standard PPDA Local Government Procurement Forms.
- The entity did not seek the Solicitor Generals approval of contracts exceeding 50 Million
- The CC in some cases did not approve the composition of the evaluation committees.

Recommendations

- The Criminal Investigation Department should investigate the 7 missing file worth 86,525,164/= and take appropriate action against the responsible officials.
- The AO should take appropriate disciplinary action should be taken against the PDU and User Departments for initiating and proceeding with procurements without procurement requisitions, confirmation of funding by the AO which violates the provisions of LG/PPDA Regulation 65.
- Appropriate disciplinary action should be taken against the PDU for non use of PPDA standard PP LG forms.
- The CC should be held responsible for not approving evaluation committees as required by LG/PPDA Regulation 17(1)b.
- The PDU should ensure all procurement and Disposal process documentation is kept on their respective action files.
- The User departments and the PDU should be held responsible for non compliance of the provisions of the PPDA Regulation 62 regarding procurement planning.

iii. Procurement audit of Sironko District Local Government

The Authority sampled 20 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	11	55	375,310,552	63
Medium Risk	9	45	216,176,000	37
Low Risk	0	0	0	0
Satisfactory	0	0	0	0
Total	20	100	591,486,552	100

Key findings

- One file worth 78,124,387/= for the purchase of a Toyota Hilux Double Cabin by M/s Yuseumuga Auto Ltd was not submitted for review.
- No record of solicitation or receipt of bids
- Bid opening was not done in the presence of the PDU or CC member.
- No CC approval of the solicitation documents, bid notices, and procurement methods.
- In some instances, Evaluation Committee members were not approved by CC as PDU did not make submissions.
- No Solicitor General's approval for procurements exceeding UGX. 50,000,000/=.

- Poor record keeping – most documents were missing on file e.g, no contract management documents on file. The role of the PDU ended at contract award stage.
- No record of PS/ST approval of the CC on file.

Recommendations

- The Criminal Investigations Department should investigate the missing file worth 78,124,387/=.
- The AO should seek approval of the CC from the PS/ST.
- The PDU should always seek CC approval of for solicitation documents, bid notice, and procurement method as required by Reg.17.
- The PDU should ensure that the EC is approved by the CC as required by Reg.72(1).
- The AO should ensure that the PDU maintains all the relevant procurement related information on individual procurement action files as required by Reg. 46 and this improve the filing system as well.

iv. Procurement audit of Directorate of Public Prosecution

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High risk	1	3.3 %	15,000,000	1.0
Medium risk	1	3.3 %	144,273,000	9.3
Low risk	9	30.0 %	448,799,962	28.7
Satisfactory	19	63.4 %	951,165,566	61.0
Total	30	100.0%	1,559,238,528	100.0%

Key reasons

- The high risk case was not planned for and evaluation was not conducted.

Recommendations

- The Accounting Officer should ensure that all requirements are included in the procurement plan in accordance with PPDA Regulation 96.
- The PDU should ensure that evaluations for direct procurements are conducted in accordance with Regulation 119(6).
- The Accounting Officer should ensure usage of PP form 20 to initiate all procurements.

v. Procurement audit of Rural Electrification Agency

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage

High Risk	2	7%	79,043,600	30%
Medium Risk	6	20%	21,444,535	8%
Low Risk	3	10%	55,001,200	21%
Satisfactory	19	63%	106,997,207.83	41%
Total	30	100%	262,486,542.83	100%

Key findings

- Only the Procurement plan for the projects funded under ERT Program was availed and Government of Uganda Procurement funded were made on the basis of the budget proposal
- Lack of an approved procurement plan
- Lack of two procurement files worth UGX 97,714,000 on the selected sample not availed
- Use of suppliers who were not on the pre-qualified list
- Wrong method of procurement e.g. direct without justification
- The entity was not using SBDs issued by PPDA
- Lack of evaluation minute, report and Evaluation Committee not signing ethical code of conduct.
- Poor record keeping
- Negotiations were being carried out on ad hoc basis contrary to Regulation 219 & 220
- No contract managers assigned and no proof contract monitoring provided.

Recommendations

- The entity should ensure that they have an approved procurement plan by the July of each new financial year.
- CC should ensure that solicitation documents/statement of requirements are detailed and have specifications in accordance with Regulation 48(a)(i)(iv)
- The PDU should ensure that the procurement methods used are in line with the provisions of the fourth schedule to the PPDA Act.
- The Accounting Officer should ensure that user departments fulfill their responsibility of contract management in accordance with Regulation 61(5).
- The PDU should ensure that all procurement records are kept on their respective procurement action files in accordance with Regulation 90 & 91.
- The accounting Officer should ensure that the Entity complies with the reporting requirements as spelt out in Regulation 40 of the PPDA Act.
- The entity should liaise with the PPDA for training of the CC on their roles and responsibilities.

vi. Procurement audit of Education Service Commission

The Authority sampled 20 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	1	3	29,162,520	16
Medium Risk	22	74	137,787,470	67
Low Risk	7	23	25,574,970	17
Satisfactory	0	0	0	0
Total	30	100	192,524,960	100

Key findings

- A Proforma Invoice from Ms Kirigwajjo & sons dated 4th September 2007 was used to initiate the procurement, as the PP Form 20 estimates were based on the Proforma invoice value.
- Approval of the list of pre-qualified firms and the proposed evaluation committee by CC is not documented.
- The original deadline for submitting bid documents was extended in ink without a counter signature. The reasons and approval for extension were not approved by the CC as stipulated in regulation 94(c) of the PPDA regulations.
- The receipt of bids was recorded on PP Form 31. However some entries were altered without countersignature.
- The dates for the Letter of Bid acceptance by ESC is overwritten / changed but not countersigned.

Recommendations

- The Head, PDU should be cautioned against un authorized extensions of bid-submission deadlines or alterations without prior approval of the Contracts Committee as stipulated in regulation 148 (5) & (6) of the PPDA regulations.
- In future, PDE should ensure that any alterations done on documents is be endorsed by either the delegated authority to avoid any suspicions of misrepresentation of facts.
- The AO should ensure that all payments made to suppliers are acknowledged by the recipients.
- The Contracts Committee should ensure that the principles of Regulation 85 (1) and (2) on competition and open competitive bidding are adhered to all the time.

vii. Procurement audit of Ministry of Justice and Constitution Affairs

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	12	40%	134,950,553	19%
Medium Risk	9	30%	137,387,874	19%
Low Risk	4	13%	242,089,128	34%
Satisfactory	5	17%	208,196,601	29%
Total	30	100%	722,624,156	100%

Key Findings

- The entity did not have a procurement plan for the period 2007/08. And at the time of this audit, the procurement plan for 2008/09 was still being prepared.
- Poor record keeping e.g records of issue of solicitation documents, receipt of bids, bid opening, evaluation reports, notification of award and contract management were not available in many files.
- Retrospective approvals by the CC.
- There was no record of CC approval by PS/ST, Ministry of Finance, Planning and Economic Development.
- Use of providers who are not on the pre-qualified list e.g Victoria Motors was contracted on many occasions to carry out repairs but was not pre-qualified for such services
- Procurements in excess of Shs.350 million were carried out by the Entity but not reported to PPDA.

Recommendations

- The PDU and user departments should be held responsible for not preparing a procurement plan.
- Appropriate disciplinary action should be taken against the Head PDU for the missing documents on the procurement action files.
- All documents pertaining to procurement are maintained the procurement action file in accordance with Regulation 90 and 91.
- The pre-qualified providers list should be reviewed and updated to properly guide the procurement process.
- The CC should ensure that provision of retrospective approvals is avoided.
- The AO should seek the PS/ST, Ministry of Finance, Planning and Economic Development approval of the CC members in accordance with Reg. 45(3).
- Appropriate disciplinary action should be taken against the Head PDU for failure to report all procurements conducted by the entity and for failure to submit monthly reports to PPDA in contravention of Regulation 40 and 118(8) of the PPDA Regulations.

viii. Procurement audit of Cotton Development Organisation

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	5	16.67	716,693,374	41
Medium Risk	22	73.33	1,019,109,254	58
Low Risk	3	10	23,712,690	1
Satisfactory	0	0	0	0
Total	30	100	1,759,418,398=	100

Key findings

- There was no documentation to evidence the delegation of responsibilities to Officers under various departments who in a number of instances, played the roles of the Accounting Officer
- Procurements undertaken but not on the approved procurement plan and budget for the financial year under review.
- Lack of solicitation documents issued to bidders.
- Lack of evidence of bid evaluation being undertaken
- Use of suppliers who were not on the pre-qualified list
- Wrong method of procurements
- Poor record keeping and incomplete records
- Lack of contract management records.
- Retrospective approvals by both CC and Accounting Officer

Recommendations

- The entity should ensure that they have an approved procurement plan by the July of each new financial year which is linked to the budget and implementation of the procurement plan is followed accordingly.
- The PDU should ensure that all procurement records are kept and well on their respective procurement action files.

- The PDU should ensure that the procurement methods used are in line with the provisions of the fourth schedule to the PPDA Act.
- The Accounting Officer should ensure that user departments fulfill their responsibility of contract management in accordance with Regulation 61(5).
- The entity should liaise with the PPDA for training of the CC on their roles and responsibilities.

ix. Procurement audit of Public Service Commission

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High risk	5	16.7%	25,745,650	6.6%
Medium risk	1	3.3%	3,147,000	0.8%
Low risk	13	43.3%	160,819,454	41.0%
Satisfactory	11	36.7%	202,205,620	51.6%
Total	30	100.0%	391,917,652	100.0%

Key findings

- No CC approvals for procurement method
- LPOs/Contracts issued after delivery of the goods
- There are no copies of solicitation documents on file
- Procurement for a number of supplies made without prior approval of CC –Submitted to CC for retrospective approval
- Lack of procurement planning – The entity did not have a procurement plan for the period review

Recommendations

- The AO must ensure that entity has a procurement plan and that it forms the basis of all procurements of the entity.
- The AO should ensure that the PDU and User Departments prepare comprehensive procurement plans in accordance to PPDA Regulations 96-98
- The head PDU should ensure that the choice of procurement method is first approved by CC in accordance to Section 79(2) of the PPDA Act, 2003. CC should ensure that the entity uses open bidding as the preferred method of procurement.
- The AO should ensure that PDU, CC and User Departments are trained in the Public Procurement emphasizing the areas of procurement planning, contracting and record keeping among others.
- The AO must ensure that all procurements are approved the Contracts Committee prior to issue of LPOs.
- The Head PDU should ensure that procurement records are maintained in accordance with PPDA Regulation 90.

x. Procurement audit of Uganda Electricity Generation Company Limited

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	2	7	70,737,056	22
Medium Risk	28	93	245,975,777	78
Low Risk	0	0	0	0
Satisfactory	0	0	0	0
Total	30	100	316,712,833	100

Key findings

- The procurements not reflected in the procurement plan and budget.
- The firms invited to quote are not prequalified
- There were no Bills of Quantities prepared prior to the commencement of the contract.
- There is no justification for the 5% increase in price prior to commencement of the contract. The CC recommended price negotiation and issuance of a performance bond which were not adhered to. The contract for the works was signed after work had already started.
- The contract was not cleared by the SG as provided in regulation 225 (2) (f) of the PPDA regulations, 2003.
- There was no documentation to evidence the delegation of responsibilities to Officers under various departments who in a number of instances, played the roles of the Accounting Officer
- Poor record keeping and incomplete records
- Lack of contract management records

Recommendations

- The PDU should ensure that all procurement records are kept and well on their respective procurement action files.
- The PDU should ensure that the procurement methods used are in line with the provisions of the fourth schedule to the PPDA Act.
- The Accounting Officer should ensure that user departments fulfill their responsibility of contract management in accordance with Regulation 61(5).
- The entity should liaise with the PPDA for training of the CC on their roles and responsibilities.
- The Head, PDU should ensure that any form of contract amendment is conducted as guided by regulation 262 of the PPDA regulations.
- The AO should ensure that contracts above the threshold are not signed before clearance of the Solicitor General as recommended in regulation 225 (2) (f) of the PPDA regulations, 2003.

xi. Procurement audit of Ministry of Information, Communication and Technology

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High	2	7%	23,553,750	1%
Medium	4	13%	261,838,700	7%
Low	3	10%	239,122,160	6%
Satisfactory	21	70%	3,438,016,578	87%
Total	30	100%	3,962,531,188	100%

Key findings

- The entity did not have a procurement plan to guide the procurement process over the period.
- The Ministry did not pre-qualify providers to supply some of the frequently procured items e.g batteries and accessories, banners and T-shirts, Fuel, Oil and Lubricants, and Catering services.
- Poor estimation of most items procured leading to use of wrong method of procurement.
- Incomplete procurement action files.
- Lack of CC approvals at the various stages as well as conducting retrospective approvals.

Recommendations

- The Accounting Officer should ensure that the entity prepares and approves a procurement plan annually by July of each financial year.
- The Head PDU should ensure that the pre-qualified providers list currently in use should be extensively reviewed and updated
- The entity should always endeavour to make estimations which are more accurate so that the right method of procurement is used.
- Head PDU should ensure that all records are maintained in accordance with Reg. 90 & 91.
- The CC should stop immediately retrospective approvals.

xii. Procurement audit of Uganda National Council of Science and Technology

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	0	0	0	0
Medium Risk	14	46.7	348,252,752	44.4
Low Risk	16	53.3	435,580,459	55.6
Satisfactory	0	0	0	
Total	30	100	783,833,211	100

Key findings

- The PDE did not have any case categorised as high risk. However, the section below will highlight areas that need improvement for cases categorises as medium risk.
- There was lack of In bid notice or Invitation to Bid for the procurement of individual consultants and other consultancies audited, thus the process of developing the shortlist was not known.
- There was lack of evidence that a notice of best evaluated bidder was put up on the procurement notice board for various procurements
- Bidders were notified of the contract award a month after the contract had been signed in contradiction of Regulation 224 (5) on the procurement of events management.
- There was no proof of delivery of goods
- Poor Record keeping information on procurements scattered in different offices.

Recommendations

- The PDU should consider use of a framework contract for workshops.
- Use of telephone to contact service providers should be discouraged
- Workshop should as much as possible be rotated among the pre-qualified service providers in the hospitality industry

- Contract managers should always be appointed for all works and technical services in accordance with PPDA regulation 259.
- PDU should ensure that procurement records are maintained in accordance with Reg.90&91 of the PPDA regulations.

Procurement audit of Ibanda District Local Government

The Authority sampled 29 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	13	45%	227,984,549	18%
Medium Risk	9	31%	813,747,557	66%
Low Risk	5	17%	191,533,999	15.3%
Satisfactory	2	7%	8,850,000	0.7%
Total	29	100	1,242,116,105	100

Findings

- Each user departments maintained and signed a separate LPO for their respective department while procuring fuel and stationery without involvement of the PDU.
- Some procurement action files were incomplete with documents such as requisition forms, CC approvals, invitation to bid documents, bid documents and evaluation reports missing.
- There were instances where the CC was not approving the procurement method and bid documents.
- User departments were signing contracts on behalf of AO without delegated authority.
- The CC made some retrospective award approvals e.g. supply of a Grader LG 0016-61 worth Ushs 2,407,156/=.
- In some instances, the Evaluation Committee(s) were not using the evaluation criteria stated in Standard Bid Document.
- There was probably financial loss of UGX 805,621 during the construction of staff houses by M/s Kwed Construction where the District failed to negotiate with M/s Kombi on the original bid offer of UGX 19,692,218 as the 1st best evaluated bidder and awarded contract at at UGX 20,497,839.

Recommendations

- The CC and PDU should be cautioned for the probable financial loss of UGX 805,621 caused to the entity during the construction of staff houses.
- The AO should ensure that the procurement work plan is integrated in into the annual budget in accordance with LG/PPDA regulation 62(2).
- The Accounting Officer must transfer all the LPO(s) to the PDU.
- All records on procurement should be kept on file in accordance to LG (PPDA) Reg.46 and LG (PPDA) Reg.119 for contract management records.
- The Chairman CC should ensure that all procurement methods are approved by the Committee before procurements are undertaken.
- The Accounting Officer should caution the CC from making retrospective approvals and this should be stopped.
- The Evaluation Committees should always use the criteria in the bid documents and the CC should only approve evaluation reports which have used the recommended evaluation criteria in the bid documents issued.

i. Procurement audit of Judicial Service Commission

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	0	0	0	0
Medium Risk	20	66.7	68,150,785	54
Low Risk	10	33.3	58,712,739	46
Satisfactory	0	0	0	0
Total	30	100	126,863,524	100

Key findings

- The PDE did not have any case categorised as High Risk. However the section below will highlight areas that need improvement for cases categorises as medium risk.
- There is no evidence of appointment of the evaluation committees
- Lack of evaluation reports on file.
- The Contracts Committee awarded some contracts to non-prequalified firms.
- Lack of relevant procurement information on action files. For instance evaluation reports and payment records.
- Lack of the best evaluated bidder notice or evidence to show that the BEB was displayed on the procurement notice board.
- Poor Record keeping
- Lack of Contract Managers

Recommendations

- The PDE should arrange to have a valid pre-qualification list for the FY 2009/10 through to 2011/2012
- The Accounting Officer should ensure that each user department prepares departmental procurement work plans based on the approved budget and work plan to feed into the annual consolidated procurement plan prepared by the PDU in accordance with PPDA regulations 60 and 96.
- Evaluation Committees should sign and file the code of ethical conduct in accordance with regulation 169 (9).
- The entity should put in place contract management systems in accordance with PPDA regulations 258, 259 and 260.
- Head PDU should ensure that procurement records are maintained in accordance with Regulations 90 & 91 of PPDA Regulations, 2003.

ii. Procurement audit of National Planning Authority

The Authority sampled 27 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High risk	11	40.8%	127,221,990	32.9%
Medium risk	-	-	-	-
Low risk	7	25.9%	210,517,672	54.3%
Satisfactory	9	33.3 %	49,640,360	12.8%
Total	27	100.0%	387,380,022	100.0%

Key findings

- Eight procurement action files were missing.
- There was no procurement plans prepared by the User Departments during FY 2007/2008.
- Use of direct procurement method without justifiable reasons.
- There are no copies of solicitation documents on file.
- Entity not seeking Solicitor General’s approval for contracts above Ushs 50m/=.
- For eight procurements, there were no procurement records at all.
- A number of procurements were not initiated in accordance with Regulation 104.
- The AO did not confirm availability of funds.

Recommendations

- The CID should investigate the eight files without procurement records.
- The Accounting Officer and Head PDU should ensure that the user departments prepare annual work plans for procurement based on the approved budget and submit to PDU in time in accordance with Regulation 96(1).
- The AO should ensure that no procurement is initiated without confirmation of funding in accordance with Section 59(2) of the PPDA Act.
- The AO and Head PDU should ensure that Solicitor General approves all contracts above the threshold of Ugx 50 million prior to signing in accordance with PPDA Regulation 225(2)(f).
- The AO and Head PDU should ensure that procurement records maintained are in accordance with Regulations 90 and 91.
- The Head PDU and CC should ensure that appropriate methods of procurement are applied in compliance with Regulation 106 and PPDA Guideline 1/2003. CC should ensure that the entity uses open bidding as the preferred method of procurement.

iii. Procurement audit of Management Training and Advisory Centre

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High risk	15	50%	24,930,136	68%
Medium risk	6	20%	2,919,500	8%
Low risk	8	27%	5,988,300	16%
Satisfactory	1	3 %	3,000,000	8%
Total	30	100%	387,380,022	100%

Key findings

- The user departments did not prepare work plans for FY 2007/2008 for onward submission to the PDU.
- All procurements were not initiated using the PP Form 20.
- Rampant use of micro procurement method by user departments with disregard to the threshold of Ushs 2,000,000/=. There was no evidence of delegated authority to user departments to undertake micro procurements.
- The CC members not approved by PS/ST by the time of this audit, though names had been submitted to MoFPED

Recommendations

- The Accounting Officer and Head PDU should ensure that the user departments prepare annual work plans for procurement based on the approved budget and submit to PDU in time in accordance with Regulation 96(1).
- The AO and PDU should ensure that initiation of procurement requirements is done in accordance to Regulation 104.
- The CC and PDU should ensure that appropriate methods of procurement are applied in compliance with Regulation 106 and PPDA Guideline 1/2003.
- The AO urgently follow-up with PS/ST to ensure that CC members are approved since their current decisions can be challenged and may not be legally binding.
- The Head PDU and CC should ensure that appropriate methods of procurement are applied in compliance with Regulation 106 and PPDA Guideline 1/2003. CC should ensure that the entity uses open bidding as the preferred method of procurement.

iv. Procurement audit of Ministry of Public Service

The Authority sampled 31 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High risk	11	35.5	330,721,840	40.9
Medium risk	8	25.8	157,121,537	19.4
Low risk	11	35.5	307,319,726	38.0
Satisfactory	1	3.2	13,334,000	1.7
Total	31	100.0	1,871,863,230	100.0

Key findings

- The entity did not have a consolidated procurement plan for the period under review. User departments did not submit their plans to PDU for consolidation.
- Contracts above UGX 50m/= not approved by Solicitor General.
- No evidence of contract implementation monitoring and supervision. User Departments did not appoint Contract Managers for supervision of contracts.
- Most procurement action files had incomplete records.

Recommendations

- The Accounting Officer should ensure that all User Departments prepare procurement plans based on approved budget submitted to the PDU to prepare an over all procurement plan for the entity in accordance with Section 34(2) of PPDA Act 2003.
- The AO should ensure that all contracts above Ugx. 50 million are cleared by the Solicitor General in accordance with Regulation 225(2)(f).
- The AO and Head PDU should ensure that procurement records maintained are in accordance with Regulations 90 and 91.

v. Procurement audit of Kisoro District Local Government

The Authority sampled 20 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	4	20	43,437,000.00	3
Medium Risk	3	15	103,560,100	6
Low Risk	6	30	1,350,880,014	79
Satisfactory	7	35	216,631,194	13
Total	20	100	1,714,508,308	100

Key findings

- In four of the cases reviewed, there were no contracting and post contracting information at all e.g. In the purchase of one unit motor cycle for the Town Council from M/s Toyota Uganda
- In some cases, there was confirmation of availability of funds by the AO
- Some procurement action files were incomplete.
- Procurement requisition raised and approved retrospectively
- Retrospective approval of the procurement method and shortlist of firms
- Lack of CC involvement in some procurements.

Recommendations

- The Accounting Officer should whenever delegating some of his duties do so in writing as required by Reg.14
- The AO should execute all his duties as required by Reg.14.
- The PDU should ensure that all contracting and post contracting documentation are kept in accordance with by Reg.46
- The CC should perform their duties in accordance with Reg. 17.
- The user department should always appoint contract managers in accordance with Reg. 119 (2).

vi. Procurement audit of Ministry of Energy and Mineral Development

The Authority sampled 60 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	4	8%	45,060,596,400	12%
Medium Risk	15	25%	14,929,054,422	4%
Low Risk	33	53%	305,870,363,634	81%
Satisfactory	8	13%	10,570,349,898	3%
Total	60	100%	376,430,364,354	100%

Key findings

- The Entity did not have a Procurement Plan for the period to guide the Procurement Process as required under Regulation 96 with the exception of the SMMRP, ERT and PSDO Projects, which had their own detailed Procurement Plans that guided their procurement processes.
- User departments would not only initiate requirements but would proceed and make submissions to the Contracts Committee, against the provisions of Act Section 38.

Recommendations

- The AO should ensure Procurement Plans are drawn for every financial year as required by Sec. 58 of the PPDA Act, 2003.
- The PDU should ensure all procurements are initiated using requisition form (PP Form 20) and should be appropriately filled and in accordance with Reg 104.
- The Secretary CC should ensure all submissions are channeled through the PDU as required by Reg. 58 (b)

Procurement Audit of National Water & Sewerage Corporation (FY 2006/07)

The Authority sampled 60 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High risk	4	7%	69,199,016	0.1%
Medium risk	11	18%	171,900,449	0.2%
Low risk	35	58%	39,571,575,923	49.8%
Satisfactory	10	17%	39,650,172,165	49.9%
Total	60	100%	79,462,847,553	100.0%

Key findings

- Although the PDU initiated the planning process well in time, the process was slow due to delayed submission of departmental work plans by the User Departments. The consolidated procurement plan was approved by the Board in December 2006, six months into the next financial year.

- The pre-qualification process took unnecessary too long time. It was initiated in July 2005 but the award letters to the pre-qualified providers were issued in August 2006.
- Direct procurement method was used without clear justification and relevant approval, for example, 3 procurements in the audited sample.
- The Contracts Committee was not making approvals of procurement methods, bid documents and Evaluation Committees. For instance, the procurement method of 41 cases out of the 52 procurements audited was not approved by CC. During the period under review, the entity had only four CC members who have also reduced to three.
- In most of the cases audited there was no record of issuance, receipt and open of bid documents.
- The Evaluation Committees were not approved by the CC, e.g 64% of the procurements audited did not have CC approval of the EC. The evaluation reports were also not approved by the CC.
- The PDU was not involved in the management of large and donor funded project procurements.

Recommendations

- The procurement planning process should be initiated towards the end of the preceding FY and refined as soon as the corporation budget is approved by the board, in order to ensure that there is no gap in the procurement process.
- The pre-qualification exercise should be initiated well before the end of the last financial year of the period for which the pre-qualification list is valid. In any case this should be done at least 2 months before the expiry of the validity of the pre-qualification list, as per PPDA Guideline 1/2005 section 2(iii).
- Use of direct procurements should be clearly justified and approved by the CC and Accounting Office as stipulated by Regulation 106 of the PPDA Regulations, 2003.
- The Head PDU should ensure that the method of procurement is approved by the Contracts Committee in accordance to PPDA Regulations 49 (a) and 94 (a), 2003.
- The Head PDU should ensure that all procedures related to solicitation of bids, including the issuance, receipt and opening of bids, are appropriately recorded using the relevant PP Forms (PP Form 30, 31, 34, 35).
- The PDU should be fully involved in the management of the procurements of all internally and donor funded projects.
- The Accounting Officer should nominate candidates for CC approval by the PS/ST to fill up the vacant positions.

Procurement audit of Electricity Regulatory Authority

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	4	13%	10,485,044	1.9%
Medium Risk	2	7%	3,905,140	0.7%
Low Risk	9	30%	122,946,942	22.7%
Satisfactory	15	50%	405,142,008	74.7%
Total	30	100%	542,479,134	100%

Findings

- Some procurements were initiated without requisitions raised on standard PP Form 20 e.g. ERA/SERVICES/2007/2008/00019

- Though the entity had a pre-qualified providers list which guided the procurement process, the entity invited non pre-qualified providers to bid along pre-qualified providers.
- In some cases the PDU nominated only two evaluation committee members for approval.
- In some cases quorum of the EC was not adhered to. For example case numbers ERA/SPLS/06-07/00031 and ERA/SERVICES/2007/08/00010.
- Important procurement and disposal documents were missing on file.
- The CC failed to provide oversight role in approving members of the evaluation committees.
- In one instance two members of the evaluation committee constituted an evaluation committee and conducted an evaluation contrary to Regulation 169.

Recommendations

- The PDU should ensure that procurement requirements are initiated using PP form 20 in accordance with Regulation 104(1) and availability of fund confirmed prior to initiating procurement proceedings in accordance with Regulation 105(1).
- User departments should ensure that they provide budget estimates for each item of procurement on PP form 20 as required by Reg 104 (2).
- The Head PDU should update the pre-qualified register pf providers list to include categories missing in the current register.
- The Head PDU should be disciplined appropriately for nominating only two members of the PDU to the Evaluation Committee contrary to Regulation 169(3) & (5).
- The Head PDU, under whom the responsibility of record keeping directly falls in accordance with Section 31(0) of the PPDA Act, should be cautioned for failing to perform this function.
- The CC should approve members of the Evaluation Committee in cognizant of Regulation 169.

Procurement audit of Health Service Commission

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	2	7%	18,226,764	13%
Medium Risk	4	13%	18,711,718	13%
Low Risk	9	30%	73,846,040	51%
Satisfactory	15	50%	34,269,400	24%
Total	30	100%	145,053,922	100%

Findings

- There were a number of items, such as Stationery which even though planned to be procured quarterly by use of the RFQ method were subsequently procured on an adhoc basis as micro procurements;
- While the entity had a comprehensive 2007/08 Plan, it did not include items such as Travel (Air Tickets) and Provision of internet services. It has been noted that the entity has included such in the current plan.
- The Commission did not issue notification of award and bid acceptance letters subsequent to contract award decisions;
- The CC retrospectively awarded contracts for the procurement of Air tickets for two HSC Officers where LPOs were issued before evaluation of bids had taken place;

- Before retirement of the Mr Martin Olobo as the Accounting Officer, Ms Dorothy Nasolo in many instances certified availability of funds on requisition forms without any formal delegation given by the Accounting Officer.
- The Head PDU failed in her responsibility of keeping records as stipulated in Section 31(o) of the PPDA Act 2003.

Recommendations

- The Accounting Officer should subject cleaning service to competition, then enter into framework contract with the successful bidders.
- The Accounting Officer should ensure the successful bidder and unsuccessful bidders are notified of contract award as required by Reg. 225 (4) and should ensure letter of bid acceptance are issued in accordance with Reg. 228.
- Members of the Contracts Committee should be cautioned for making retrospective approvals.
- All procurement and contracts management documentation should be kept as required by Reg. 90 and 91.
- The functions of the Accounting Officer should always be carried out only by persons with properly delegated authority.
- Secretary CC should ensure the use of PP Form 209 in communicating CC decisions on a submission as required by Reg. 51 (8).

Procurement audit of Uganda Management Institute

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	14	47%	217,847,826.00	49%
Medium Risk	12	40%	192,609,279.00	43%
Low Risk	4	13%	33,060,133.00	7%
Satisfactory	-	0%	-	-
Total	30	100%	443,517,238.00	100%

Key Findings

- 23% of the reviewed procurements were initiated without approval of the need and confirmation of availability of funds; for example Procurement of Security Service from Ultimate Security Group Ltd was carried out without PP Form 20.
- Only one firm M/S Katende Ssempebwa Advocates Ltd was pre-qualified for the provision of Legal Services for a period of three years.
- Procurement Methods were used against the provisions in the PPDA Act, Regulations and Guidelines, e.g direct procurements method was used unjustifiably.
- The Head PDU failed in her responsibility of keeping records as stipulated in Section 31(o) of the PPDA Act 2003.
- The PDU failed to make submissions to the CC seeking approval of the procurement method, solicitation document using PP standard Form 1 as required by Reg.29.
- The PDU failed to prepare contracts and have them signed by the Accounting Officer and the Provider contrary to Section 31(m) of the PPDA Act 2003.
- There was no Solicitor General's approval of contracts that exceeded UGX.50,000,000 such as in the case of procurement of vehicles from Kampala Nissan Ltd.
- For the files reviewed, documentation maintained was incomplete with missing procurement forms; goods received notes, certificates of completion of work, copies of evidence of payment and contract completion reports.

- The CC did not approve the procurement methods, advertisements & bid documents e.g. in the supply of motor vehicles by Kampala Nissan Ltd.

Recommendations

- The Entity should obtain a list of practicing law firms from the Uganda Law Society and enter into framework contracts with selected firms.
- The Head PDU should ensure that appropriate procurement methods are used in accordance with Guideline 1/2003.
- The AO should take appropriate disciplinary action against the Contracts Committee for approving non competitive procurement methods without justification contrary to Section 46 of the PPDA Act 2003.
- The PDU should always ensure that the all documents associated with a procurement are filed on the procurement action file in accordance with Regulation 90 and 91.
- The PDU should ensure Users officially communicate Contract Managers and such records should be kept on the files as required by the Reg. 259(3).
- The AO should ensure all contracts above UGX 50,000,000 are approved by the Solicitor General as required by Reg. 225(2) (f).
- The Accounting officer should ensure appropriate contract documents are prepared and ensure that they are signed between the Entity and the Provider such that both parties operate under clear terms and conditions as required by Reg. 229 since the LPO does not capture all the pertinent terms.
- The AO should take appropriate disciplinary action against the Head PDU for failing to keep records contrary to Section 31(0) of the PPDA Act 2003.
- The AO should take appropriate disciplinary action against the PDU for not preparing contracts and having them signed by the Accounting Officer and the Provider contrary to Section 31(m) of the PPDA Act 2003

Procurement audit of Uganda Coffee Development Authority

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	0	0	0	0
Medium Risk	6	20%	11,695,714	3%
Low Risk	5	17%	182,655,700	53%
Satisfactory	19	63%	147,710,366	43%
Total	30	100%	342,061,780	100%

Findings

- Not all items were in the approved procurement plan, for example, the wet processing machine.
- The Authority did not have a framework contract for frequently purchased items such as Poly Pots which would have led to cost saving.
- User departments did not adhere to the preparation of work plan for all procurements based on the approved budget for FY 2009/2010 in accordance with Regulation number 96.
- There were instances where some procurement action files were incomplete.

- The Procurement and Disposal Unit (PDU) was understaffed having been manned by one officer. To handle the fairly significant workload, the officer occasionally enlisted the help of trainee assistants (interns).

Recommendations

- The entity should comprehensively plan for all items expected to be procured in line with Regulation 96 of the PPDA.
- The Accounting Officer should update the provider's register for the FY 2009/20010 in accordance with Regulation 126(6).
- The Head PDU should identify frequently procured items for the entity to enter into framework contracts with the providers in line with Regulation 237.
- The entity must always ensure that all correspondences related to each procurement item are filed in one file from the initiation of the need up to post contract management documentation as required by Regulation 90 and 91
- User departments should prepare work plan for 2009/10 FY for all procurements based on the approved budget which must be submitted to the PDU to facilitate orderly execution of annual procurement activities as stipulated by Regulation number 96.
- The Accounting Officer should ensure the PDU is staffed appropriately in line with the work load of the Entity in accordance with Section 30 of the PPDA Act, 2003.

Procurement audit of Posta Uganda

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	18	60%	664,558,919	76%
Medium Risk	5	17%	90,524,960	10%
Low Risk	7	23%	123,707,099	14%
Satisfactory	0	0	0	0
Total	30	100%	878,790,978	100%

Findings

- The procurement plan was not integrated into the annual expenditure programme to enhance financial predictability, accounting and control over procurement budgets. The Plan did not have a detailed breakdown of activities of works, services or supplies to be procured and schedule of procurement requirements in order of priority as required by PPDA regulation 9.
- Some suppliers not on pre-qualified list were invited to bid alongside those that had been pre-qualified with out any justifiable reasons for example Under supply of stationery and consumables M/s J.N. Enterprises was not on the Entity's pre-qualified list.
- Members of the Evaluation Committees were in some instances not approved by CC as required by regulation 48 (C).
- The procurement records of the entity are not kept in their respective action files contrary to regulation 90 and 91 of the Regulations. Most payment related documentation was not provided on most of the case files.
- The PDU proceeded with some procurement without procurement requisitions, approvals from CC and confirmation of funding by the AO.

- Non use of standard PPDA forms e.g. record of bid issue, receipt and opening, evaluation reports, CC communication of decisions.
- The CC was not involved in key procurement stages which was a big flaw in the entity's procurement process e.g approval of contract awards.

Recommendations

- The PDU should prepare 2009/10 procurement plan linked to the annual approved budget in accordance with regulation 96 of the PPDA Regulations 2003.
- The Head PDU should ensure that priority is given to the pre-qualified providers to participate in the bidding process.
- The Head PDU should ensure that the Evaluation Committee is nominated and submitted to the CC for approval in accordance with Regulation 169(2).
- The PDU should ensure that all documents pertaining to a procurement are maintained the procurement action file in accordance with Regulation 90 and 91.
- The Accounting Officer should consider recruiting qualified and experienced personnel to man the PDU.
- The PDU should ensure that the procurement methods used are in line with the provisions of the fourth schedule to the PPDA Act.
- The entity should liaise with the PPDA for training of the CC on their roles and responsibilities.

Procurement audit of Uganda National Bureau of Standards

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	25	83.34%	481,496,582	88.85%
Medium Risk	1	3.33%	6,000,000	1.11%
Low Risk	4	13.33%	54,396,592	10.04%
Satisfactory	0	0%	0	0%
Total	30	100%	541,893,174	100%

Key Findings

- The Entity did not operate their procurement processes on the basis of a procurement plan for the period under review. In the absence of procurement plan(s) the entity conducted many procurements in an adhoc manner and emergencies.
- Pre-qualification was not carried out by the entity for the period under review and this could undermine the principles of transparency, efficiency & economy in inviting bidders.
- In the procurement of Furniture from Nina Interiors Limited at UGX. 6,520,000/= and the procurement of Office Space from SGS at UGX 40,120,000/=. The wrong procurement methods were used by the PDE and without approval by CC and no justification was provided e.g RFQ was used instead of direct method.
- In the procurement of Toyota Land Cruiser (UGX. 98,022,000) and Double Cabin Pick-up (UGX. 123,184,514) clearance from the Solicitor General was not sought.
- The PDU did not maintain records of all procurements as required under Regulation 89, 90 and 91

Recommendations

- The AO should ensure that the statute establishing UNBS is harmonised to conform with the PPDA Act 2003.

- Procurement planning should be done annually in accordance with Section 34(2), Regulation 60, 96(1).
- The pre-qualification process at the PDE should be conducted in accordance with the PPDA Act 2003 & Regulations 22-24 in particular and results documented and archived for future reference.
- The PDU staff should ensure that the correct procurement method is applied in accordance with Regulation 106 and approved by CC in accordance with Regulation 48.
- The AO should ensure that all contracts above Ugx. 50 million are cleared by the Solicitor General in accordance with Regulation 225(2)(f).
- The PDU should maintain copies of all contract management documents on their file in accordance with Regulation 89, 90 and 91.

Procurement audit of Uganda Land Commission

The Authority sampled 29 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	1	3.5%	4,659,525	2.5%
Medium Risk	1	3.5%	10,000,000	5.4%
Low Risk	8	27.6%	40,155,411	21.6%
Satisfactory	19	65.4%	131,370,514	70.5%
Total	29	100%	186,185,450	100%

Key Findings

- Procurement plans were prepared by the User Departments for the period under review but no consolidation into an annual/comprehensive plan was made. As a result all procurements were made on an adhoc basis this also resulted in the discrepancy noted in the value of all procurements reported to PPDA at 144,555,419/= and the value of the cases audited at 186,185,450/= .
- Direct procurement method was used without written justification by the CC and PDU.
- Purchase orders for most of the procurement cases reviewed lacked attachments of statements of requirements and the general or special conditions of contract.
- When procuring office furniture from Nina Interiors, the best evaluated bidder notice was dated 23/05/2008 yet the evaluation report awarding tender to Nina Interiors was dated 26/05/2008 indicating that the evaluation was carried out after contract had been already awarded.
- The CC was composed of 6 members contrary to Section 27 of the PPDA Act, 2003.
- The procurement process was executed before funds were confirmed by the AO e.g.the procurement of hotel services from Imperial Resort Beach, Hotel Triangle, the printing of Land forms and procurement of Tyres from Kilimanjaro) the entire.
- There were no contract Managers appointed for each of the contracts the PDE entered into and no contract monitoring.
- The role of internal audit in certification and verification of items in the procurement process was inadequate. The scope mainly covered the financial arrangements without due regard to the technical requirements of the procured items, quality and consistence of decisions and records.
- The PDU is managed by one person with sufficient equipment and storage facilities.

Recommendations

- Procurement planning should be done annually. It is the obligation of each User Department to prepare a procurement plan and the PDU to aggregate all individual plans into one PDE annual plan. The AO should exercise his role in accordance with Regulation 96.
- The PDU staff should ensure that procurement method is applied in accordance with Regulation 106 and approved by CC in accordance with Regulation 48.
- In preparing the solicitation documents, the PDU should always include a statement of requirements in accordance with Regulation 134(1).
- Appropriate disciplinary action should be taken against the CC and PDU approving and conducting the evaluation retrospectively and for not conforming to Regulation 184, 188, 190, 195.
- The composition of the CC should be in accordance with Section 27 Third Schedule.
- The User Department should fully comply with Regulation 104(1)(c)
- The PDU and User Department should comply with Regulation 61(5), 259 of the PPDA by assigning contract managers.

Procurement audit of Uganda Police Force

The Authority sampled 40 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	15	38%	4,127,024,576	9%
Medium Risk	6	15%	886,860,341	2%
Low Risk	4	10%	2,036,364,111	5%
Satisfactory	15	38%	36,555,190,148	84%
Total	40	100%	43,605,439,176	100%

Key Findings

- A number of procurements carried out were outside the Procurement Plan prepared, e.g procurement of drugs.
- In 30% of the case files reviewed, the entity gave providers fewer days to submit their bids which contradicted Section 145 of the PPDA Regulations (2003).
- The Force used the direct method of procurement unjustifiably. Better value for money could have been achieved under framework contracts.
- The procurements reviewed were executed using wrong methods of procurement such as in procurement of building materials for Soroti Barracks where the RFQ instead of ODB method was used to source for supplies worth Ugx.179,689,220.
- There was no evidence that evaluation of bids was carried out by an independently established team as is required under Section 168 of the PPDA Regulations 2003 such as in construction of semi-permanent accommodation structures in various locations of Kampala Extra.
- The PDU entirely handed over the contract management function to the user departments, and did not keep contracting and contract management records on individual procurement action files.
- The CC did not provide key approvals at key stages of the procurement process of the choice of procurement methods, solicitation documents, evaluation teams and reports, negotiation teams and of the contract award decision such as in procurement of spare parts for ASTU vehicles.

Recommendations

- User Departments should prepare work plans and which should be integrated into the annual procurement plan to enhance financial predictability. UPF should plan all procurements and disposals in a rational manner to avoid emergency procurements and disposals in accordance with the provisions of Reg. 96, 97 and 98 of the PPDA Regulations.
- The bidding periods given to the bidders in all procurements should be sufficient enough to allow bidders to prepare and submit their bids and should not be reduced with the aim of limiting competition in accordance with Regulation 145.
- All procurement and disposals to be conducted in a manner to maximize competition and achieve value for money in accordance with the provisions of PPDA regulation 85(1).
- All methods used for the selection of bidders should allow for fair and equitable selection and ensure maximum competition. Where an emergency situation arises, a recommendation for the use of the situation as a criterion for determination of the choice of procurement method should include a comprehensive justification for its use clearly stating the reasons giving rise to the emergency situation in line with PPDA regulation 110.
- All contracts entered into by the Entity should be managed in accordance with the procedure laid out under Division IV of the PPDA Regulations.
- All Procurements carried out by the Entity should obtain approvals of the Contracts Committee of the choice of procurement methods, solicitation documents, evaluation teams and reports, negotiation teams and of the contract award decisions as is stated in the Law.

Procurement audit of Ministry of Trade, Tourism and Industry

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	10	33%	620,493,802.0	10.90%
Medium Risk	5	17%	1,042,664,151.0	18.31%
Low Risk	14	47%	2,077,668,206.0	36.49%
Satisfactory	1	3%	1,952,664,000.0	34.30%
Total	30	100%	5,693,490,159.0	100%

Key Findings

- The PDU proceeded with procurements without, requisitions, confirmation of funds by the AO, obtaining approvals from the Contracts Committee of the method of procurement, solicitation documents and choice of providers;
- There were some cases where some key approvals were not made by CC and procurements proceeded.
- During the year 2007/2008, MTTI did not have an approved procurement plan; instead Department Procurement Work Plans were used as the plan for the entity.
- Suppliers not on the pre-qualified suppliers list were invited to bid alongside those that had been pre-qualified without any justifiable reasons. The entity used pre-qualified supplier's list of other entities and left out those on its list were not invited to bid.
- Procurement records were scattered in different procurement stakeholder departments i.e. User Departments, Contracts Committee, Finance and Accounts.
- For all the contracts awarded, we did not see evidence of post contract monitoring that was undertaken by the PDU or User Departments after the contract signing.
- About three contracts exceeding Uganda Shillings 50 million were signed without approval and clearance from the Solicitor General.

Recommendations

- The AO should ensure that funds are certified for all procurements in accordance with Reg. 105.
- The HPDU and user departments should proceed with requisition of procurements as stipulated under Reg. 104.
- User Departments should prepare work plans and which should be integrated into the annual procurement plan to enhance financial predictability in accordance with the provisions of Reg. 96, 97 and 98 of the PPDA Regulations.
- All contracts exceeding Uganda Shillings 50 million should be approved and cleared by the Solicitor General.
- All procurement action files should be kept in accordance with Reg. 90 and 91.
- The entity should appoint contract managers for all big contracts. This should be done in accordance with Reg. 258, 259 and 260.
- The CC should play their roles as stipulated in the PPDA Law and Regulations.

Procurement audit of Local Government Finance Commission

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	7	23.00%	16,484,317	2.60%
Medium Risk	6	20.00%	260,203,740	41.70%
Low Risk	14	46.66%	16,126,695	2.60%
Satisfactory	3	10.00%	331,097,666	53.10%
Total	30	100.0%	623,912,418	100.00%

Key Findings

- Of the 30 procurement cases audited, five procurement files were initiated using a memo and PP Form 20 was signed after the evaluation process contrary to PPDA Regulation 104 (1) (a), (b), (c),(d), 2003.
- Of the 30 procurements audited, 73% of the files had either no LPOs, confirmation of completed work, receipt of payment or both documents were missing contrary to PPDA Act, 56, (1), (a), and (b) 2003.
- The direct method of procurement was used without clear justification contrary to the fourth schedule of the PPDA Act, 2003 and R 119.
- The CC was not approving the methods of procurement contrary to R49 (3) (a) and 94 (1) (a) of PPDA Regulations 2003.
- Whereas there were negotiations during the procurement of vehicles (four double cabin pick-ups from Toyota (U) Ltd.) and the results were recorded on PP Form 51, there was no negotiation plan prepared prior to the negotiations contrary to Reg. 220(3)
- The LGFC lacks a well structured, staffed and facilitated PDU. The structure has only one person (PO) who can not handle all the Procurement obligations of the commission.
- There were stages of the procurement process where the CC was not involved, e.g. approval of procurement methods, contrary to Reg. 49 (2&3).
- The Contract Committee did not meet frequently and thus causing delays in the procurement process.

Recommendations

- The User departments and the PDU should be held responsible for non compliancy with the provisions of the PPDA Regulation 62 as regards procurement planning.
- The Head PDU must emphasize adherence to Reg. 33 which provides the basis for choice of the procurement method.
- The PDU should ensure that evaluation is carried out for all procurements and must be held responsible for not nominating members to conduct evaluation as required under Section 71.
- The PDU should be held responsible for not seeking CC approval of the EC as required by Reg. 17(1)b.
- The CID should investigation the 7 missing files worth UGX 86,525,164= unaccounted funds.
- The CC Secretary should ensure that CC minutes are prepared using standard forms (Record of CC meeting) specified in the PPDA Regulation.
- Appropriate disciplinary action should be taken against the PDU, User departments and the AO for initiating and proceeding with procurements without procurement requisitions, confirmation of funding by the AO in accordance with Reg. 104 and 105.
- The AO should ensure that PPDA standard PP Forms are used by the Entity.

Procurement audit of Ministry of Foreign Affairs

The Authority sampled 60 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	8	13%	1,785,342,530	7%
Medium Risk	8	13%	1,449,721,489	5%
Low Risk	15	25%	12,281,282,389	46%
Satisfactory	29	48%	11,030,194,772	42%
Total	60	100%	26,546,541,180	100%

Key Findings

- The Procurement Plan did not indicate the time when the requirements would be purchased, the method of procurement, order of priority and source of funding. As such, the Plan was more or less a list of user departments' requirements.
- The CHOGM Work Plan though adequately detailed, was hardly followed. Some procurements carried out under CHOGM were not on the plan. The OIC Procurement Plan though adequate for carrying out OIC procurements, was prepared late in the procurement process.
- Some procurements were carried out without prior approval and confirmation of funds availability by the AO.

- Some procurement file cases lacked records of issue of solicitation documents as well as records of receipt and opening of bids e.g. Procurement of Air tickets for MOFA delegation to India, publicity of OIC event.
- In some instances bidding periods were less than the minimum recommended by PPDA regulations e.g. Provision of Decoration services for OIC event.
- There are some cases in which standard solicitation documents were not used in bidding (Printing of ministerial policy statement).
- No evaluation of bids was carried out e.g. assorted furniture for Munyonyo, Banquets, Reception and Hospitality-OIC, Publicity of OIC event, Repair of Motor vehicle, etc.
- There were some missing contracts/LPOs on procurement files e.g. Supply of invitation cards for CHOGM by TTB Investments, Servicing Photocopier by Ultra (U) Ltd.
- Some contracts also had no Solicitor General's approval e.g. Supply of assorted furniture for Munyonyo, Venue for CHOGM retreat.
- Many case files had missing contract performance documentation, for instance, provision of banquets, reception and hospitality, Venue for CHOGM Retreat, Entertainment by Isaiah Katumwa, Supply of gifts and bags, provision of air tickets, Events management services for CHOGM, supply of kitchen utensils and domestic ware, elevator maintenance, servicing photocopier and venue for accommodation and closing ceremony for CHOGM.
- In some instances, contract variations were greater than 25% of the initial contract values yet PPDA clearance was not sought on the variations e.g. Design and printing of OIC material and UN Security Council seat campaign material by Supply Masters.
- In the execution of some procurements, PPDA Regulations were hardly considered. E.g. Supply of assorted furniture for Munyonyo by Malaysia furnishing, repair of motor vehicle by Star Auto Paradise, banquets, reception and hospitality by Sheraton Hotel, publicity of OIC event.
- In some cases evaluation criteria was developed after submission of bids contrary to the Regulations e.g. Procurement of Furniture for MOFA.
- In a number of instances, the Entity used methods of procurement contrary to the provisions of the law without justification and CC approval e.g. Procurement of Air tickets for MOFA delegates, printing ministerial policy statement, repair of motor vehicle.
- There were cases of retrospective approval by the CC (Provision of furniture and artworks for Entebbe Airport). Some procurements were carried out without key CC approvals as required by the Act and Regulations.

Recommendations

- The PDU should ensure that work plans provided by User departments are in the format specified by Reg. 97. The PDU should also ensure that a combined work plan is prepared as required by Reg. 96 (3) taking into consideration Reg. 98.
- Appropriate disciplinary action should be taken against the HPDU for lack of procurement records.
- The Entity should carry out evaluations of bids submitted under all procurement methods (including direct procurement) in accordance with division VII of the PPDA regulations.
- PDU should ensure all procurement, contracting and contract management documentation is maintained on the procurement action file as required by Reg 90 & 91.
- The PDU should ensure that all contract variations exceeding 25% get PPDA's clearance in accordance with Section 340 of the PPDA Regulations.
- The AO should ensure in the execution of all procurement processes, the Act and Regulations are adhered to and permission sought from PPDA should any deviations be deemed necessary.
- The CC should ensure evaluation criteria is developed and approved prior to issue of solicitation documents to bidders as required by Reg 172 (1) and 48 (a).
- The PDU should ensure the correct procurement methods are used in accordance with Reg. 106 and guideline 1/2003. The PDU should also consider the use of framework contracts for frequently procured goods and services as required by Reg 118 (11).
- The CC should ensure timely communication of their decisions on any submissions made by the PDU.

- The Secretary CC should ensure all records of CC meetings are properly kept as required by Act Sec 41 and Reg 53.
- The AO should liaise with PPDA and ensure that User departments obtain necessary training in procurement and contract management legislation and procedures.
- The PDU should sensitive the user departments on the contract management roles required of them in accordance with Reg. 260.

Procurement audit of Mukono District Local Government

The Authority sampled 20 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	10	50%	109,827,324	38%
Medium Risk	1	5%	14,700,000	5%
Low Risk	5	25%	126,729,192	44%
Satisfactory	4	20%	35,498,750	12%
Total	20	100%	286,755,266	100%

Key Findings

- A number of procurements initiated and handled during the period were not on the District's Procurement Plan e.g. Capacity Building. The plan was not linked to the District's budget and did not demonstrate user department involvement in its preparation. This was demonstrated by the un-reconciled difference of Shs.19,065,645,757/= between the total non-wage budget for the entity and the total procurements reported to PPDA during the period 2007/08.
- The PDU's involvement in the procurement process was up to the contract award stage. There was no evidence of assignment of contract supervisors and of contract management for a number of procurements.
- Procurement records were scattered in different user departments and as a result, the PDU did not have procurement action files.
- There were many instances where the PDU proceeded with procurements without requisitions raised, without confirmation of funding by the AO and CC approvals.
- The PDU did not emphasize the use of LG forms issued by the authority, e.g. there were no forms, the CC minutes were not on LG forms among others.
- There was no CC approval of methods of procurement and there were instances where direct and sole sourcing was used without justification.
- There was no evidence of the CC appointment by the PS/ST and the committee was inadequately staffed with only three members.

Recommendations

- The PDU, User departments, AO and CC should desist from initiating and proceeding with procurements without procurement requisition forms (PP LG Form 1), confirmation of availability of funds and CC approvals.
- The User departments should always appoint contract supervisors formally for effective contract monitoring as required by LG/PPDA regulation 105.

- The PDU should ensure that all missing documentation is maintained within the PDU in accordance with section 31(o) PPDA Act.
- The CC should desist from not approving contract documents and should ensure that future contracts are approved prior to their issuance.
- The PDU should ensure that PPDA PP LG forms are used at all appropriate stages of the procurement process.
- The PDU should be held responsible for the non submission of draft contracts for CC approval and should ensure all future contracts are submitted for approval.
- The CC should exercise its oversight and approval role regarding approval of procurement methods as required by LG/PPDA regulation 56.
- The AO and PDU should ensure that a fully fledged CC approved by the PS/ST is put in place.
- The Chairman CC and Secretary CC should desist from preparing CC decisions not evident in the CC minutes, all future decisions should be generated from CC minutes / Deliberations.

Procurement audit of Law Development Centre

The Authority sampled 64 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	9	14	56,694,735	13
Medium Risk	6	9	12,039,400	3
Low Risk	5	8	8,030,100	2
Satisfactory	44	69	368,552,785	83
Total	64	100	445,317,020	100

Findings

- There were no procurement plans prepared in the period under review. This resulted into haphazard and emergency procurements.
- The secretary LDC was a member of the Contracts Committee and also had a role in approving issuance of all the LPOs. This resulted in conflict of interest.
- The capacity of the PDU in terms of staff was weak. The incapacity created a challenge especially due to the numerous small value, and diverse range of procurement requirements undertaken by LDC.
- The Contracts Committee members served a period of more than 3 years, but their appointment letters had not been renewed for the subsequent period.
- The LDC did not use PPDA forms as stipulated in the Act in the execution of their procurements.
- There was no evidence of framework agreements for commonly procured items. This increases to unnecessary contract management costs.
- Wrong procurement methods used in various contracts.

Recommendations

- The PDU should ensure that work plans provided by User departments are in the format specified by Reg. 97. The PDU should also ensure that a combined work plan is prepared as required by Reg. 96 (3) taking into consideration Reg. 98.
- Emergency procurements should be conducted in accordance with Reg. 110.
- The Secretary LDC who is a member of the Contracts Committee should be replaced to avoid conflict of interest.
- The AO should adequately staff the PDU handle the diverse range of procurement requirements undertaken by LDC.

- The AO should regularize the operations of the Contracts Committee members and ensure that their appointments are renewed.
- The PDU should use PPDA forms as stipulated in the Act in the execution of their procurements.
- The choice of method of procurement should be in accordance with Reg. 106.

Procurement Audit of Tororo District Local Government (2007/08)

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	13	43	635,974,391	57
Medium Risk	11	37	339,097,201	31
Low Risk	6	20	134,639,800	12
Satisfactory	0	0	0	0
Total	30	100%	1,109,711,392	100%

Key findings

- User Departments, particularly sub-counties, prepared departmental plans but these were not submitted to the PDU for consolidation into an aggregated procurement plan for FY 2007/08 contrary to LG PPDA Regulation 26(1)(a).
- Areas such as Motor vehicle repair and maintenance and provision of motor vehicle lubricants, fuel and servicing had only one pre-qualified provider each. This limited the short listing and rotation of providers contrary to LG PPDA Regulation 38(5)(b).
- Notices inviting pre-qualified providers were posted on the general notice board, without writing specifically to the short listed bidders, while using selective and RFQ/F, contrary to LG PPDA Regulation 38(2).
- 17 % of the cases reviewed did not have evaluation reports on file, contrary to Regulation 46(2)(f) of the LG PPDA Regulations, 2006 and where evaluation reports were prepared, the reports were not in PPDA format. Most of the evaluation recommendations were based on the engineer's estimates and reserve prices regardless of the bidders offer.
- Record keeping at the entity was poor. There was no single complete procurement action file contravening Regulations 46 of the PPDA (Local Government) Regulations 2006.
- The CC was approving contract variations above 15% without clearance from PPDA in accordance with LG PPDA Regulation 120(12).
- The PS/ST appointed four members of the Contracts Committee in 2006. One member was interdicted in 2007, leaving only three active members. However by the time of audit, no appointments had been made.
- Agreements prepared by the entity were not in PPDA format contrary to Regulation 88(1). Thirty seven point five percent (37.5%) (or 3/8) of the contracts eligible for Solicitor General's approval were not cleared by the Solicitor General contrary to LG PPDA Regulation 86(2)(f).

Recommendations

- The entity should prepare work plans and consolidate them into Procurement Plans in accordance with LG PPDA Regulation 26(1)(a).
- Where an invitation to bid attracts few applications and few providers are pre-qualified in accordance with LG/PPDA Regulation 51(1), the entity could beef up their pre-qualified list with providers pre-qualified in other entities in order to foster competition.
- Bidders should be called in writing after approval of shortlist in accordance with LG PPDA Regulation 38(2), in addition to the display on notice board [Reg. 38(7)].

- The District Engineer as a User Department should recommend statement of requirements to the PDU for incorporation into the bidding document in accordance with LG PPDA Regulation 26(1).
- The Head PDU should ensure that records are maintained on file in accordance with LG PPDA Regulation 46.
- The evaluation criteria for each procurement ought to be indicated in the bid document in accordance with LG PPDA Regulation 48(4).
- Except under Fixed Budget Selection, the engineer's estimate should not be imposed on bidders.
- The Solicitor General should approve all contracts above 50 million Shillings in line with LG/PPDA Regulation 86(2) (f).
- The Accounting Officer should take disciplinary action on Mr. Harlod Bruce Lugoolobi and Mr. Timothy Asangai Osillo for poorly maintaining records of the entity.
- The CC should stop approving contracts variations above 15% without clearance from PPDA in accordance with LG PPDA Regulation 120(12).
- The Accounting Officer should follow up on the appointment of the CC members

Procurement Audit of Parliamentary Commission (2007/08)

The Authority sampled 20 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	14	70%	2,066,076,943	35%
Medium Risk	5	25%	3,448,380,410	58%
Low Risk	1	5%	451,857,942	8%
Satisfactory	0	0	0	0
Total	20	100%	5,966,315,295	100%

Key findings

- The Entity did not have an approved procurement plan. As a result, there were instances where procurement methods used were not in line with the provisions in the PPDA Act and Regulations. An example was where the RFQ method was used to procure an X-ray machine at a value of more than 148 million shillings.
- The prequalification list used was generated in 2005/2006 and was valid for three years expiring on 30th June 2008. At the time of the audit, 6 months into the next financial year, the list had not been updated.
- There were no contract managers assigned to any of the contracts reviewed.
- There was no contract management related documentation kept for each of the procurements. Procurements worth 203,630,176/= did not have documentation at all. The documentation maintained were incomplete with missing procurement forms, goods received notes, certificates of completion of work, copies of evidence of payment and contract completion reports.
- The CC did not approval some procurements e.g air ticketing and hotel and catering services.
- Not all procurements were handled through the PDU, some of the procurements relating to air ticketing were initiated by the User Departments and approved by the Accounting Officer. In some instances, the User Departments appeared to perform the roles of the PDU.

Recommendation

- Procurement plans should be prepared and linked to the annual approved budget in accordance with Regulation 96 of the PPDA Regulations.

- As required by Regulation 126 (6), the pre-qualification list should be regularly reviewed to identify whether it is satisfactory to ensure providers still have the capacity to deliver.
- All documentation relating to contract management should be filed as stipulated in Reg 91, 260 (a) (vii) and Act Sec 56 (1).
- The Accounting Officer should caution the Head, PDU, for breach of Section 41 and Regulation 90 and 91 of the PPDA Act.
- The Accounting Officer should ensure that the Entity complies with the reporting requirements as spelt out in Section 40 of the PPDA Act.
- Members of the Contracts Committee should execute their roles and functions as enumerated under Section 28 of the PPDA Act.

Procurement Audit of Ministry of Health – ADB Project (2007/08)

The Authority sampled 20 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	1	5	80,655,017.00	0
Medium Risk	0	0	0	0
Low Risk	4	20	1,050,282,920.10	3%
Satisfactory	15	75	35,572,541,745.19	97%
Total	20	100%	36,703,479,682.29	100%

Key finding

- Despite having the plan procurement, one of the procurements (photocopying of bid documents – Ref. No. SHSSPP/SVCS/07-08/0064) was hastily handled and violations made of PPDA rules on duration of bidding periods.
- The Project utilised the pre-qualified providers list of Butabika Hospital because it was under its jurisdiction.
- Members of the Evaluation Committees that carried out evaluations did not sign Code of Ethics as required by PPDA Regulation 169 (9).
- Most of the Procurement Reports submitted to PPDA were late and incomplete.

Recommendation

- The PMU should ensure all procurements are adequately planned for to avoid emergencies and urgent procurements as required under Sec. 58 of the PPDA Act, 2003.
- The PDU should ensure that members of evaluation committees sign the ethical code of conduct as required under Reg. 169 (9)
- The PMU should ensure timely and accurate submission of reports to PPDA as required Reg. 40

Procurement Audit of Population Secretariat (2007/08)

The Authority sampled 10 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	1	10%	24,780,000	8%
Medium Risk	5	50%	188,902,050	58%

Low Risk	4	40%	111,255,560	34%
Satisfactory	0	0	0	0
Total	10	100%	324,937,610	100%

Key findings

- The procurement plan ignored several requirements e.g. the inclusion of schedule of procurement requirements and source of funding. User departments were not involved in the development of the procurement plan.
- Key categories such as provision of conference facilities and consultancy services were not pre-qualified for. Providers of certain categories were not rotated e.g garages. Some solicited bidders were not on the pre-qualified list of suppliers.
- There were no contract managers assigned to big contracts reviewed.
- Some information relating to procurements was not filed as is required by the PPDA Act and Regulations especially post-contract management documents.
- During the period under review, the PDU was understaffed with only one Procurement Officer in the Unit. In addition to the various roles, he also handled fleet management in the Entity which was strenuous for one person
- For the 7 months to February 2008, the CC Chairman was also the Director, Finance and Administration, in breach of the segregation of duties control in the procurement process.

Recommendations

- User departments should prepare work plan for procurements based on the approved budgets and submit the plan to the PDU in line with Section 34, Reg 60 and 96(1).
- The Entity should periodically review and update the list of pre-qualified providers as required by Regulation 126 (6).
- Contract Managers nominated by User Departments should always execute their functions in line with PPDA Reg 258 (3), (5) and 260.
- The PDE should ensure procurement related information and documentation is retained as required by Sec 56 (1) of the PPDA Act.
- The Accounting Officer should ensure that the PDU is well staffed and able to fully carry out its responsibilities under PPDA Reg 58 and 59.
- Any delegation of the Accounting Officer roles and functions must in accordance with PPDA Regulation 63 which requires that this be done in writing.

Procurement Audit of Ministry of General, Labour and Social Development (2007/08)

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	4	13%	189,619,618	4%
Medium Risk	10	33%	4,534,345,160	89%
Low Risk	14	47%	340,865,100	6.7%
Satisfactory	2	7%	48,886,600	0.3%
Total	30	100%	5,113,716,478	100%

Key findings

- The procurement plan lacked adequate detail for a number of items listed on it and was not linked to the Entity's budget. It did not provide for activities in their order of priority.

- While the Ministry had a list of pre-qualified providers generated in line with the provisions of the law, there were a number of instances where the list was not well utilised e.g cases include the provision of food-related supplies.
- For most contracts awarded, the Entity did not use standard bidding documents to draft the contracts.
- The PDU was not involved in the procurement after issuing of LPOs. User Departments together with the Finance Department took charge from there. Contract managers were not appointed to oversee procurements after award.
- Some of the procurement related records were not availed for the reviewed case files.
- The entity's procurement budget was approximately Shs 6.7 billion. However, Shs 20 billion was expended in procurements which was 80% of unbudgeted procurements. The PPDA noted that this came up as a result of the CHOGM and Afro Arab Conference related activities.

Recommendations

- The Ministry should comply with Sections 58 and 59 of the Act which explicitly require that the Entity plan its procurements in a rational manner avoiding emergency procurements.
- As required by Regulation 126 (6), the pre-qualification list should be regularly reviewed to identify whether it is satisfactory to ensure providers are still capable and to update their details.
- The User Department should appoint contract managers in accordance with Reg. 259.
- All records regarding the procurement process must be archived appropriately and kept safely as required by Act Sec 56 (1), Reg 90, 91 and 92.

Procurement Audit of Mbarara District Local Government (2007/08)

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	8	27	472,633,836	45
Medium Risk	9	30	197,613,411	19
Low Risk	13	43	383,533,568	36
Satisfactory	0	0	0	0
Total	30	100%	1,053,780,815	100%

Findings

- The PDU did not aggregate the work plans into a consolidated Procurement Plan contrary to Section 62(3) of the LG PPDA Regulations. Some of the procurements were not reflected in the User Department's work plans e.g Construction of HC II and 2-stance pit latrine at Bwengure, all the items for the CAO's office, Veterinary Department, Production and Marketing Department, Medical Department, District Service Commission, Agriculture and Engineering Departments did not have estimated costs.
- There was no evidence that the AO was certifying availability of funds contrary to Regulation 14 (j).
- The evaluation criteria were not stated in the bid document contrary to Regulation 71 (2) of the PPDA LG Regulations, 2006. A number of the cases reviewed did not have evaluation reports on file, contrary to Regulation 81 (1) of the PPDA LG Regulations, 2006.
- Record keeping at the entity was very poor. Procurement action files were not maintained in accordance with Regulations 46 of the PPDA (Local Government) regulations 2006.
- Majority of the procurements audited did not have evidence of appointment of contract managers contrary to Local Government (PPDA) regulation 105(1).
- There was an instance where an award was made to a non-responsive bidder. This was in the case of

completion of 4-classroom block at Bushwere P/S.

- There were a number of contracts that were signed by Sub-county Chiefs without delegated authority.
- For contracts above 50 million, there was no evidence of approval from the Solicitor General.
- The PDU was understaffed, with only one officer at the level of Assistant Procurement Officer, who only joined in May 2008. A number of functions expected of the PDU were not being carried out.

Recommendations

- The Accounting Officer should ensure that user departments submit procurement and disposal work plans to the PDU prior to the start of the financial year. The work plan should be linked to the budget.
- The role of certifying availability of funds should be carried out by the Accounting Officer in accordance with Regulation 14 (j).
- Records of issue of bids should be maintained as well as record of bid opening/attendance in accordance with Regulations 66 (4) & 70 (5) respectively.
- The evaluation criteria should always be clearly stated in the bid document in accordance to Regulation 71 (2) of the PPDA LG Regulations, 2006.
- Each contract should have a supervisor appointed in accordance with regulation 105 (1). A record of appointment of the supervisor should also be on file.
- Delegation of functions should be undertaken in accordance with Regulation 29. Record of delegation of functions should be maintained by the PDU.
- Contracts whose value is 50 million and above should get prior approval from the Solicitor General.
- The Accounting Officer should ensure that the Procurement and Disposal Unit (PDU) is staffed at an appropriate level.

Procurement Audit of Jinja District Local Government (2007/08)

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High Risk	14	47%	492,307,324	50%
Medium Risk	09	30%	308,189,200	31%
Low Risk	7	23%	189,528,450	19%
Satisfactory	0	0%	-	0%
Total	30	100%	990,024,974/=	100%

Key Findings

- The procurement plan was drawn. However, there was no relationship between the approved budget and the procurement plan as required LG (PPDA) Reg.62 (2).
- Majority of the cases seen lacked evidence of confirmation of funding by the Accounting Officer.
- The audit revealed that some companies on the pre qualified list enjoyed a lion's share of the contracts awarded under Selective National Bidding. e.g. M/s Nsusen Motors Garage.
- The composition of the evaluation team(s) was constant e.g all water projects had only three members evaluating over 8 categories of procurements with over 5 bids each. The District Engineer communicated award without delegated authority from AO e.g in a letter dated 19/7/2007 to M/s Casper Investments and Construction Co.
- There was no contract implementation plan made for all construction works audited contrary to Regulation 119(3) of Local Government (PPDA) Regulations 2006. No contract managers were appointed contrary to LG (PPDA) Reg.119.
- Records on procurement activities are not kept in accordance with the LG (PPDA) Reg.46.

- There was no evidence seen on file that entity received the necessary approvals from CC regarding approval of the bidding documents, procurement method and procurement notice. The CC minutes, did not state conclusively the recommendations of the meetings contrary to LG (PPDA) 17.

Recommendations:

- The AO should ensure that the procurement work plan is integrated into the annual budget in accordance with LG/PPDA regulation 62(2).
- The Head PDU should ensure that the pre-qualification list is put into full use and providers rotated in accordance to LG (PPDA) regulation 38(2) and (5) (b).
- The Head PDU should ensure that bid documents have a detailed evaluation criteria which should be followed by the Evaluation Committees.
- The Accounting Officer should put in place a contract monitoring mechanism and that contract managers are appointed in accordance with Regulations 258 of PPDA.
- All records on procurement should be kept on file in accordance to Reg. 46 (3) and Reg.119.
- The Chairman CC and members of CC should ensure that that all procurements go through the proper procedures and met the necessary conditions before approval.

Procurement audit of Amnesty Commission

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High risk	2	7%	9,050,000	10.80%
Medium risk	9	30%	46,197,100	55.14%
Low risk	5	16%	7,098,572	8.47%
Satisfactory	14	47%	21,439,800	25.59%
Total	30	100.0%	83,785,472	100.0%

Key Findings

All procurement requisitions forms were approved. However, it was noted that the HPDU initiated all procurements and not the user department contrary to the Act 34(1)(b).

The direct procurement was used without clear justification and relevant approval.

- In most cases the quotations were received on pro-forma invoices without using the SBDs.

There was no single instance where bid issue was recorded contrary to regulation 146 (3).

- The CC comprises only three members contrary to PPDA Act section 29.

Recommendations

- The Accounting Officer should ensure that the user department heads approve the procurement requisition form not the PDU.
- Direct procurements should be clearly justified and approved by the CC and Accounting Office as stipulated by Regulation 106 of the PPDA Regulations, 2003.
- Head PDU should ensure that all procedures related to solicitation of bids, including the issuance, receipt and opening of bids, are appropriately recorded using the relevant PP Forms (PP Form 30, 31, 34, 35).
- The AC should consider increasing the membership of the CC in order to avoid quorum issues and enhance completeness of the CC independent opinion and should get involved in the procurement process as is required under Section 29 off PPDA Act.

Procurement audit of Capital Markets Authority

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High risk	1	3%	7,896,000=	3%
Medium risk	23	77%	158,251,450=	59%
Low risk	6	20%	99,984,572=	38%
Satisfactory	0	0%	0	0%
Total	30	100%	266,132,022=	10%0

Key Findings

- In a number of instances, some firms that were awarded contracts with the PDE were not pre-qualified.
- Procurement action files were incomplete contrary to Reg. 90 and 91.
- In some instances some of the firms the PDE dealt with were not registered companies.
- There was no evidence of appointment of contract managers for procurements that required close supervision contrary to section 259 of the PPDA Regulations.
- Some procurements were undertaken without the involvement of the Contracts Committee.
- In a number of incidences evaluation teams were not duly appointed to conduct evaluation.
- There were instances where contracts were never subjected to competition.

Recommendations

- The PDE should endeavour to utilize the services of prequalified firms and can be updated as provided in regulation 126(6) of the PPDA regulations, 2003.
- The CC should always formally appoint contract managers even when they are user departments in order to enhance effective contract management as provided in regulation 259 of the PPDA regulations, 2003.
- The Head PDU should seek authority of the CC before they conduct any procurements.
- The Secretary to the CC is advised to always record all proceedings of the CC as provided in regulation 53 (2),(c) and (4) of the PPDA regulations, 2003.
- The PDE is encouraged to subject their procurements to competition as stipulated in regulation 85 of the PPDA regulations, 2003.
- For all contracts for long term service provision, the PDE should always have contract managers appointed as stipulated in regulation 259 of the PPDA Regulations.
- The Head PDU should ensure that documents are kept in accordance with regulation 90 & 91 of the PPDA Regulation.
- The User Departments should always formally nominate / appoint contract managers even when they are user departments in order to enhance effective contract management as provided in regulation 259 (1) of the PPDA Regulations, 2003.
- The Head PDU should always make sure that evaluation teams sign the code of ethics as stipulated in regulation 169(9).

Procurement audit of Uganda Printing and Publishing Corporation

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High risk	19	63.33%	904,998,291	91.49%
Medium risk	9	30%	81,140,021	8.20%
Low risk	2	6.67%	3,026,755	0.31%
Satisfactory	0	0	0	0
Total	30	100%	989,165,067	100%

Key Findings

- No annual procurement plan was prepared for the period under review by the PDE. All procurements were made on an adhoc basis. Due to lack of procurement plans wrong procurement methods were used as noted in 12 cases audited.
- The wrong procurement methods were used disregarding the thresholds as required by Regulation 106(4).
- No evaluation minutes were availed to the audit team for all the 30 cases audited to show that evaluations are prepared containing all essential information.
- For the period under review there were no contract Managers appointed for each of the contracts the PDE entered into, no contract monitoring of whatever nature employed
- The CC for the period under review were nominated by the Board of UPPC but lacked approval of the PS/ST.

Recommendations

- The AO should ensure that the PDU prepares the entity's procurement plan in accordance with Regulations 96-98.
- The PDU and CC should ensure that right procurement methods are used in accordance with Regulation 106 taking into account the threshold.
- The PDU should ensure that evaluation minutes are attached to the evaluation report in accordance with Regulation 170(2)(i), 171(5).
- The head PDU should ensure that evaluation of bids is conducted in accordance with PPDA Regulations 168-171.
- The Contract Managers should always ensure that contract variations are handled in accordance with the contract and Regulation 261.
- The AO should seek approval of the CC from the PS/ST in accordance with Regulation 45(3).

Procurement audit of Uganda Wildlife Authority

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High risk	5	17%	163,112,009	0.7%
Medium risk	4	13%	63,715,394	0.3%
Low risk	14	47%	1,832,301,987	7.3%
Satisfactory	7	23%	22,993,290,859	91.8%
Total	30	100%	25,052,420,249	100%

Key Findings

- Not all procurement conducted were in procurement plan contrary to Regulation 96.
- Where as the entity complied with Regulations 168 and 169 regarding evaluation of bids, there where no copy of evaluation report was availed to the audit team making it difficult to assess how the evaluation was done, e.g in the procurement of 300 sets of automobile tyres and tubes worth shs 106,920,000.
- Where as over all the entity endeavored to keep documents safely, there was lack of key documents in three cases (the ones ranked high risk),it was also not easy to locate others in time contrary to sections 41 and 56(1) (a) (b) of the PPDA Act 2003.

Recommendations

- The AO and Head PDU should ensure that there is always in place a procurement plan and that all procurements are in accordance with the plan in line with Regulations 96 and 97.
- The CC and HPDU should always ensure that bid evaluation is done in accordance with Regulations 168 and 169.
- The CC and PDU should always ensure procurement documentation is kept under lock and key in accordance to 41 and 56(1) (a) (b) of the PPDA Act 2003.
- The AO and Head PDU should in accordance with sections 41 and 56(1) ensure that records are properly managed.

Procurement audit of Ministry of Internal Affairs

The Authority sampled 60 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High risk	28	46.67%	337,467,596	18.02%
Medium risk	10	16.67%	461,567,736	24.66%
Low risk	13	21.66%	405,366,898	21.66%
Satisfactory	9	15%	667,461,000	35.66%
Total	60	100%	1,871,863,230	100%

Key Findings

- The Entity didn't operate its procurement processes on the basis of a Procurement Plan for the period under review apart from the JLOS assistance program. User departments did not submit their plans to the PDU for compilation.

- No aggregation was done for similar transactions such as the procurement of stationery to benefit from economies of scale.
- The availed list of providers was unnecessarily too big such that some pre-qualified providers were never invited to participate in the bidding process
- There are some instances where the direct procurement method was used without justification e.g during the renovation of Mbarara Regional Office worth UGX. 7,096,650.
- Some procurements lacked AO's confirmation of availability of funds.
- Among the cases reviewed, the CC did not approve the bid documents for some procurements.
- There was no evidence of appointment of Contract Managers by User Departments assigned to supervise big procurements. Contract management documents were scattered in different departments.

Recommendations

- The entity should plan its procurements as required under Section 58 of the PPDA Act.
- User departments should prepare work plans in accordance with Sections 34 (2) and Reg. 96-105 of the PPDA Act, 2003.
- The PDE should rotate the bidders on the shortlist to provide fair and equal opportunities to all bidders on the shortlist in accordance with Regulation 142(3) (a) and (b).
- The Head PDU and CC should ensure that appropriate methods of procurement are applied in compliance with Regulation 106 and PPDA Guideline 1/2003.
- The AO should ensure that funds are confirmed on all procurement requirements in accordance with 105.
- The AO and Head PDU should ensure that user departments maintain the contract management records in accordance to PPDA Regulation 91

Procurement audit of Uganda National Examination Board

The Authority sampled 30 procurement action files and below is the summary of performance of the entity:

Risk Category	Number categorization		Value categorization	
	No.	Percentage	Value (Ushs)	Percentage
High risk	6	20%	72,476,186.40	3.57%
Medium risk	3	10%	141,335,148	6.96%
Low risk	17	57%	1,758,777,574	86.60%
Satisfactory	4	13%	58,442,929	2.88%
Total	30	100	2,031,031,837.40	100

Key Findings

- Contrary to PPDA Regulations 96(1), (2) and (3) UNEB did not have a Procurement Plan.
- Direct procurement was used without appropriate justification contrary to paragraphs 6(1)(a) (iii),(iv),(v) of the fourth schedule to the PPDA Act 2003.
- The entity engaged pre-qualified suppliers who sometimes were not on the pre-qualification list e.g. Braille Materials and meals for the exam printing staff.
- Five procurement actions were not provided to the audit team.
- The entity does not have an elaborate system for contract management, goods inspection and receipt contrary to PPDA Regulations 258(1),259 (1)and 260.

Recommendations

- In accordance with PPDA Regulations 96(1),(2) and (3), the entity should always make procurement plans on which all procurements should be based.

- Direct procurements should be clearly justified in accordance with paragraphs 6(1) (a) (iii), (IV), (v) of the fourth schedule to the PPDA Act 2003.
- The HPDU should ensure that the procurement action files are kept in accordance with Reg. 90 and 91.
- The Entity should ensure that it pre-qualifies for all required categories and needs to avoid procuring out side the pre-qualified list, and in accordance with Regulation 126(6).
- In accordance with regulation 259 and 260, the entity should appoint a contract manager

APPENDIX 2: SCHEDULE OF TRAINING CONDUCTED BY PPDA IN 2008/2009 FINANCIAL YEAR

S/no	Activity/PDE	Modules/Areas covered	Category of Participants	Number trained
1.	13 Regional Referral Hospitals and representatives of MOH, NDA, NMS, and JMS (Supply Driven)	Procurement of drugs		39
2.	11 LGs which included Wakiso, Nakasongora, Nakaseke, Kalangala, Kyenjojo, Kiboga, Luwero, Mukono, Kayunga, Mpigi, and Masaka (Supply Driven)	Public Procurement and Disposal framework, Procurement Planning, the Procurement process, Evaluation of bids, and Contract management.		66
3.	Procurement Cadre Forum for 88 Central Government and Statutory bodies (Supply Driven)	Key issues in the procurement and disposal process, Procurement planning. Design and use of Evaluation criteria in the procurement of goods, Works and Services, Contract and contracts Management with focus on framework contracting.	Procurement Officers	88
4.	1 st Procurement Cadre for Procurement Officers forum for 93 Local Governments (Supply Driven)	Public Procurement process, Evaluation of bids and Procurement planning.	Procurement Officers	171
	(Supply Driven)	order and collection of revenue from lorry, pick-up and buses parks, Procurement of management of Markets		
5.	2 nd Procurement Cadre forum for Local Governments	Procurement of Management, Control and Maintenance of	Procurement Officers	90

S/no	Activity/PDE	Modules/Areas covered	Category of Participants	Number trained
6.	Workshops for MOH, MOLG, MOES, MWE-Under BELGO (Supply Driven)	Principles of Public procurement. Pre-qualification and the Bidding process. Evaluation of bids. Contracts and Contract management	PDU staff, Contracts Committee, Users	21
7.	Workshop for KCC under BELGO (Supply Driven)	Principles of Public procurement and disposal, Pre-qualification and the bidding process, Disposal of Public Assets, Ethics in Public procurement and Disposal, International Procurement, E-Procurement strategies	Council Executive Members, Accounting Officer PDU staff,, Contracts Committee members , 6 User Dept and RDC	70
8.	Workshop for Bundibugyo & Kasese-Under BELGO (Supply Driven)	Principles of Public Procurement and Disposal ,Pre-qualification and the bidding process, Disposal of Public assets, Ethics in Public Procurement and disposal, International Procurement, E-Procurement strategies	Council Executive Members, Accounting Officer PDU staff, Contracts Committee members, Users and RDCs	46
9.	MOH,MOLG,MOES,MWE-Under BELGO(Supply Driven)	Legal framework, Public Procurement and Disposal framework	Ministers, Permanent & Under Secretaries, Users	13
10.	Uganda Revenue Authority (URA) (Demand driven)	Legal Framework, Principles of Public Procurement and Disposal, Public	PDU	17
		Procurement Planning, Preparation of Statement of Requirements, Standard Bidding Documents (SBDs), Pre-qualification and the Bidding process, Contracts and Contracts Management International Procurement, Disposal of Public Assets		

S/no	Activity/PDE	Modules/Areas covered	Category of Participants	Number trained
11.	Presidents office(ISO) (Demand driven)	Legal framework	Members of Contract Committee, Procurement and Disposal Unit (PDU) and User Department.	30
12.	E. African Comm. Affairs (Demand driven)	Induction of new staff in the Procurement process in Government	Newly recruited staff	25
13.	Kyambogo University Procurement students (Demand driven)	Pre-Qualification and the bidding process and Disposal of Public Assets.	Procurement Students	161
14.	Busitema University (Demand driven)	Legal framework, Pre-Qualification and the bidding process ,and Public Procurement Planning	Accounting officer Members of Contract Committee, PDU Users	42
15.	Comboni College (Demand driven)	Procurement and Disposal Guidelines for Schools	Contract Committee members, users and members of PDU	24
16.	National Drug Authority (Demand driven)	Legal framework, Public Procurement and Disposal Principles	Board Members Top Management	35
17.	Parliamentary Commission (Demand driven)	Public Procurement Planning	Users, PDU	15
18.	5 Uganda College of Commerce Institutions (Demand driven)	Prequalification, Public Procurement and disposal principles, Contracts and contract Management, Disposal of Public Assets, Ethics in Public Procurement	Contracts Committee members and users	69
19.	Ministry of Defence (Demand driven)	Public procurement planning ,Bid evaluation, Contract design and management	Users, PDU Staff, Members of contracts committee.	55
20.	Ministry of Water and Environment (Demand driven)	Legal framework ,Disposal of public assets, Evaluation of Bids, Disposal of Public Assets	Users, and PDU	61
21.	Office of the Auditor General (Demand driven)	Legal framework, Contracts and contract Management, Legal and Compliance issues	External auditors from OAG	90

S/no	Activity/PDE	Modules/Areas covered	Category of Participants	Number trained
22.	Ministry of Health (Demand driven)	Public procurement process, Public procurement planning, Procurement Audit and Legal issues, Records Management		80
23.	Directorate of Ethics (Demand driven)	New Public procurement and disposal framework, Public procurement planning	PDU,& Contracts committee	20
24.	Capital Markets Authority (Demand driven)	<u>New Public Procurement and Disposal Framework</u> , <u>Preparation of Statement of requirements, Bid Evaluation, Contracts & Contract Management</u>	Accounting Officer User departments CC members Evaluation committees PDU	15
25.	National Forestry Authority (Demand driven)	<u>New Public Procurement and Disposal Framework</u> , Preparation of Statement of requirements, Bid Evaluation, Contracts	Members of contracts committees, staff of the PDUs, and staff of user departments	40
26.	National Agricultural Research Organization (Demand driven)	<u>New Public Procurement and Disposal Framework</u> , Procurement planning, Evaluation of bids, Standard Bid documents	Procurement officers and Contracts committee members	30
27.	National Medical Stores (Demand driven)	New Public Procurement and Disposal Framework with Emphasis on the roles and responsibilities of the key stakeholders in the PDE	User departments, Members of contracts Committee and staff from the Procurement and Disposal Unit	13

S/no	Activity/PDE	Modules/Areas covered	Category of Participants	Number trained
28.	Civil Aviation Authority (Demand driven)	New Public Procurement and Disposal Framework with Emphasis on the roles and responsibilities of the key stakeholders in the PDE,	Members of contracts committee, staff of the PDUs, and user departments.	56
29.	Dairy Development Authority (Demand driven)	New Public Procurement and Disposal Framework with Emphasis on the roles and responsibilities of the key stakeholders in the PDE.	Members of Contracts Committee.	5
30.	Posta Uganda. (Demand driven)	Public Procurement and Disposal Framework., Public Procurement Planning, Preparation of Statements of requirements, Prequalification and the bidding process ,Bid Evaluation, Contract and Contracts Management	Users	26
31.	Uganda National Examinations Board (Demand driven)			70
32.	Uganda Investment Authority (Demand driven)	Public procurement Legal framework and the Procurement process in Government.	Accounting Officer Contracts Committee Members, PDU staff and, User Departments	29
33.	Mandela National Stadium (Demand driven)	Public procurement Legal framework and the Procurement process in Government.	Board members Accounting Officer Contracts Committee Members PDU staff and User Departments	14
	Total			1626