



Public Procurement & Disposal of Public Assets Authority

ANNUAL REPORT FOR THE FINANCIAL YEAR

2010/11



PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY

ANNUAL REPORT FOR FY 2010/11

Table of Contents

MESSAGE FROM THE BOARD CHAIRMAN.....	5
EXECUTIVE DIRECTOR'S MESSAGE.....	6

1.0 CHAPTER 1: ORGANIZATION OVERVIEW

1.1 Vision	8
1.2 Mission.....	8
1.3 Statutory Objectives	8
1.4 Core Values of PPDA	8
1.5 Organizational Structure.....	9

2.0 CHAPTER 2: ENSURING TRANSPARENCY, COMPETITION AND VALUE FOR MONEY IN PUBLIC PROCUREMENT

2.1 Procurement Audits.....	11
2.2 Investigations	16
2.3 Contract audits	19
2.4 Follow ups on Procurement Audit and Investigation Recommendations	20
2.5 Application for administrative review	22
2.6 Application for deviations.....	25
2.7 Recommendations to suspend providers.....	27
2.8 Applications for Accreditation.....	28

3.0 CHAPTER 3: SETTING OF PUBLIC PROCUREMENT AND DISPOSAL STANDARDS

3.1 AMENDMENTS TO PPDA ACT.....	29
3.2 Development of standard specifications.....	29
3.3 Development of Central Government SBDs.....	30
3.4 Development of Guidelines	30
3.5 Development of LG standard bidding documents.....	31
3.6 Equipping of Local Governments.....	31
3.7 Dual List.....	31
3.8 Register of Providers.....	31

4.0 CHAPTER 4: MONITORING COMPLIANCE OF PROCURING AND DISPOSING ENTITIES

4.1 Review of Annual Procurement Plans submitted by PDEs.....33

4.2 Undertaking Compliance Checks in Central Government and Local Government Entities-----33

4.3 Review of Monthly and Quarterly Procurement and Disposal Reports submitted by Entities..... 35

4.4 Procurement performance measurement system.....36

4.5 Follow-Up on Court cases.....38

5.0 CHAPTER 5: BUILDING PROCUREMENT AND DISPOSAL CAPACITY

5.1 Capacity Building Activities Carried Out.....41

6.0 CHAPTER 6: MANAGEMENT OF INTERNAL ORGANISATION

6.1 PPDA Strategic Partnerships49

6.2 Public Relations and Communication Activities49

6.3 Human Resource Management50

6.4 Information Communications Technology51

6.5 Internal Audit52

6.6 PPDA Audited Accounts 53

7.0 Annexes 75

ACRONYMS

AOs	-	Accounting Officers
CAIIP	-	Community Agriculture Infrastructure Improvement Programme.
CAO	-	Chief Administrative Office
CSOs	-	Civil Society Organisations.
DLG	-	District Local Government.
FINMAP	-	Financial Management and Accountability Programme.
FY	-	Financial Year
GOU	-	Government of Uganda
HPDU	-	Head Procurement & Disposal Unit
JBSF	-	Joint Budget Support Framework
LG	-	Local Government
MAC	-	Management Advisory Committee.
MC	-	Municipal Council
OBT	-	Output Budgeting Tool
PDEs	-	Procuring & Disposing Entities
PDU	-	Procurement and Disposal Units
PPDA	-	Public Procurement & Disposal of Public Assets Authority
PPMS	-	Procurement Performance Measurement System.
PS/ST	-	Permanent Secretary / Secretary to the Treasury
RFQ	-	Request for Quotation
RoP	-	Register of Providers
SG	-	Solicitor General

MESSAGE FROM THE BOARD CHAIRMAN

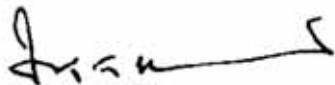
I am pleased to present to you the 8th Annual report of the Authority for the Financial Year 2010-11. During this period, the Authority underwent a number of changes notably the change of the Board of Directors and the Executive Director and the amendment to the PPDA Act. I am pleased to report that despite these changes, the Authority continued to operate smoothly.

The Authority continues to face the challenge of having a lean structure inspite of its growing mandate brought about as a result of the creation of new Ministries, Agencies and Local Governments. The revision of the strategic plan and organization structure was near completion by the end of the Financial Year and we hope that this will address the staffing challenges.

The other major challenge that the Authority faces is the heavy reliance on financial assistance from development partners through the Financial Management and Accountability Programme. Whereas this support is very welcome, it is not sustainable in the long run, and the Government of Uganda needs to step up funding of the Authority's activities in response to its growing mandate.

The Authority continued to scale up its activities to enforce compliance of the Ministries, Departments and Agencies to the PPDA Law. The number of procurement audits and investigations continued to grow in this year compared to previous years, the procurement performance measurement system was rolled out to an additional 45 PDEs, and capacity building activities were carried out in all the new Local Governments.

I would like to express my appreciation to the Government, Development partners and other stakeholders for their support in improving efficiency in public procurement. I look forward to more collaboration with all our stakeholders to make the procurement system more efficient and one that promotes value for money.



Ibrahim Kabanda

EXECUTIVE DIRECTOR'S MESSAGE

I wish to present to you the Public Procurement and Disposal of Public Assets Authority (PPDA) Annual Report for the Financial Year 2010/11, in accordance with section 22 of the PPDA Act 2003. This report describes the specific achievements of the Authority during the Financial Year, and the challenges that it continues to face in the implementation of its mandate.

The Authority functions as an integral part of the Accountability sector as its activities serve to promote good governance and the use of public resources effectively and efficiently as spelt out in the National Development Plan.

This report highlights the performance of the Authority in the last Financial Year under its main objectives of: ensuring transparency, competition and value for money in public procurement; setting public procurement and disposal standards; monitoring compliance of procuring and disposing entities; and building procurement and disposal capacity.

Under its objective of ensuring transparency competition and value for money in public procurement, the Authority completed procurement audits in 84 Entities against a planned number of 75. The extra audits carried out were as a result of audits that were carried forward from the previous financial year. Of these audits completed, 45 were in Local Governments and 39 in Central Government Entities. The Authority also carried out 43 investigations arising from complaints raised by stakeholders. In a bid to ensure that recommendations made by the Authority in its audit and investigations reports are implemented, a follow up exercise was done on 292 recommendations made in the previous Financial Year. I am happy to report that majority of recommendations (79%) were implemented. A total of 34 administrative reviews and 240 applications for deviations were also handled in this reporting period. Two firms were also suspended for various offences under the PPDA Act.

Under the objective of setting public procurement and disposal standards, the PPDA Act was amended during the Financial Year. The PPDA Amendment Bill was passed by the 8th Parliament in May 2011 and assented to by the President on 24th June 2011. The PPDA together with the Ministry of Finance Planning and Economic Development are reviewing the PPDA Regulations, Guidelines and Standard Bidding Documents with a view of amending them to make them responsive to the amended Act. These amendments are intended to strengthen the procurement legal framework. The Authority also developed standard specifications for common use items such as fire extinguishers, medical supplies, motor vehicle accessories' motor vehicles, office equipment, office furniture, office supplies. In this reporting period, the Authority also developed standard bidding documents for central government entities and local government revenue collection centers. A total of three guidelines were also developed on: framework contracts; circular on bid notices; and valuation. The Register of Providers got 1,215 new registrations and publicity for this register was carried out in the media.

Under the objective of monitoring compliance, the Authority carried out compliance checks in 54 Entities and made a follow up on previous recommendations in 120 Entities. A review of procurement plans and monthly and quarterly procurement reports submitted by the PDEs was done to check their conformity to set standards. The Procurement Performance Measurement System was rolled out to a further 45 PDEs in addition to the 15 PDEs where it was piloted.

Under the objective of building procurement and disposal capacity, the Authority revised its training and capacity building strategy. The training modules used by the Authority were also revised to make them more responsive to the current training needs. A total of 2,415 stakeholders were trained during the year. These stakeholders included political leaders, contracts committees, user departments and Accounting Officers.

In a bid to strengthen the PPDA and to make it more responsive to its growing mandate, the Authority during the just ended Financial Year revised its corporate Plan and its organization structure. The Plan will guide the operations of the Authority in the next three years. Discussions are ongoing with the Ministry of Finance, Planning and Economic Development on the implementation of the adopted PPDA structure. The Authority continued to develop partnerships with partners in the region and locally. The Public relations and communications strategy was also revised to improve on public awareness of the public procurement system. The use of ICT was also leveraged internally with the adoption of an electronic data management system.

The table below shows a comparison of this year's performance with that of the previous Financial Year 2009/10 in the key functions of the Authority.

No.	Activity	2009/10	2010/11
1	Procurement audits	48	84
2	Compliance checks	27	54
3	Investigations	46	43
4	Follow ups on audits and investigations	306	292
5	Deviations handled	297	240
6	Suspensions	9	2
7	Administrative reviews handled	33	34
8	Registrations on RoP	919	1,215
9	Number of stakeholders trained	1,674	2,415

In the Financial Year under review, the Authority faced the challenge of a lean structure and yet the mandate of the Authority continued to grow with the creation of new agencies. The releases from the Treasury were also heavily cut thus impacting negatively on some activities that had been planned.

I would like to once again pay tribute to the Ministry of Finance Planning and Economic Development and Development partners for their continued support to the Authority, enabling it to implement its programme.

CKSabiiti

Cornelia K. Sabiiti
EXECUTIVE DIRECTOR

1.0 CHAPTER 1: ORGANIZATION OVERVIEW

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. The following section shows the vision, mission, statutory objectives, core values and organization structure of the Authority.

1.1 Vision

A transparent, accountable and efficient public procurement and disposal system that delivers value for money.

1.2 Mission

To regulate the public procurement and disposal system in Uganda by setting standards, building capacity and monitoring compliance, in order to achieve value for money.

1.3 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.

1.4 Core Values of PPDA

- i. **Value for Money:**
 - Public procurement and disposal will be based on the concept of creating value.
 - PPDA will strive to create a sound business environment.
- ii. **Reliability:**
 - PPDA will strive to understand and meet the needs of the public.
 - PPDA will carry out its commitments in full and on schedule.
- iii. **Integrity:**
 - PPDA will promote a sound procurement ethical code of conduct.
 - PPDA staff will be fair, honest and trustworthy in their actions and apply the law uniformly.
- iv. **Professionalism:**
 - PPDA will encourage its staff to develop their professional skills through training programmes and to apply their skills, knowledge and experience in their services to the public and stakeholders.

- v. **Transparency and Accountability:**
 - PPDA will demonstrate transparency in its interactions and transactions with its stakeholders and with the general public.
 - PPDA staff will take responsibility for their actions, be accountable for their actions and be responsive to the public.
- vi. **Commitment and Teamwork:**
 - PPDA staff will dedicate themselves to fulfilling the mission and to be committed to carrying out their duties to the best of their abilities.
 - PPDA staff will cooperate with each other through teamwork and free exchange of information between individuals and departments.
- vii. **Partnership:**
 - PPDA will build strong partnerships with oversight agencies, development agencies and civil society through effective collaboration and information sharing.

1.1 Organizational Structure

1.1.1 Board of Directors

The Authority is governed by a Board of Directors who are responsible for executing 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.

During the FY 2010/11 the Board was composed of the following from July 2010- February 2011 when their term expired:

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

The Hon. Minister of Finance, Planning and Economic Development appointed the following members to the PPDA Board for the period March 2011 – March 2015

- | | | | |
|-------|-----------------------------|---|-------------------------------|
| i. | Mr. Ibrahim Kabanda | - | Chairman |
| ii. | Mrs. Lydia Ochieng Obbo | - | Member |
| iii. | Mr. Joseph Matsiko | - | Member |
| iv. | Assoc. Prof. Simeon Wanyama | - | Member |
| v. | Mr. Mohan Kiwanuka | - | Member (Resigned in May 2011) |
| vi. | Eng. Geoffrey Sebugwawo | - | Member |
| vii. | Mr. David Kabateraine | - | Member |
| viii. | Mrs. Cornelia K. Sabiiti | - | Executive Director |

1.1.2 Departments of the Authority

The Executive Director, who is the Accounting Officer, is responsible for the day to day affairs of the Authority and is in charge of overall planning in the organization, coordination of other departments and coordination with other government agencies, public relations, research among others.

The Executive Director oversees the following departments of the Authority:

- i. Legal and Compliance ;
- ii. Procurement Audit and Investigations ;
- iii. Training and Capacity Building; and
- iv. Finance and Administration.

The Legal and Compliance department is mandated under section 7 (c) to set standards for the public procurement and disposal sector, The department is also in charge of advisory services and monitoring compliance to the set standards. The Procurement Audit and investigations department is mandated to carry out procurement and disposal contract and performance audits and Investigations. The department of Training and Capacity Building sets training standards, implements capacity building interventions in collaboration with PDEs, providers, training and research institutions and also sets competence level certification systems. The Finance and Administration department is responsible for the smooth management of the internal affairs of the Authority.

CHAPTER 2.0: ENSURING TRANSPARENCY, COMPETITION AND VALUE FOR MONEY IN PUBLIC PROCUREMENT

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:

1.1 Procurement Audits

The Authority planned to conduct seventy five (75) procurement audits during the financial year under review. However, an additional thirty one (31) procurement audits were carried forward from the previous year (FY 2009/10) bringing the total number of audits to 106. Overall, 84 audits were completed; 45 in local governments and 39 in central government. These include the following:-

2.1.1 Central Government

1. Civil Aviation Authority
2. Directorate of Ethics and Integrity
3. Electoral Commission
4. Gulu Regional Referral Hospital
5. Hoima Regional Referral Hospital
6. Jinja Regional Referral Hospital
7. Kabale Regional Referral Hospital
8. Kyambogo University
9. Lira Regional Referral Hospital
10. Mbale Regional Referral Hospital
11. Mbarara Regional Referral Hospital
12. Ministry of Agricultural, Animal Industry and Fisheries
13. Ministry of Health
14. Ministry of Internal Affairs
15. Ministry of Justice and Constitutional Affairs
16. Ministry of Water & Environment (FY 2008/09)
17. Ministry of Water and Environment (FY 2009/10)
18. Ministry of Works and Transport
19. National Council of Sports
20. National Environment Management Authority
21. National Medical Stores (FY 2005/06 and 2006/07)
22. National Medical Stores (FY 2009/10)
23. National Planning Authority
24. National Water and Sewerage Corporation
25. Office of the Prime Minister

- | | |
|---|-------------------------|
| 26. Parliament of Uganda | 20. Kiboga DLG |
| 27. Posta Uganda | 21. Koboko DLG |
| 28. Privatisation Unit | 22. Lira Municipality |
| 29. Soroti Regional Referral Hospital | 23. Luweero DLG |
| 30. Uganda Blood Transfusion Service | 24. Lyantonde DLG |
| 31. Uganda Bureau of Statistics | 25. Manafwa DLG |
| 32. Uganda Communications Commission | 26. Masindi DLG |
| 33. Uganda Electricity Transmission Company Ltd | 27. Mbale Municipality |
| 34. Uganda Industrial Research Institute | 28. Mityana DLG |
| 35. Uganda National Bureau of Standards | 29. Moroto DLG |
| 36. Uganda Prisons Services | 30. Moroto Municipality |
| 37. Uganda Railways Corporation | 31. Moyo DLG |
| 38. Uganda Tourism Board | 32. Nakaseke DLG |
| 39. Uganda Wildlife Authority | 33. Nakasongora DLG |
| | 34. Namutumba DLG |
| | 35. Nebbi DLG |
| | 36. Ntungamo DLG |
| | 37. Oyam DLG |
| | 38. Pader DLG |
| | 39. Pallisa DLG |
| | 40. Rukungiri DLG |
| | 41. Sembabule DLG |
| | 42. Soroti DLG |
| | 43. Tororo Municipality |
| | 44. Wakiso DLG |
| | 45. Yumbe DLG |
-
- 40. 2.1.2 Local Governments**
1. Abim DLG
 2. Adjumani DLG
 3. Amolatar DLG
 4. Apac DLG
 5. Arua Municipality
 6. Budaka DLG
 7. Bukedea DLG
 8. Buliisa DLG
 9. Bundibugyo DLG
 10. Butaleja DLG
 11. Isingiro DLG
 12. Kaabong DLG
 13. Kabale Municipality
 14. Kaberamaido DLG
 15. Kalangala DLG
 16. Kampala City Council
 17. Kamuli DLG
 18. Kanungu DLG
 19. Katakwi DLG

GENERAL PERFORMANCE OF THE ENTITIES

Figure 1: Performance of Entity by number of contracts in Central Government PDEs

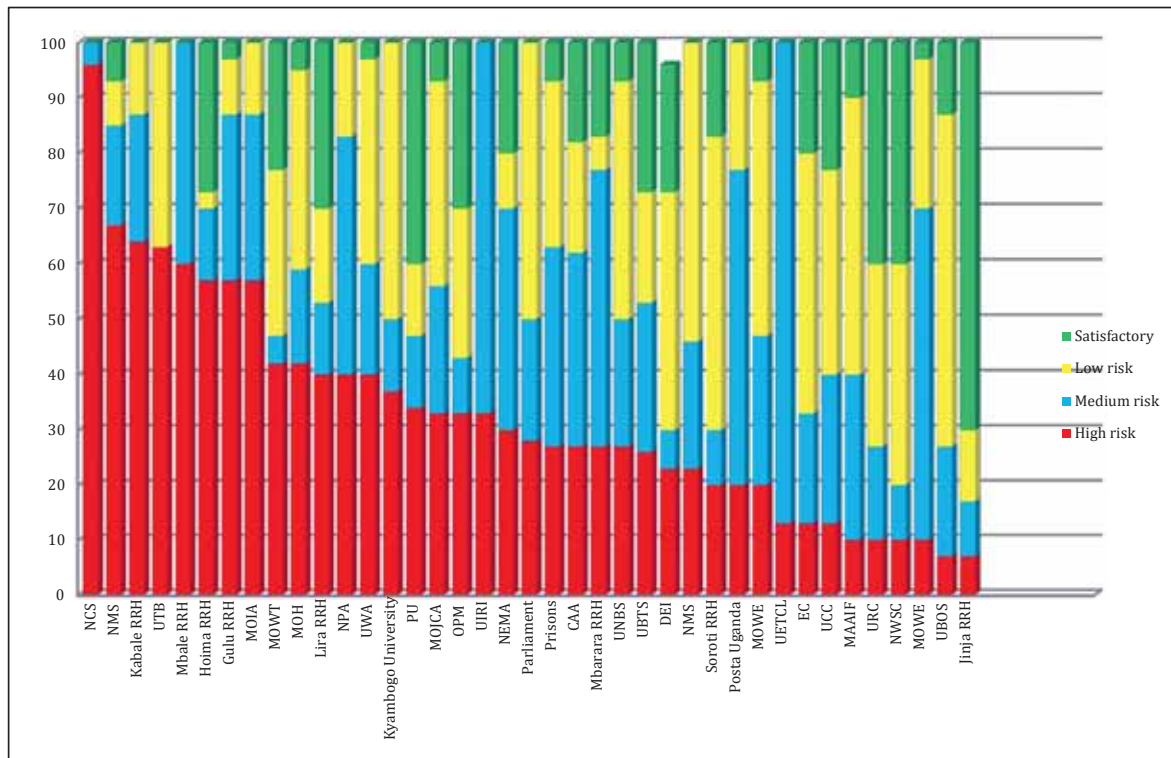


Figure 2: Performance of Entity by value of contracts in Central Government PDEs

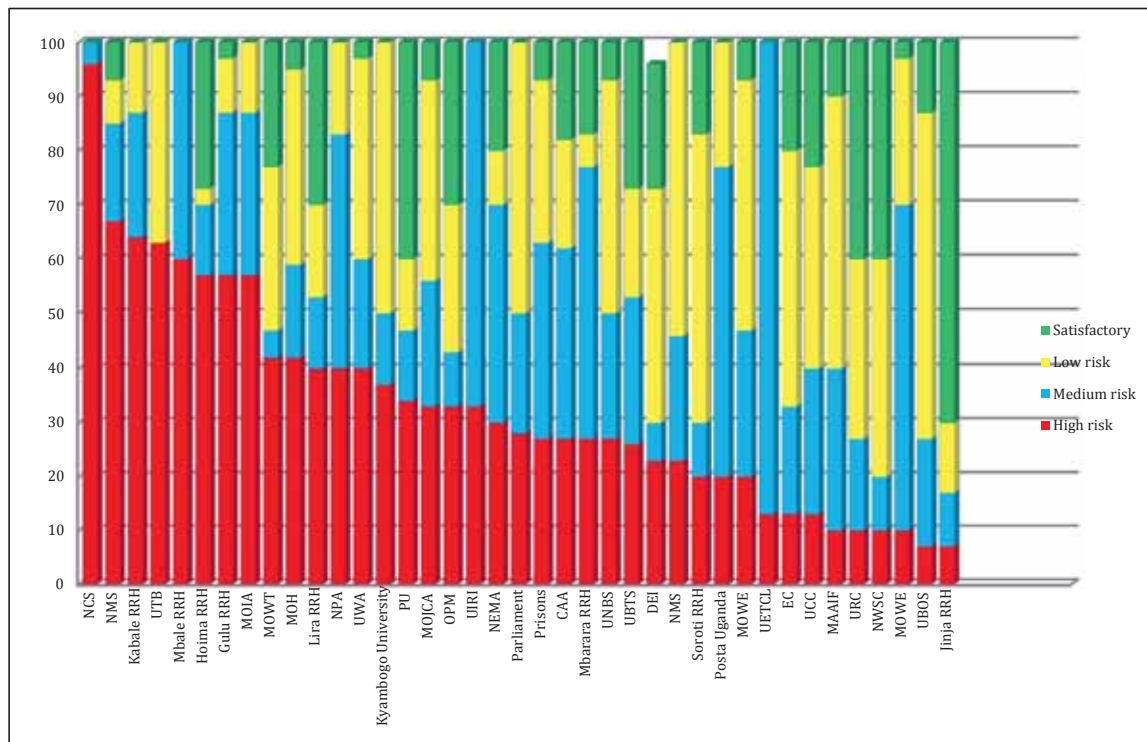


Figure 3: Performance of Entity by number of contracts in Local Government PDEs

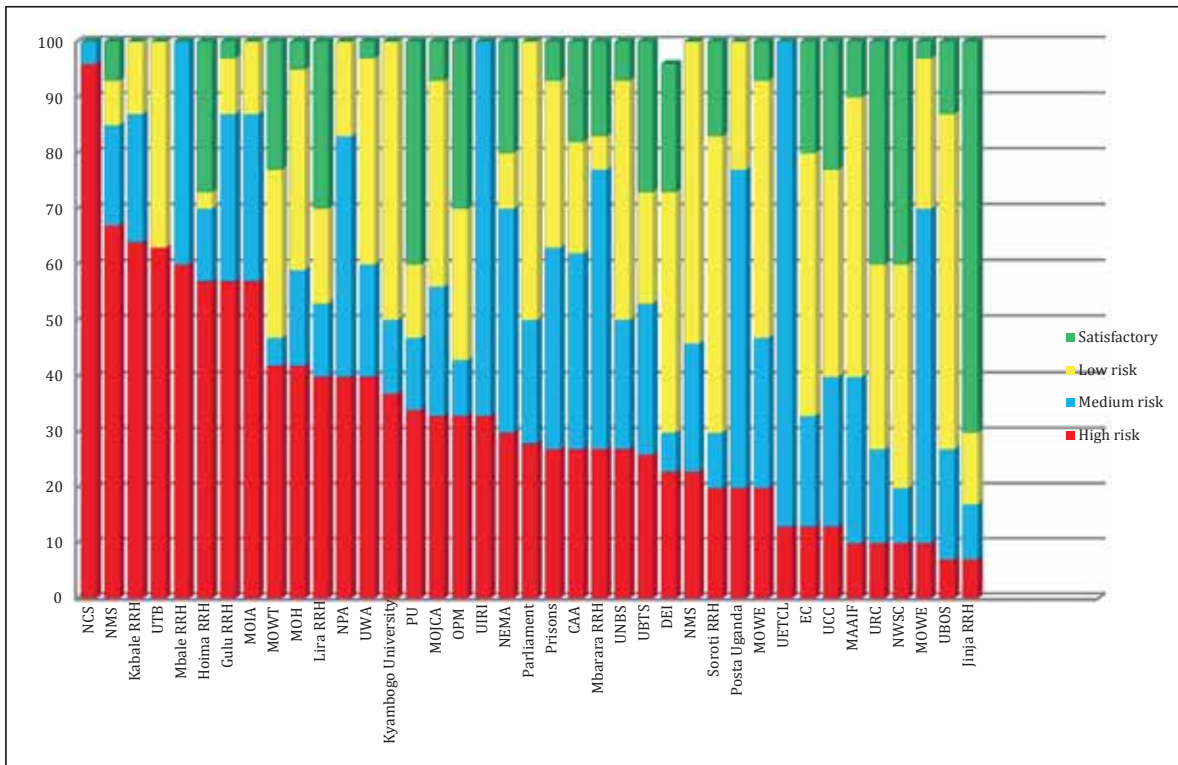
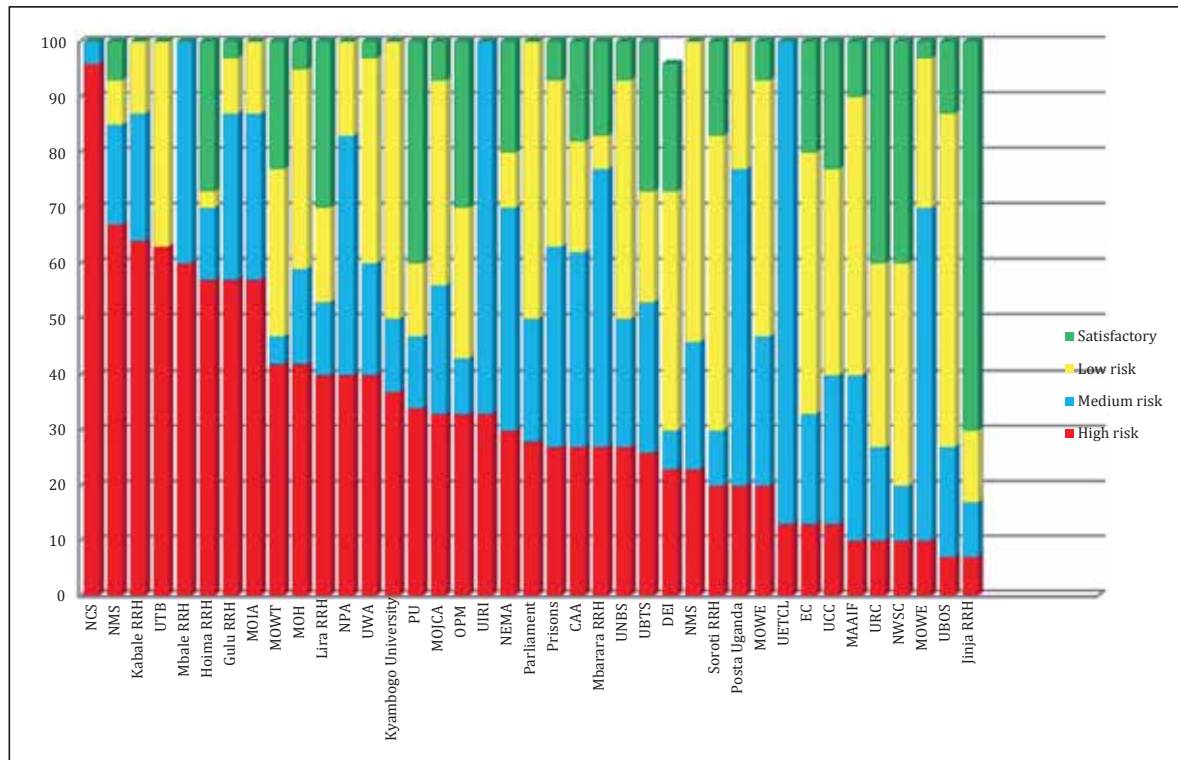


Figure 4: Performance of Entity by value of contracts in Local Government PDEs



KEY FINDING(S)	RECOMMENDATIONS
<ul style="list-style-type: none"> A number of PDEs continue to conduct procurements outside the procurement plan. 	<ul style="list-style-type: none"> User departments should ensure timely submission of their work plans to the Procurement and Disposal Unit and all procurements should be reflected in the procurement plan.
<ul style="list-style-type: none"> Delayed initiation of procurement requirements leading to poor implementation of the procurement plan e.g. most procurements are initiated towards the end of the financial year. 	<ul style="list-style-type: none"> User Departments should ensure timely initiation of procurements to avoid low absorption capacity of funds.
<ul style="list-style-type: none"> Continued use of the direct procurement method without sufficient adequate justification. 	<ul style="list-style-type: none"> The direct procurement method should be used with sufficient justification and the Contracts Committees should approve use of the method.
<ul style="list-style-type: none"> Missing procurement action files. Poor record keeping in the PDEs whereby a number of documentation was missing on file e.g Evaluation reports, contract management records namely the contracts/Local Purchase Orders, contract implementation plans, delivery notes and payment receipts. 	<ul style="list-style-type: none"> The Authority will continue to send cases of missing procurement action files to the Criminal Investigations Department for further investigation. The PDEs should ensure that all records are kept in accordance with the PPDA Law.
<ul style="list-style-type: none"> In most cases, bidders are not notified of arithmetic errors in their bid proposals and when corrected, they are also not informed. 	<ul style="list-style-type: none"> The PDEs should ensure that bidders are notified of the arithmetic errors in their bid proposals. The letter(s) should also be copied to bidders in accordance with the PPDA Law.
<ul style="list-style-type: none"> Some individuals conducted evaluation without the approval of the Contracts Committee. 	<ul style="list-style-type: none"> Only members approved by the Contracts Committee are eligible to participate in the evaluation process.
<ul style="list-style-type: none"> User Departments usurp functions of the Procurement and Disposal Unit by soliciting for bids. 	<ul style="list-style-type: none"> Soliciting of bids is the role of the PDU and not User Departments. Therefore, Accounting Officers should take appropriate disciplinary action against Users who usurp the role of the PDU.
<ul style="list-style-type: none"> In most Local Governments, Contracts Committees award contracts using the Engineer's estimates and disregard the contract price by the bidders. No debriefings are held by the Entity with the unsuccessful bidders. 	<ul style="list-style-type: none"> Contracts Committees should not award contracts using the Engineer's estimates. The PDEs should always debrief the providers whose bids were not successful.
<ul style="list-style-type: none"> Sub-county Chiefs of the Local Governments certified availability of funds and signed contracts on behalf of the Accounting Officer without delegated authority. 	<ul style="list-style-type: none"> Accounting Officers should delegate their functions in writing to the lower level(s) in accordance with the PPDA Law.
<ul style="list-style-type: none"> A number of Government projects had stalled because some PDEs were signing contracts without sufficient funds. Such projects included schools and health centres. In circumstances of bi-funding, the Accounting Officer(s) signed contracts when the Government of Uganda component had not been availed. This led to delayed payments which in the long run attracted high interest rates. 	<ul style="list-style-type: none"> The Accounting Officer should not commit government and sign contracts before confirming that the Entity has sufficient funds.

<ul style="list-style-type: none"> Poor contract supervision of projects co-funded by both the line Ministries and Local Governments. The Districts tend to think that these are Ministry projects because they do not have direct access to the funds. 	<ul style="list-style-type: none"> User Departments should ensure appointment of contract managers who are responsible for supervision and submitting progress reports to the Contracts Committee.
<ul style="list-style-type: none"> Overall mismanagement of procurements under Community Agricultural Infrastructure Improvement Programme (CAIIP) in the Ministry of Local Government. A number of contracts had expired yet the works were incomplete. 	<ul style="list-style-type: none"> The Ministry of Local Government and the respective Districts should put a lot of emphasis on contract management of CAIIP projects.
<ul style="list-style-type: none"> Most Entities especially Local Governments did not appoint annual boards of survey. Therefore, no disposals were carried out. 	<ul style="list-style-type: none"> The Accounting Officer(s) should appoint Board of Survey annually and ensure that government properties are boarded off before they become obsolete.

2.2 Investigations

In accordance with Section 8(c) of the PPDA Act 2003, the Authority is mandated to carry out investigations. In fulfillment of the above mandate, PPDA issued forty three (43) investigation reports from the following Entities:

S/N	PDE	COMPLAINT
1	Uganda Prison Services	Irregularities in the procurement of agricultural machinery (Lot 1, 2 and 3).
2	Uganda Police Force	Irregularities in the procurement of Motor Vehicles, Motorcycles and Bicycles for policing elections
3	Ministry of Tourism, Trade and Industry	The disposal of land at Ntinda Industrial Estate by Management Training Advisory Centre (MTAC)
4	Uganda National Road Authority (UNRA)	The staged construction of various paved road (Lot A and B)
5	Ministry of Justice and Constitutional Affairs	The procurement of consultancy services for production of JLOS Mapping using GIS Technology
6	Electoral Commission	Extension of contracts for voter education services
7	National Medical Stores	Irregularities in the procurement process for the provision of Insurance Services
8	Electoral Commission	The procurement of indelible ink for the February 2011 elections
9	National Council for Higher Education	Tender for the study and evaluation of National Council for Higher Education.
10	Kaderuna Secondary School	Construction of a 3 (2) classroom block, 2 VIP 5-stance latrines and a science laboratory under the UPPET Project of the World Bank by Ministry of Education and Sports
11	Uganda Electricity Distribution Company Ltd	Breach of PPDA Regulations and procedures by UEDCL while investing 27b/= and hiring a legal firm to recover receivables from Umeme
12	Office of the President	Hiring of vehicles during the swearing-in ceremony for the President-elect.
13	Ministry of Water and Environment	Supply, delivery and installation of Wind Shear Equipment to Metrology Department

14	Uganda National Roads Authority	Irregularities in the prequalification exercise of Nyakahita-Kazo and Kazo-Kamwenge roads funded under the African Development Bank Fund.
15	Lumino Community Polytechnic, Busia	Irregularities the procurement process of the construction of a Two-Classroom Block and a Twin Workshop Block.
16	Ministry of Works and Transport	Irregularities in the tender for provision of vehicle rental services during the African Union (AU) Summit of 19-26 July 2010
17	Kyambogo University	Procurement of Consultancy Services for Developing the Kyambogo University Master Plan
18	Isingiro District Local Government	Tendering process for the rehabilitation of Kahiirimbi-Kyakabindi-Ngarama Road
19	Ibanda District Local Government	Irregularities in the tender for the construction of Kagongo Water Supply and Sanitation Scheme
20	Kabale Municipal Council	Irregularities about the award of tender to control, manage and collect revenue from Kabale Taxi/Bus Park.
21	Iganga District Local Government	Tender for revenue collection centres and pre-qualification of works, services and supplies for FY 2010/2011
22	Mbale District Local Government	Irregularities into the Construction of a Four (4) Classroom Block at Buzalangizo Primary School
23	Uganda Electricity Transmission Company Ltd	Suspected corrupt or fraudulent practices having taken place in the procurement process for Consultancy Services for the Feasibility Study of Hoima – Kafu Transmission Line.
24	Uganda Electricity Transmission Company Ltd	Suspected corrupt or fraudulent practices having taken place in the procurement process for Consultancy Services for the Karuma Interconnection Project – Royal Norwegian Ambassador vs. UETCL
25	Lira Municipal Council	Tender for Revenue Collection for Ground/Property Rates and Billboards – M/s Libra Court Bailiffs vs. Lira Municipal Council
26	Ministry of Education and Sports	Irregularities in the procurement process of text books for Universal Secondary Education
27	Electoral Commission	Tender for supply of Ballot Papers for Presidential, Parliamentary and Local Governments Council Elections 2011
28	Electoral Commission	Tender for supply of Ballot Papers for Presidential, Parliamentary and Local Governments Council Elections 2011 (complaint by whistle blower)
29	Manafwa District	Irregularities in the works on Bukhaweka-Butiru Road
30	Sembabule District	Irregularities in the tender for the Construction of Valley Dams in Sembabule District
31	Ntare School	The tender for construction of a 12-dormitory double storeyed building at Ntare School
32	Uganda Cancer Institute	Procurement for construction of a five-level cancer ward for Uganda Cancer Institute at Mulago Hospital
33	Kyenjojo DLG	Irregularities in the tender for revenue collection from Kyenjojo Taxi and Lorry parks
34	Uganda Bureau of Statistics	Tender for procurement of Solar Systems for CIS
35	Kitgum DLG	Investigation into the advert run by Kitgum DLG on 23 rd September 2010 inviting bids for works and services for FY 2010/2011
36	National Medical Stores	Procurement of drugs for the Uganda Cancer Institute by National Medical Stores

37	Electoral Commission	Tender for consultancy services for Public Relations 2010 campaigns
38	National Medical Stores	Procurement of a service provider for catering services
39	Luwero DLG	Tender for collection of revenue from Bombo Taxi Park
40	Rural Electrification Agency	Tender for construction of Government Priority Rural Electrification Schemes in selected Districts-Lot 5 for Kyenjojo/Kibale/Masindi Districts
41	Uganda Broadcasting Corporation	Disposal of land located on Plot Nos. 19, 21,23 Kibira Road and M.47 held under Freehold Register Volume 212, Folio 10
42	Ministry of Energy and Mineral Development	Disposal by Public Auction of boarded-off motor vehicles and assorted obsolete store items
43	Kamwenge District LG	Alleged irregularities in the tender for Kamwenge taxi/bus park by Kamwenge DLG

Key Findings and recommendations from Investigations carried out.

Finding(s)	Recommendations
<ul style="list-style-type: none"> Some Entities carried out negotiations with best evaluated bidders after issuing the letter(s) of bid acceptance contrary to the provisions of the PPDA law. 	<ul style="list-style-type: none"> The Accounting Officers should ensure that the concerned parties (PDU and CC) arrange for negotiations with the provider(s) before issuing the letter(s) of bid acceptance The Head Procurement and Disposal Unit should guide the Accounting Officer and Contracts Committee to ensure compliance with the PPDA Act, Regulations 2003.
<ul style="list-style-type: none"> There were instances where the Evaluation Committees recommended award of contracts to non-responsive bidders. 	<ul style="list-style-type: none"> The Evaluation Committees should ensure that they recommend award of contract to the best evaluated bidder whose bid was responsive to the evaluation criteria stated in the solicitation document.
<ul style="list-style-type: none"> Some PDEs did not open bids as indicated in the solicitation document. Bids were opened several days after bid closure. 	<ul style="list-style-type: none"> The Procurement Officer(s) should open bids as required in the solicitation document issued to bidders.
<ul style="list-style-type: none"> There are instances of disagreement between the Evaluation Committee(s) and Contracts Committee whereby the latter changed the decision(s) taken earlier by the EC. 	<ul style="list-style-type: none"> In circumstances where the Contracts Committee disagrees with the Evaluation Committee, the evaluation report should be returned to the EC through the PDU with reasons for rejection and in accordance with the PPDA Law.
<ul style="list-style-type: none"> Introduction of new evaluation criteria during the conduct of evaluation was common and this act disadvantaged some bidders with better offers. 	<ul style="list-style-type: none"> The Evaluation Committee(s) should ensure that the responsiveness of the bid is based on the evaluation criteria stated in the solicitation document issued to bidders.
<ul style="list-style-type: none"> In most cases, bidders are not notified of arithmetic errors in their bid proposals and when corrected, they are also not informed. 	<ul style="list-style-type: none"> The PDEs should ensure that bidders are notified of the arithmetic errors in their bid proposals. The letter(s) should also be copied to bidders in accordance with the PPDA Law.
<ul style="list-style-type: none"> Contractors continued to undertake works illegally after the expiry of their contracts. Most PDEs did not vary contracts as required under the PPDA Law. 	<ul style="list-style-type: none"> The Accounting Officer, under the guidance of the Procurement and Disposal Unit/User Department, should ensure that contractors only operate with valid contracts.

2.3 Contract Audits

In accordance with Section 7(j[ii]) of the PPDA Act 2003, the Authority is mandated to carry out contract audits. In fulfillment of the above mandate, PPDA issued four (4) contract audit reports and the details are as shown below:

i. Construction of Silver Springs-Bweyogerere and Kireka-Namugongo Roads:

Uganda National Roads Authority entered into a contract for the rehabilitation of Silver Spring-Bweyogerere Road (8km) and Kireka-Namugongo Road (7km) with M/s Multiplex Limited.

Finding(s)	Recommendations
<ul style="list-style-type: none"> The Entity signed the works contract before putting structures for supervision of the contractor hence the project was delayed. The Contractor was advanced payment (20% equivalent to UGX 1,700,472,780/=). The funds were diverted to purchase new heavy plant and equipment instead of paying for equipment, plant, materials, and mobilization expenses required specifically for execution of the contract. Only 7.1% physical progress was made as at the end of the contract period of six months 	<p>a. Considering the fact that both parties to the contract were responsible for delayed execution of the contract, and the fact that termination of the civil works contract was not the best option in current circumstances, the Entity should consider mutual agreement with the contractor on the new completion date and report back to PPDA on the agreed position.</p>

ii. Rehabilitation and Remodeling of Health Centres IV and III under Support to the Health Sector Strategic Plan Project (SHSSPP II):

The Ministry of Health entered into two separate contracts with M/s Multiplex Limited to rehabilitate and remodel 27 Health Centres in Mbarara, Isingiro, Kiruhura and Ibanda, Bushenyi, Ntungamo and Kabale Districts.

Finding(s)	Recommendations
<ul style="list-style-type: none"> The contractor did not have sufficient financial capacity to handle the works simultaneously. As a result, the works were far behind schedule as per works program and yet no contractual sanction had been invoked for delays. The Entity signed the two contracts with M/s Multiplex Limited inclusive of 18% VAT. However, the Entity did not pay VAT component (US\$ 430,989 for Lot -2 and US\$ 378,692 for Lot-3) on some of the certificates which greatly affected the cash flow of the contractor to timely execute and complete the works. The Entity changed the requirement of the performance security from 10% in form of bank guarantee to an insurance of 30% of the contract value at negotiation stage with the best evaluated bidder. This fundamentally changed the terms which was unfair to other bidders who participated in this procurement. 	<ul style="list-style-type: none"> The AO should ensure that performance appraisals of the contractors/suppliers are carried out on an annual basis and appraisal reports should be utilized in the evaluation of subsequent tenders. This will ensure that the entity awards tenders to competent and reputable contractors. The Entity should fulfill its contractual obligation of paying VAT funds due to the contractor as soon as possible to enable the contractor proceed and complete the works without any further delay.

iii. Ministry of Agriculture, Animal Industry and Fisheries

The Ministry of Agricultural, Animal Industry and Fisheries signed a contract with M/s Spenco to construct Kibanda Dam in Rakai District Local Government.

Finding(s)	Recommendations
<ul style="list-style-type: none">The Ministry entered into contractual obligations with M/s Spenco without first securing the site and compensating the squatters on the land. This delayed the commencement of the project.The project was co-funded by the GoU and African Development Bank. However, the project commenced before government secured their component of US\$ 2,104,883.19 out of US\$ 4,701,076.63 which subsequently led to delayed payment of the provider causing 'accumulated interest' to Government.After handing over the project to the District, there was political pressure to re-design the project and expand it. However, the new designs caused a backflow of water blocking off the road to one of the Sub-county offices and dispensary after which the locals took a decision to vandalise it thereby becoming non functional.	<ul style="list-style-type: none">The Accounting Officer Ministry of Agriculture, Animal Industry and Fisheries should not commit government to undertake projects without sufficient funds since this cost Government through accumulated interest rates on delayed payment.The LC V Chairman Rakai District, Mr. Vincent Semakula, is held liable for the vandalism caused on Kibanda Dam and should be compelled to mobilize funds and restore the dam to its original design.

iv. Uganda Prisons Services

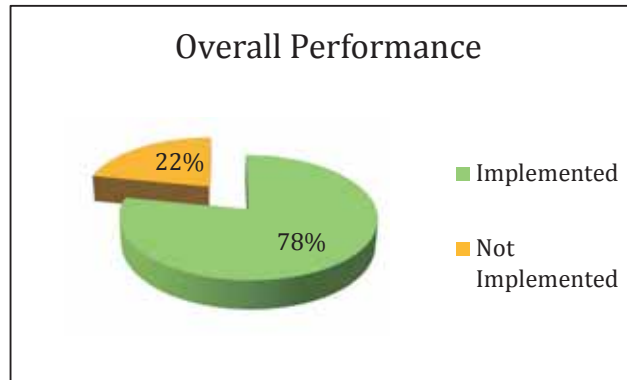
The Uganda Prisons Service signed a contract with M/s Engineering Solutions (U) Ltd to supply farm inputs, agricultural machinery and lorry trucks.

Finding(s)	Recommendations
<p>a. M/s Engineering Solutions (U) Ltd did not meet all the requirements of the tender yet it was awarded the tender. This depicted a favour to M/s Engineering Solutions (U) Ltd and an unfair treatment to the other bidders who were failed for non-responsiveness.</p>	<p>a. The Accounting Officer should take appropriate disciplinary action against members of the evaluation committee for recommending award to a bidder who had not satisfied the technical requirements of the tender.</p>

2.4 Follow-up

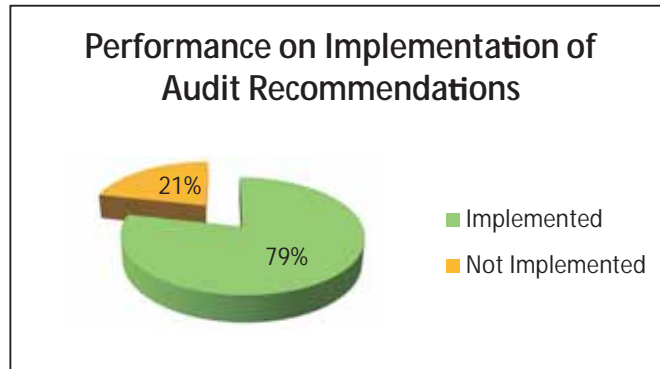
In accordance with Section 7 (r) of the PPDA Act, the Authority is mandated to administer and enforce compliance with all the provisions of the Act. In fulfillment of the above mandate, the Authority conducted follow-ups on audit and investigation recommendations in order to establish the status of implementation.

The Authority made a follow-up on 292 recommendations. Out of a total of 292 audit and investigation recommendations, 229 representing 78% were implemented and 63 representing 22% were not implemented.



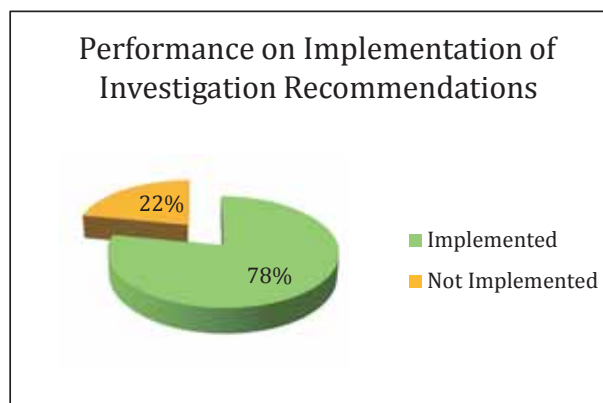
a) Performance on Audit Recommendations

Out of a total of 205 audit recommendations made to 19 PDEs, 161 representing 79% of the recommendations were implemented and 44 representing 21% were not implemented by the PDEs.



b) Performance on Investigation Recommendations

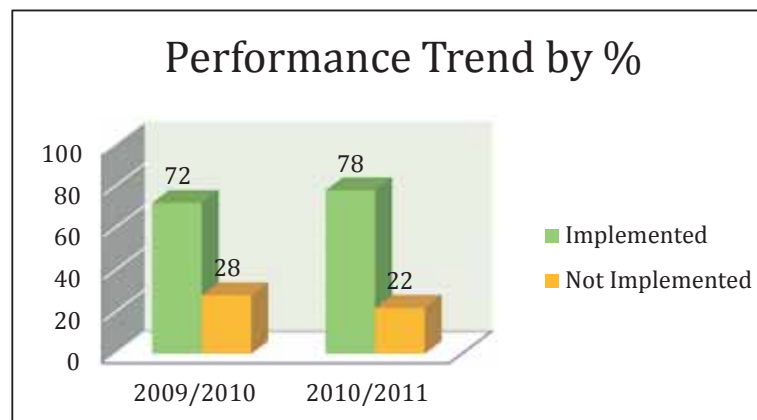
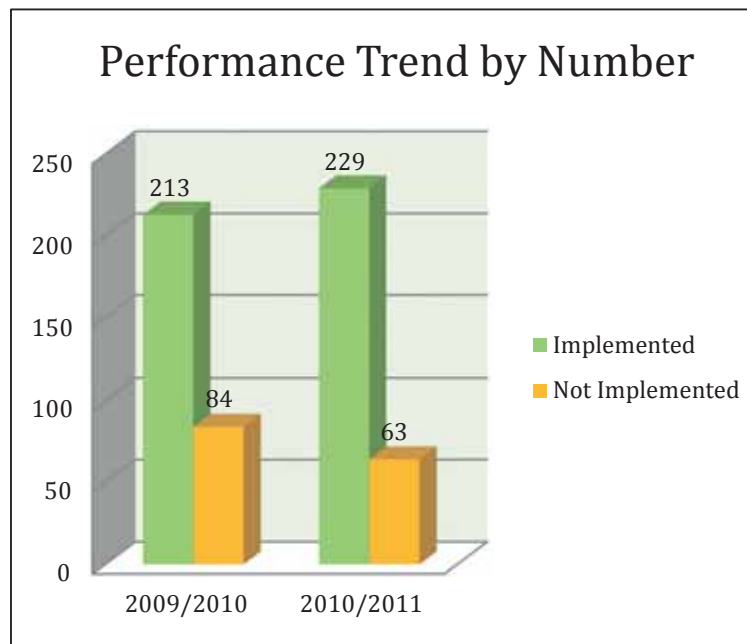
Out of a total of 87 investigation recommendations, 68 representing 78% were implemented and 19 representing 22 % were not implemented.



c) Performance Trend on follow ups for FY 2009/2010 and FY 2010/2011

- For FY 2009/2010, out of a total of 297 audit and investigation recommendations, 213 representing **72%** were implemented and 84 representing **28%** were not implemented.

- For FY 2010/2011, out of a total of 292 audit and investigation recommendations, 229 representing **78%** were implemented and 63 representing **22%** were not implemented.
- Overall trend indicates an improved performance of implementation of audit and investigation recommendations by 8.3%.



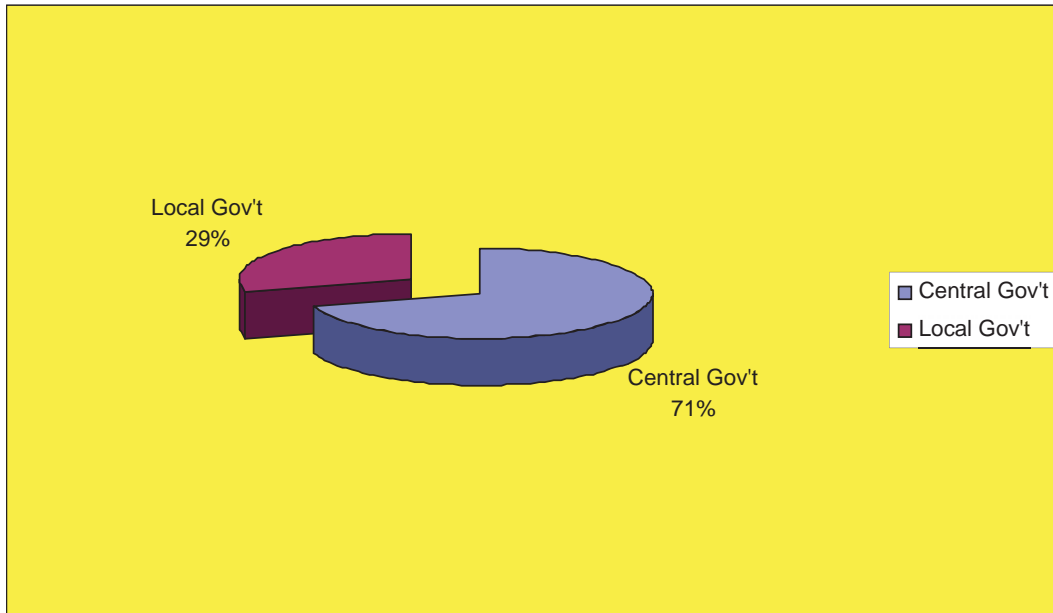
Recommendations not implemented: 18 audit/investigation recommendations were not implemented by the PDEs. The Authority recommended that the Permanent Secretary/ Secretary to Treasury (PS/ST), Ministry of Finance, Planning and Economic Development takes further appropriate action on the PDEs which scored less than 50% for failure to implement the recommendations stated in the reports.

2.5 Applications for Administrative Review

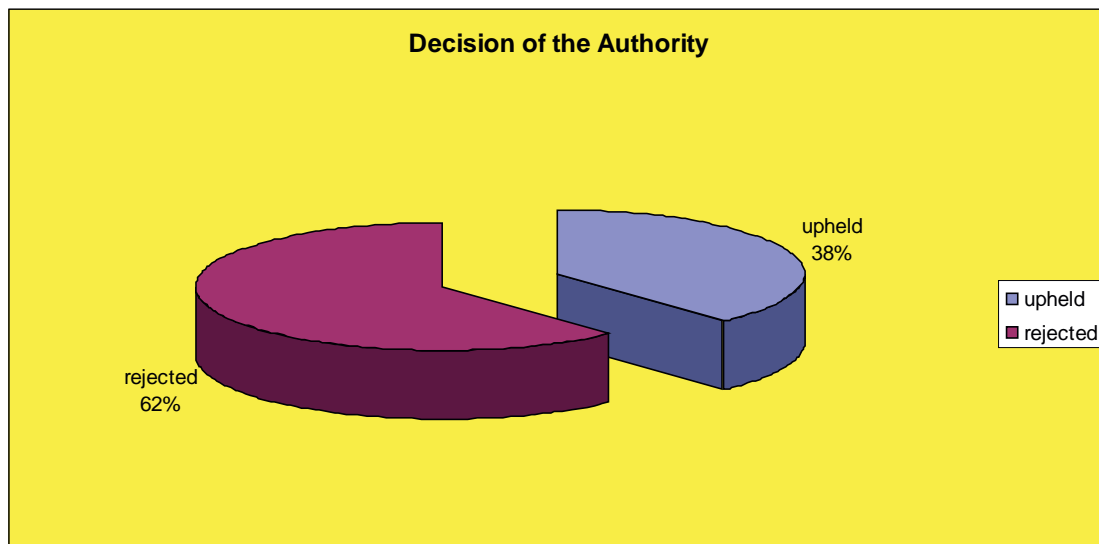
The Authority derives its mandate to conduct Administrative Reviews from Sections 8 (e) and 91 of the Public Procurement and Disposal of Public Assets Act 2003, Regulation 347 of the Public Procurement and Disposal of Public Assets Regulations 2003 and Regulation 140 of the Local Governments (Public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

During this period, a total of thirty four (34) Applications for Administrative Review were received by the Authority. Twenty one (21) were rejected and thirteen (13) were upheld by the Authority. Four (4) Complainants were dissatisfied with the decision of the Authority and decided to file for Judicial Review in the High Court.

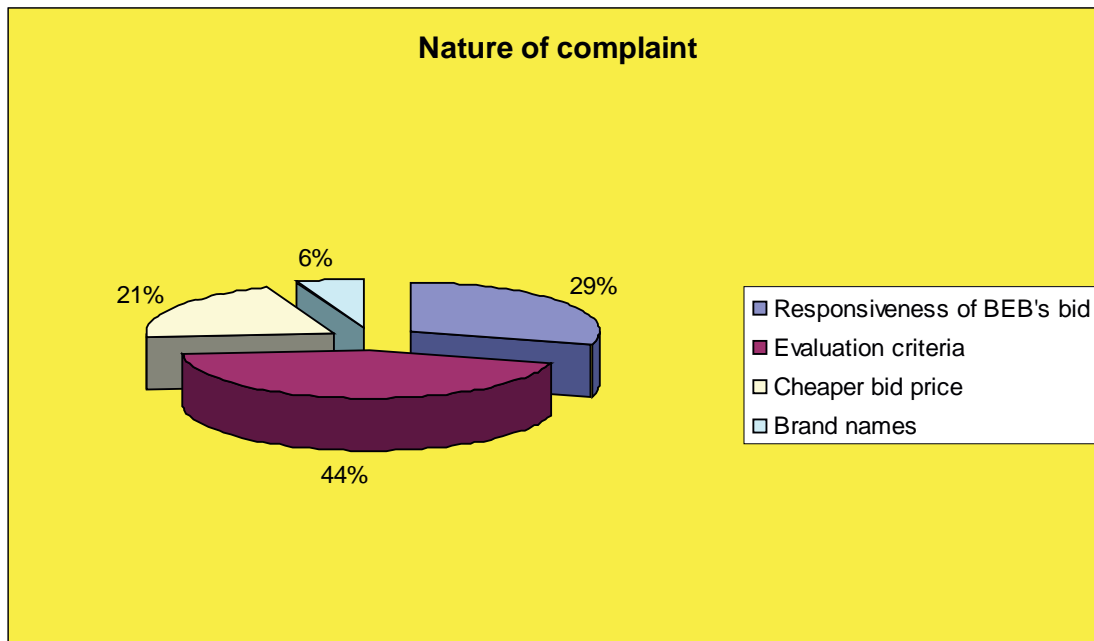
The pie charts below show the Administrative Reviews handled in terms of Entity. ie Central Government and Local Government.



The pie chart below shows percentages of the Administrative Reviews upheld and those that were rejected.



With regard to the nature of Administrative Reviews received, out of the 84 applications for Administrative Review handled, 10(29.4%) were in respect to the responsiveness of the Best Evaluated Bidder's bid, 15(44%) were in respect to failure to follow the evaluation criteria, 7(20.5%) complainants alleged that their bid price was cheaper than the best evaluated bidder's price, 2(5.8%) were in respect to use of brand names contrary to the PPDA law.



Key observations noted in the Administrative Reviews handled

The Authority observed that most of the Administrative Reviews handled by the Authority have been characterised by the following anomalies:

- i. Failure by the Evaluation Committee members to adhere to the evaluation criteria stated in the solicitation document and conduct the evaluation process in a fair and transparent manner in accordance with PPDA law;
- ii. Failure by the Contracts Committee to ensure that the evaluation reports submitted to them for approval by the Evaluation Committee take into account all the requirements of the solicitation document;
- iii. Failure by the Procurement and Disposal Unit to manage the evaluation process in accordance with the PPDA law to avoid any irregularities;
- iv. Delays by Entities have also characterized the procurement process and have impacted on the delivery of the required and planned for services, supplies and works. The biggest delays are during evaluation stage.
- v. Leakage of information about the bids submitted by bidders before conclusion of the procurement process;
- vi. Expiring of bid validity which led the Authority to direct the Entities to re-tender the procurement process;
- vii. Failure to verify the authenticity of documents from providers.

Key recommendations made by the Authority in respect to Administrative Review handled

Under PPDA Regulation 347 (7) (c), the Authority is required to indicate as part of the decision on an Administrative Review Application, any corrective measures to be taken. The Authority has in some of the Administrative Reviews handled recommended the following corrective measures:

- i. The Accounting Officers to take appropriate disciplinary action against the members of the Contracts Committee, the Head, Procurement and Disposal Unit and Evaluation Committee for the various irregularities noted in the procurement; and
- ii. Disciplinary action has also been recommended to be taken against Accounting Officers since they have overall responsibility for the execution of the procurement and disposal process in a PDE.
- iii. PDEs should adhere to the ethical code of conduct.
- iv. Entities should be encouraged to do due diligence and post qualification.

The summary of the Administrative Reviews received indicating the Entity, complainant, subject of procurement, estimated cost and the decision of the Authority is attached as Annex 3.

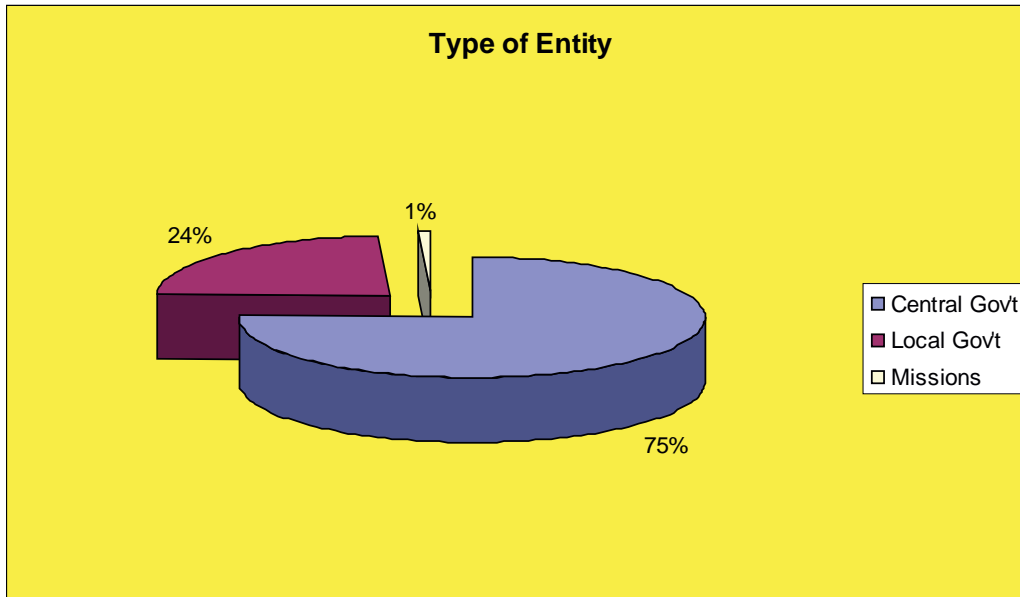
2.6 Deviations

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-

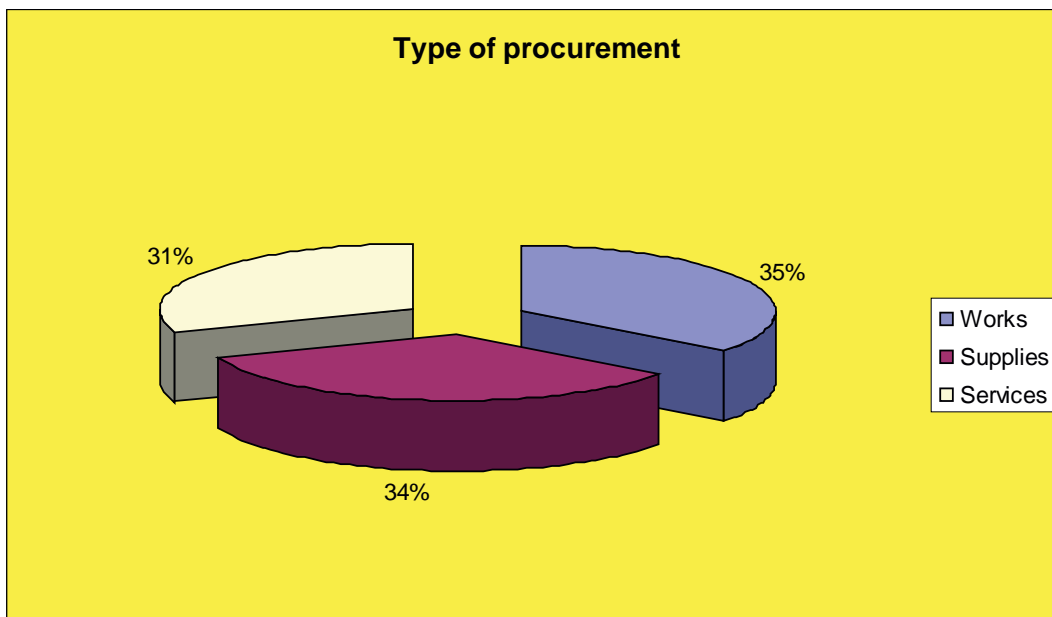
- (a) where exceptional requirements make it impossible, impractical or uneconomical to comply with these Regulations;
- (b) where market conditions or behaviour do not allow effective application of these Regulations; or
- (c) for specialised or particular requirements that are regulated or governed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

A total of Two Hundred and Forty (240) deviations were considered by the Authority during this period. Out of the 240 requests received, 132 were granted by the Authority, 90 were rejected by the Authority because the reasons given for the deviation were not satisfactory and 18 were referred back to the Entity for more information and no response was received from the Entities in regard to the additional information requested for.

Out of the 240 requests received, 181(75%) were from Central Government Entities, 57(24%) from Local Governments and 2(1%) from foreign missions as illustrated below.

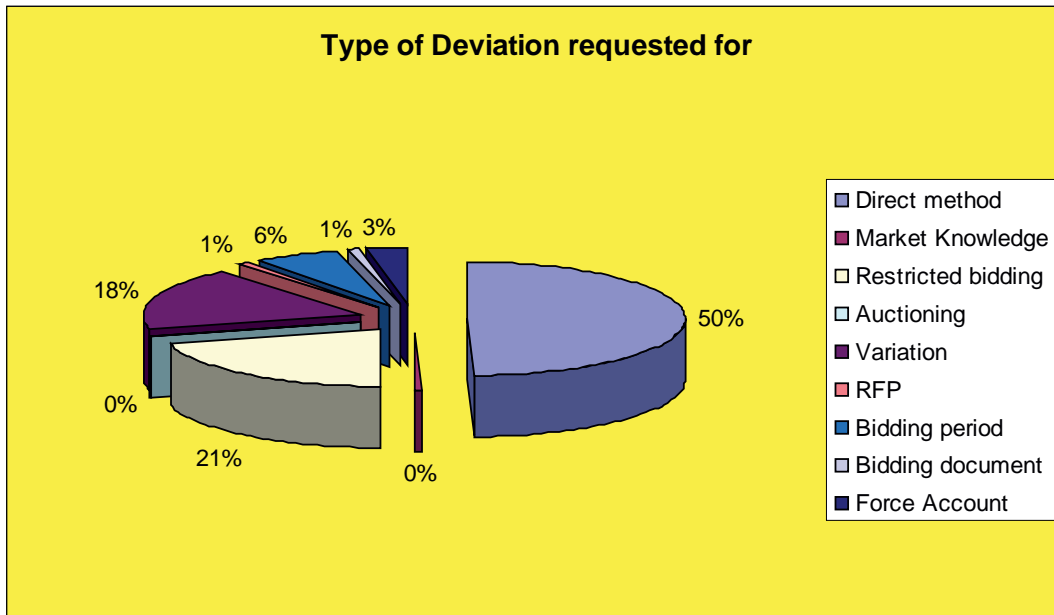


Out of the 240 requests received, 84(35%) were for works, 81(34%) for supplies and 75(31%) for services as shown in the pie chart below.

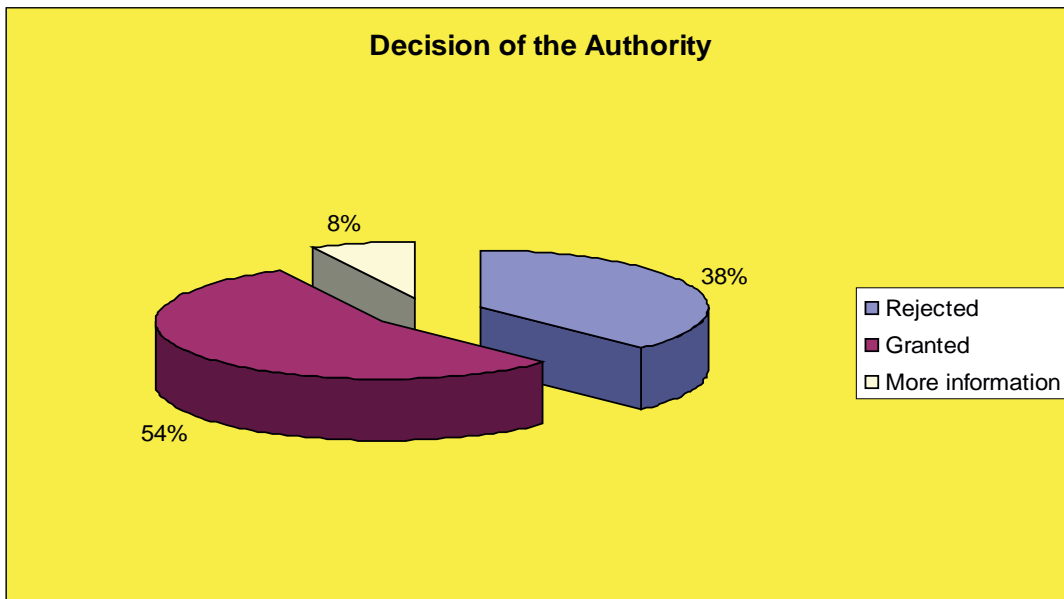


Out of the 240 requests for deviations received, 112(46.6%) were for direct procurement, 47(20%) for use of restricted bidding, 40 (17%) for contract variation, 14(6%) for reducing the bidding period, 14(6%) for use of RFQ, 7(3%) for use of Force Account, 2(1%) use of a different bidding document, 2(1%) for use of RFP, 1 (0.4%) for auctioning and 1(0.4%) was request to use market Knowledge.

The pie below shows the type of deviation requested for by the Authority in percentages



The pie charts below show the deviations handled in terms of decision of the Authority ie whether the request was rejected or granted.



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.

The Authority received a total of twelve (12) recommendations from Entities to suspend providers which were handled and decisions communicated to the Entities. Two (2) providers were dissatisfied with the decision of the Authority and applied to the High Court for Judicial review.

A table showing the suspended providers and Directors, reasons for suspension, duration of suspension and the Entity that recommended the suspension is attached as Annex 4.

Removal of providers from the list of suspended providers

- i. During this period, M/s Motorcentre East Africa Limited was removed off the Authority's list of suspended providers on 5th May 2011 due to the expiry of the suspension period on 22nd April 2011; and
- ii. M/s Basangira Building Contractors (1977) Limited's period of suspension has since expired but the company has never applied to be removed off the list of suspended providers in accordance with **PPDA Regulation 351(7)**.

2.8 Application for accreditation

The Authority derives its mandate to handle Applications by Entities for Accreditation under PPDA Regulation 342. During this period, the Authority considered three (3) Applications for Accreditations summarized in the table below. Two (2) were granted and one (1) was rejected. The accreditation was received from the following Entities:

- i. National Water & Sewerage Corporation.
- ii. National Medical Stores
- iii. National Social Security Fund.

The main areas where accreditation was being sought are:

- i. Reduction of the period for opening financial bids under consultancy services
- ii. Reduction of the period for display of the best evaluated bidder notice periods
- iii. Increased thresholds for all the procurement methods\
- iv. Use of reduced bidding periods
- v. Negotiations to be held on price despite the procurement method

Details of the applications and the decisions of the Authority are attached as Annex 6

CHAPTER 3: SETTING OF PUBLIC PROCUREMENT AND DISPOSAL STANDARDS

The Authority, under **Section 6 (c)** of the PPDA Act, is mandated to set standards for public procurement and disposal systems in Uganda and harmonize the procurement and disposal systems and practices of the Central and Local Government Entities and statutory bodies. In fulfillment of the above mandate, the Authority conducted the following activities:

3.1 Amendments to the PPDA Act & Regulations

The PPDA Amendment Bill was passed by Parliament on 10th May 2011 and assented to by the President on 21st June 2011. Crown Agents was procured with funding from FINMAP to review the PPDA Regulations, standard bidding documents and guidelines. Under the PPDA Amendment Act, specific Regulations to regulate the use of Force Account and the procurement of medicines and medical supplies are to be drafted. The Regulations were being drafted by the end of the Financial Year.

3.2 Development of Standard Specifications of Common User items

The Authority commissioned the development of simplified specification standards for common user items, in fulfillment of its mandate, to adopt, adapt and update common specification standards, for the guidance and use by the PDEs. A catalogue of standard specifications was developed for the following 28 (twenty eight) common user items identified by the Authority;

NO.	CATEGORY	ITEM
A.	Fire extinguishers	1. Fire extinguishers
B.	Medical Supplies	2. Latex Examination Gloves (Patient examination gloves) 3. Latex Surgical Gloves (Surgeon's Gloves) 4. Plastic and re-usable/Multi use Syringe 5. Disposable Syringe 6. Disposable & Auto destruct(disable) Syringe 7. Gauze Absorbent Cotton 8. Mercury clinical Thermometer 9. Digital clinical Thermometer
C.	Motor Vehicle accessories	10. Batteries 11. Tyres
D.	Motor Vehicles with Accessories	12. Top range executive station wagon 4wd for Prime Minister, Deputy Prime Ministers. 13. Top range executive station wagon 4wd for Cabinet Ministers, Ministers of State, Head/deputy Head Public Service, Permanent Secretaries. 14. Mid range executive station wagon 4wd for Directors, Senior Consultant 15. Pick up double cabin 4wd for projects in rural areas 16. Pick up double cabin 4wd for projects in urban areas 17. Pool vehicles
E.	Office Equipment and Multifunctional devices	18. Laptop Computer 19. Desktop Computer 20. Monochrome Laser Copier/Fax/printer (multi-functional device) 21. Printers: Standard monochrome(B/W) desktop 22. Photocopier: Heavy Duty 23. Photocopier: Standard 24. Document Scanner

F.	Office Furniture	25. Chairs 26. Office Desks 27. Conference/Boardroom/Meeting room tables
G.	Office Supplies	28. Photocopying Paper

The purpose of these standard specifications is to develop simplified item descriptions, with guidance as to their common applications, to guide procuring and disposing entities during the preparation of solicitation documents as well as the evaluation process in order to achieve the basic principles of transparency, fairness and equal treatment of bidders enshrined in section 44 to 46 of the PPDA Act, 2003.

The guide to specification standards and user guide was finalized and will be issued in the FY 2011/12.

3.3 Development of Central Government Sector Standard Bidding Documents (SBDs)

The purpose of the SBDs is to provide Procuring and Disposing Entities with common standard bidding documents containing basic contractual provisions and safeguards which are required by the Government of Uganda in the execution of public procurement and the use of public funds. Because of the unique nature of the different items procured by entities, the Authority developed different SBDs to address the different procurements in entities.

The Authority organized a series of workshops on the 8th, 10th, and 15th of December, 2010, during which consultations were made and comments received from various stakeholders for the respective sector SBDs (SBD for Health, Large and Complex Works and Text Books and Reading Materials). The Stakeholders consulted included; National Medical Stores, National Drug Authority, Ministry of Health, Pharmaceutical Society of Uganda (PSU), Jinja Referral Hospital, Mulago Referral Hospital, Uganda Association of Consulting Engineers (UACE), Ministry of Works and Transport, Uganda National Association of Building and Civil Engineering Contractors (UNABCEC), Uganda National Roads Authority (UNRA), The Uganda Associate of Consulting Engineers (UACE), Uganda National Examination Board (UNEB), Uganda Teachers Association, National Curriculum Development Centre, Auditor General's Office and Ministry of Education and Sports.

The sector SBDs are pending Board approval before submission to Solicitor General.

3.4 Development of Guidelines

a. Guideline on Framework Contracts:

Under Regulation 237 of the PPDA Regulations, 2003 and Regulation 94 of the LG (PPDA) Regulations 2006, Procuring and Disposing Entities are required to use Frame Work Contracts where requirements are needed repeatedly at an agreed price over a period of time but where the quantity and timing of the requirements cannot be defined in advance. The Authority developed a Guideline, SBD and User Guide on use of framework contracts which were forwarded to the Solicitor General for approval.

b. Guideline on Valuation:

A Guideline on Valuation was developed and forwarded to key stakeholders including the Chief Government Valuer, the Chief Mechanical Engineer, Ministry of Information Technology, NITA (U) and Solicitor General for their technical input during the FY. The Authority also forwarded the draft to the Ministry of ICT for guidance on valuation of computers and IT

equipment and comments were received from NITA (U) on behalf of the Ministry of ICT. The guideline will be issued in the FY 2011/12.

c. Circular on Bid Notices:

In a bid to increase efficiency in public procurement, the Authority amended bid notices to include indicative lead times to guide Entities in the procurement process. On 31st January 2011 the Authority held a press conference where the objective of the revised bid notices were brought to the attention of the stakeholders and entire public. A revised circular on bid notices was thereafter issued and has been adopted by PDEs. PPDA communicated to those PDEs that had not yet adopted use of the new format for bid notices which PDEs have now implemented use of the new format.

3.5 Development of Local Government Standard Bidding Documents for Revenue Collection

The Authority developed a draft standard bidding document on revenue collection during the FY under review. However, the document was overtaken by events due to the policy by the Minister of Local Government on management and development of markets and taxi/bus parks. Guidance has been sought on the way forward on procurement of other services from the Ministry e.g. street lighting, management of street parking, abattoirs etc. The Authority has also held consultative meetings with the Ministry of Local Government to harmonize the provisions of the policy guideline with the PPDA Act and Regulations 2003.

3.6 Equipping/handover of tools to Procurement and Disposal Units

The Authority equipped 25 PDES with Internet Connectivity Equipment (25 modems) with funding from FINMAP for their use in submission of monthly/quarterly reports to PPDA.

3.7 Dual List

Section 42 (2) of the PPDA Act provides that the Defence and National Security Organs shall manage their procurement and disposal on the basis of a dual list, covering items subject to open and restricted procurement or disposal methods respectively. This list is supposed to be reviewed annually.

During the period under review, the dual list for Uganda Police Force and Uganda Prisons Service was approved by the Authority.

The Authority is in consultation with the Ministry of Defence, State House, Internal Security Organization and External Security Organization to ensure that their dual lists are approved.

3.8 The Register of Providers (RoP)

During the year under review, the Authority registered 1,215 providers on its Register of Providers (ROP). The list of the registered providers was published in the print media, a measure aimed at raising awareness of the ROP.

The RoP website was also enhanced by the addition of FAQs and a section indicating providers suspended by PPDA. The Authority also entered into a Memorandum of Understanding with Uganda Revenue Authority (URA) in which URA will assist the Authority in the verification of providers' tax related documents.

A Yellow Pages directory of all registered providers in their respective categories was also created on the RoP website.

As at June 2011, 2214 providers and 146 PDEs had registered on the RoP.

CHAPTER 4: MONITORING COMPLIANCE OF PROCURING AND DISPOSING ENTITIES

Section 6 (d) of the PPDA Act mandates the Authority to monitor compliance of Procuring and Disposing Entities. In fulfillment of the above mandate, the Authority conducted the following activities:

4.1 Review of Annual Procurement Plans submitted by PDEs

The Authority received 207 procurement plans from PDEs for FY 2010/2011. Out of 251 PDEs, 44 PDEs did not submit procurement plans. 85.6% of the Central Government Entities and 66.6% of the Local Governments submitted procurement plans to the Authority. 14.4% of the Central Government Entities and 33.4% of the Local Government Entities did not have procurement plans.

A revised procurement plan format was developed to provide for the detailed procurement plan format for internal use by the PDEs and the summarized format for publication on the Entity's notice Board. Both formats are pending approval before issuance to PDEs.

All the 5 JBSF PDEs submitted their quarter 3 work plans to MOFPED using the integrated revised Output Budgeting Tool system.

The following were the main findings from the procurement plans that were reviewed:

- i. There were no disposal plans submitted for the majority of the Entities yet many have obsolete items for disposal.
- ii. The periods within which the procurement requirements were needed were evenly distributed throughout the four quarters of the Financial Year without taking into consideration the length of the procurement process.
- iii. Many procurements were required under the 1st quarter without considering the budget approval and release of funds.
- iv. Some Entities do not adhere to the procurement methods as stipulated under PPDA Guideline 1/2003.
- v. Some of the common user procurements were not reflected in the procurement plans. These include vehicle repairs and maintenance, computer servicing, staff welfare items, cleaning services, utilities such as telephone, water among others;
- vi. User departmental plans were not attached to the consolidated procurement and disposal plans.
- vii. Some procurements had no estimated costs in the procurement plans.

4.2 Undertaking Compliance Checks in Central Government and Local Government Entities

The Authority conducted Compliance Checks on the 54 PDEs listed below and also conducted 120 follow ups on Entities where Compliance Checks had been previously carried out.

1. Agago DLG
2. Alebatong DLG
3. Amber House

4. Buhweju DLG
5. Bulambuli DLG
6. Bushenyi-Ishaka MC
7. Busia MC
8. Busitema University
9. Buyende DLG
10. Directorate of Ethics and Integrity
11. Hoima MC
12. Iganga Municipal Council
13. Joint Clinical Research Centre Limited
14. Kabarole DLG
15. Kasese DLG
16. Katakwi DLG
17. Kibuku DLG
18. Kiryandongo DLG
19. Kole DLG
20. Kween DLG
21. Kyankwanzi DLG
22. Kyegegwa DLG
23. Luuka DLG
24. Maracha DLG
25. Masindi MC
26. Ministry Of Education and Sports
27. Ministry of Foreign Affairs
28. Mitooma DLG
29. Mubende Regional Referral Hospital
30. Mukono MC
31. Namayingo DLG
32. Napak DLG
33. National Medical Stores
34. National Social Security Fund
35. National Theatre - Uganda National Cultural Centre
36. Ngora DLG
37. Nile Hotel International Ltd.
38. Ntoroko DLG
39. Ntungamo MC
40. Nwoya DLG
41. Otuke DLG
42. Pride Microfinance Ltd. (MDI)
43. Private Sector Foundation
44. Rubirizi DLG
45. Rukungiri MC
46. Serere DLG
47. Sheema DLG
48. Uganda Cancer Institute
49. Uganda Heart Institute
50. Uganda Industrial Research Institute
51. Uganda National Roads Authority
52. Uganda Road Fund
53. Yumbe DLG
54. Zombo DLG

The following key findings were noted from the compliance checks conducted:

No.	Finding	Recommendation
	Some Entities did not have their own Contracts Committee and were using the Contracts Committees of neighboring Entities which resulted in delayed procurements.	AOs should establish functional CCs and PDUs in accordance with Section 26 of the PPDA Act.
	Some Entities had limited numbers of approved Contracts Committee members which affected the efficiency of the PDEs in terms of raising quorum for meetings and Contracts Committee decisions were made without the requisite quorum which could raise potential legal challenges for the PDEs in future.	AOs should establish functional CCs and PDUs in accordance with Section 26 of the PPDA Act.
	Nearly all of the PDEs that were assessed had established Procurement and Disposal Units.	This was commended.
	Most User Departments initiated their procurement requirements on PP Form 20 and Form 1 which were certified by the heads of finance and the Accounting Officer ensuring that there were sufficient funds.	This was commended.
	Very few of the Entities had Assets Registers in place.	Entities should have in place Assets Registers with provision for disposals.
	Some of procurements sampled did not adhere to the thresholds prescribed in the PPDA Guideline No. 1 of 2003 and the Local Government Guidelines in the determination of procurement methods to use.	Entities should ensure that procurement methods used are appropriate to the thresholds and circumstances in accordance with Section 79 of the PPDA Act.
	For some Entities, the evaluation reports were not filed and the evaluation methodology was at times not in accordance with the PPDA Regulations.	PDUs should ensure that evaluation methodologies used are appropriate for particular procurements in accordance with Regulation 168 (2), 172 & 197 of the PPDA Regulations.
	The requirement for posting Best Evaluated Bidder (BEB) notices on PPDA's website was not being implemented in many Entities. It was also noted that most Entities did not notify unsuccessful bidders in writing.	Unsuccessful bidders should be notified in writing citing the reasons for their failure and Entities should ensure that the unsuccessful bidders acknowledge receipt of the BEB notice. In addition, the BEB notice should be posted on the PPDA website.
	There was a challenge of limited storage facilities in most PDUs.	Entities should provide ample space for PDUs which are required under the law to keep procurement documents for seven years or more in accordance to Regulation 293 (1) of the PPDA Regulations.

4.3 Review of Monthly and Quarterly Procurement and Disposal Reports submitted by Entities

The Authority receives monthly reports from the Central Government Procuring and Disposing Entities and quarterly reports from Local Government Procuring and Disposing Entities.

During the period under review, the Authority reviewed reports from the Entities and made the following observations:

- i. Delayed submission of reports by the Entities causing omnibus submissions.
- ii. Contracts Committee minutes were not attached in many reports.
- iii. Part III on Contracts Completed was not submitted as part of PP Form 200.
- iv. PP Form 201 on disposal was not submitted.
- v. Splitting noted in procurement of cartridges and stationery.
- vi. Procurement such as stationery, fuel and service of vehicles were not reported in many cases.
- vii. Non-rotation of providers for routine procurements such as stationery and fuel.

The following recommendations were made.

- (i) Submission of monthly reports should be done by the 15th day of the month for the previous month or the quarter as the case may be.
- (ii) Contracts Committee minutes should be attached to the reports.
- (iii) Part III on Contracts Completed should be submitted as part of PP Form 200.
- (iv) PP Form 201 on disposal should be submitted to the Authority when submitting procurement and disposal reports. Where no disposals were made, an Entity is required to submit a Nil Report.
- (v) Procurement of similar items should not be split.
- (vi) Procurements such as stationery, fuel, telephone services, and electricity should be reported on.
- (vii) There should be rotation of providers for routine procurements.

The list of Central and Local Government Entities that did /did not adhere to the requirement of submitting monthly or quarterly reports during the quarter is provided under Annex 2.

4.4 Procurement Performance Measurement System (PPMS)

The Authority developed a Procurement Performance Measurement System to be used by Procuring and Disposing Entities to report their procurement and disposal activities. The PPMS was initially rolled out to 15 PDEs. A report was prepared on the key performance indicators for the 15 PDEs for FY 2009/10 and below are the key findings for the same period.

4.4.1 General Findings

- i. The analysis of the submitted contracts at PP Form 200 for both Macro and Micro procurements revealed that the highest total number of procurement contracts was submitted by National Water and Sewerage Corporation Ltd 1,571 (24.30%) while the smallest number of contracts was obtained from Ministry of Education and Sports of 73 (1.13%).
- ii. With regard to the total contract value of the sampled contracts, Uganda National Roads Authority (UNRA) had the highest total contract value of UGX 236bn (57.86%) while Ministry of Education and Sports had the lowest total contract value of 601 m (0.15%).
- iii. The most common type of procurement was under the Goods (Supplies) category that had 3,278 contracts (50.7%), followed by Services (consultancy and non-consultancy) that

- had 2,856 contracts (44.18%) and finally Works that had 331 contracts (5.12%).
- iv. For the type of procurement by value where the expenditure under the Goods (Supplies) category that had Ushs 161 bn (39.64%), followed by Works that had 148 bn (36.34%) and finally Services (consultancy and non consultancy) that had Ushs 97 bn (24.02%).
 - v. A total number of 268 contracts (4.15%) worth Ugs. 269, 252,146,441/= (65.89%) were subjected to maximum competition.
 - vi. The direct procurement method accounted for 290 (4.49%) contracts worth Ugs. 34,397,468,094/= (8.42%).
 - vii. Another key finding was that highest number of procurements 4,103 (63.46%) was undertaken under the low value thresholds (micro procurements) that amounted to UGX 5.2 bn (1.29%).
 - viii. The Request for Quotations/Proposals method accounted for 1,478 (22.86%) worth Ugs. 34,496,752,132/= (8.42%) while Restricted / Selective (International & National) Bidding 326 (5.05%) worth Ugs. 65,222,574,836 (15.96%).
 - ix. The findings were that 85.9% of the 15 PDEs had integrated procurements into their procurement plans. 98.2% of these procurements had been implemented within the approved annual budgets of the PDEs.
 - x. With regards to the degree to which the reported procurements had followed the prescribed evaluation criteria, the results revealed that for 99.3% of the procurements followed the prescribed evaluation criteria.
 - xi. It was noted that generally most of the procurements conducted across all 15 PDEs were not completed on time.

4.4.2 Roll Out of PPMS

During the period under review, the Authority embarked on a rollout exercise of PPMS 45 new PDEs. The entities are listed below:

1. Kayunga DLG
2. Mbarara DLG
3. Mbarara MC
4. Mbarara Regional Hospital
5. Mbarara University of Science and Technology
6. Masaka DLG
7. Masaka MC
8. Masaka Regional Referral Hospital
9. Wakiso DLG
10. Mpigi DLG
11. Entebbe MC
12. National Drug Authority
13. Uganda Human Rights Commission
14. Law Development Centre
15. De Point – PPDA
16. Electricity Regulatory Authority

17. Ministry of Energy and Mineral Development
18. Local Government Finance Commission
19. Rural Electrification Agency
20. NEMA
21. Ministry of Public Service
22. Ministry of Justice and Constitutional Affairs
23. National Medical Stores
24. Mulago Hospital
25. National Social Security Fund
26. Electoral Commission
27. Civil Aviation Authority
28. Kyambogo University
29. Parliament of Uganda
30. Ministry of Agriculture, Animal Industry and Fisheries
31. Ministry of Local Government
32. Ministry of Works and Transport
33. Gulu DLG
34. Gulu University
35. Gulu MC
36. Gulu Referral Hospital
37. Lira DLG
38. Lira MC
39. Lira Referral Hospital
40. Soroti DLG
41. Soroti MC
42. Soroti Referral Hospital
43. Mbale DLG
44. Mbale Referral Hospital
45. Mbale MC

4.5 Court Cases

The Authority had court cases filed against it arising from the implementation of its mandate. All the cases instituted against the Authority arose by way of applications for Judicial Review to the High Court. The applicants sought a review of decisions by the Authority made while the Authority was performing its quasi-judicial role in Administrative Reviews, Suspensions and Investigations.

The applications were made to the High Court seeking to quash PPDA reports (by way of Certiorari Orders) as well as to stop the implementation of PPDA's recommendations (by way of injunction and prohibition).

During the year under review, the following new cases were filed against the Authority:

- i. Motor Centre East Africa Ltd. vs. PPDA.
- ii. Edward Kasolo Kimuli vs. Attorney General, PPDA and Kyambogo University.
- iii. Abdu Karim Isala vs. PPDA.
- iv. Eng. Denis Sabiiti vs. PPDA
- v. HC. Misc Cause No.43 of 2011 - SGS (SA) vs. PPDA and Attorney General
- vi. Roko Construction Ltd vs. Attorney General, PPDA and Seyani Brothers & Co. Ltd.

The Authority was also handling cases that spilled over from the previous Financial Year.

Below are details of all active cases against the Authority:

- i. **HC Misc. Application No. 380 of 2008, Clear Channel vs. PPDA:** Clear Channel applied for Judicial Review to prohibit Civil Aviation Authority from implementing the recommendations of PPDA's report in respect to the management of advertising space at Entebbe Airport and to have the report quashed. It is also seeking to stay the award of the same tender to Alliance Media Ltd. by Civil Aviation Authority. The interim stay of execution was granted. The Authority obtained the Court proceedings from the High Court and filed an Appeal on 27th April 2009. Case is awaiting hearing in Court of Appeal.
- ii. **HC Misc. Application No. 295 of 2009, Alliance Media vs. PPDA and Clear Channel:** This is an application for Judicial Review concerning PPDA's report on the management of advertising space at Entebbe Airport. The matter was filed on 20th August 2011 and served on the Authority on 21st August 2009 and it is pending hearing in the Court of Appeal.
- iii. **HC Misc. Application No. 176 of 2009, Mulago Hill Diagnostics Ltd vs. PPDA:** On 27th October 2009, Mulago Hill Diagnostics applied for Judicial Review to quash the decision of PPDA, contained in a report, rejecting Mulago Hill Diagnostics Ltd's application for administrative review in respect to National Water and Sewerage Corporation's procurement for the supply of laboratory reagents. The matter was dismissed with costs to PPDA but on 13th May 2011, the Applicant appealed to the Court of Appeal and the matter is awaiting fixing of a hearing date.
- iv. **HC Misc. Application No. 90 of 2010, Motor Centre East Africa Ltd. vs. PPDA:** On 9th July 2010, Motor Centre applied for Judicial Review to restrain PPDA from suspending the company and its directors from participating in public procurement and disposal proceedings for one year. The matter was ruled in favour of PPDA. However, on 13th October 2010 the applicant/appellant filed an appeal in the Court of Appeal which is pending hearing.
- v. **HC Misc. Application No. 1 of 2010, Rafiki Farmers Ltd. vs. Kumi District Local Government and PPDA:** Rafiki Farmers Ltd. applied for Judicial Review to quash PPDA's Investigation Report for Management, Control and Maintenance of Order and Collection of Revenue from Kumi Main Bus/Taxi Park issued in November 2009. The hearing of the matter was completed on 6th October 2010 and is pending ruling which shall be delivered on notice.
- vi. **HC Misc. Application No. 10 of 2011 Edward Kasolo Kimuli vs. Attorney General, PPDA and Kyambogo University:** On 24th Jan 2011, the applicant sued the Authority seeking to quash an investigation report where recommendations were made against the applicant who contends that he was never afforded the opportunity to be heard before the

report was issued. The matter is yet to be heard by the Court.

- vii. HC Misc. Cause No. 149 of 2010 Abdi Karim Isala vs. PPDA:** The applicant sued the Authority seeking a declaration that the administrative review report in the procurement for the construction of a new administrative block for Busitema University be quashed on the basis that the report made findings against the applicant without giving him a right to be heard. The matter was heard on 19th April 2011 and adjourned to 24th August 2011.
- viii. HC Misc. Cause No.36 of 2011 Denis Sabiiti vs. PPDA**
The applicant sued the Authority seeking to quash the administrative review report issued by the Authority on the basis that the report makes adverse findings against the applicant without affording him a right to be heard. The matter has been fixed for hearing on the 21st September. 2011.
- ix. HC. Misc Cause No.43 of 2011 SGS (SA) vs. PPDA and Attorney General**
The applicant sued the Authority seeking to quash the administrative review report issued by the Authority on the basis that the report makes adverse findings against the applicant without affording him a right to be heard. The applicant further seeks an injunction stopping the Authority from recommending that the procurement be retendered. The matter was fixed for hearing on 12th September. 2011.
- x. HC Misc Cause No. 78 of 2011 Roko Construction Ltd vs. Attorney General, PPDA and Seyani Brothers & Co:** On 10th June 2011, the applicant sued the Authority seeking a declaration that the administrative review report in the procurement for the construction of the Auditor General's Office be quashed on the basis that the report made findings against the applicant without affording him a hearing. The case was heard on 22nd June 2011 and on the same day the applicant filed a Notice of Discontinuance of Suit.

CHAPTER 5: BUILDING PROCUREMENT AND DISPOSAL CAPACITY

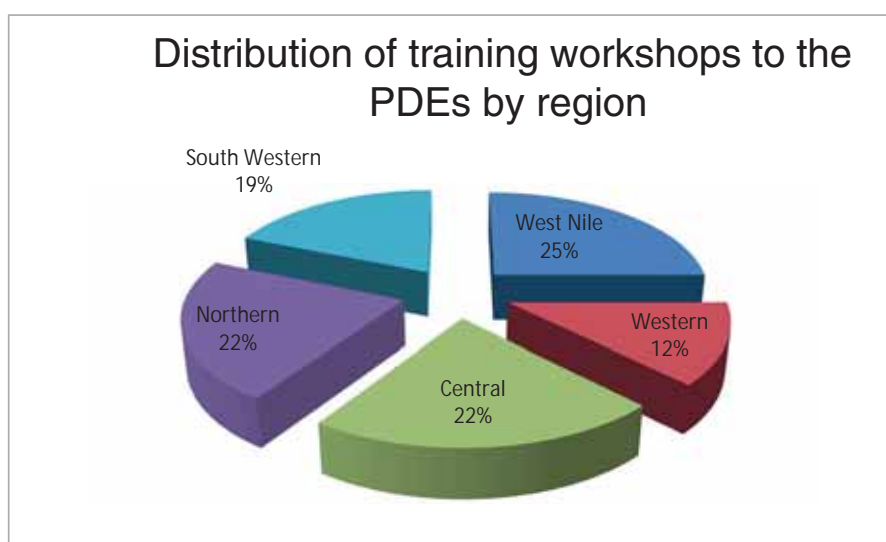
5.0 Introduction

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. The funding for these activities was from Financial Management and Accountability Programme (FINMAP) and Government of Uganda (GoU).

5.1 Achievements during the period and performance status.

5.1.1 Conducted five (5) regional training workshops for technical staff and politicians

PPDA planned to hold two (2) regional training workshops for the technical staff and politicians but during implementation, it conducted five (5) regional workshops of which stakeholders from thirty two (32) Local Governments were trained. The distributions of the trainings by region are shown in the chart below:



The PDEs by Region are outlined below:

- i) West Nile: 8 PDEs: Arua, Koboko, Yumbe, Maracha, Zombo, Nebbi, Oyam and Arua MC
- ii) Western: 4 PDEs: Bushenyi, Rukungiri, Kabale and Kabale MC.
- iii) Central: 7 PDEs: Nakaseke, Mpigi, Wakiso, Masindi, Hoima, Bullisa and Kampala CC.
- iv) Northern: 7 PDEs: Adjumani, Moyo, Kitgum, Lamwo, Lira, Soroti MC and Lira MC.
- v) South western: 6 PDEs: Kasese, Kabarole, Kyenjojo, Kibale, Kamwenge and Fort-Portal MC.

The purpose of conducting these workshops was to bridge the gaps identified in the audit and compliance checks conducted by the authority and to sensitize the newly elected politicians by building the capacity of the PDEs in managing the procurement and disposal activities in an efficient and effective manner and in accordance with the PPDA Act, Regulations and Guidelines.

Key issues raised and recommendations made are highlighted in the table below

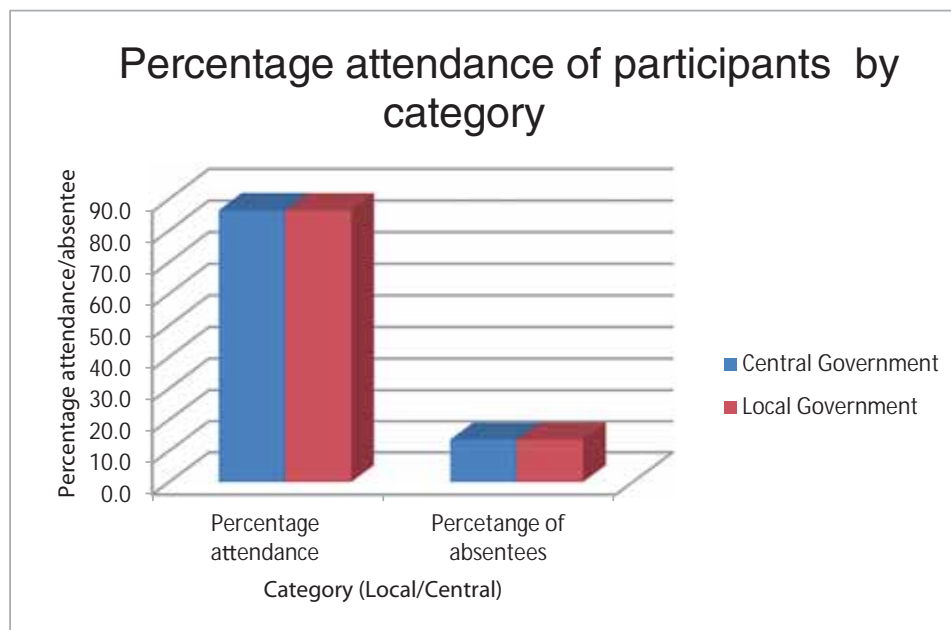
No.	Issues raised during training	Actions suggested	Recommendations
A) Local government PDEs			
1	The threshold for micro procurement needs to be increased to 2 million, given the rate of inflation	Advised to comply with the current guidelines until otherwise amended.	PPDA to consider raising the threshold when amending the Regulations
2	Providers of works quote very high prices beyond the PDEs' budgets and estimates.	Advised the Users to estimate accurately while considering the market value. Ministry of works and UNRA has fixed unit prices for reference.	PDU should guide users on the market rates for goods, services, and works.
3	Delays in approving contracts above 50M by Solicitor General.	The PDEs advised to use regional offices established by the SG in quickening approvals.	PPDA to take it up with Solicitor General and also raise the threshold from 50M
4	Some PDEs have their own road equipment but are not guided on use of Force Account.	PDEs were exposed to the circular on Force on account and advised to implement by utilizing their equipment	PPDA to set and issue clear guidelines on Force on Account.
5	Contracts are awarded by CG PDEs for works without involving LGs in the solicitation process but require them to conduct contract management of the projects.	LGs to obtain copies of the contracts, bidding documents with BOQ, Drawings, Designs e.t.c for contract management and monitoring purposes.	CG PDEs should involve stakeholders in the procurement process to enable proper contract management.
6	Disposal of vehicles donated to LGs by CG PDEs is a problem because the LGs do not have vehicle log books.	LGs advised to demand transfer of ownership upon completion of payment and or conclusion of the project.	CG PDEs & or projects should transfer log books to the LGs benefiting from the time of donation.
7	Procurement guidelines under the Luwero Ruwenzori Development Program (LRDP) issued by OPM and Community Driven Development program (CDD) uses procurement guidelines from MoLG which are in disharmony with the PPDA law.	PDEs advised to use the procedures stated in the Memorandum of understanding (MOU) between the donor and GOU.	PPDA should with the other stakeholders endeavor to harmonize the various donor guidelines with the PPDA law.
8	For procurements initiated early, the bid security and bid validity expire as PDEs are awaiting the receipt of funds and signing of contracts.	PDU advised to monitor bid validity and bid security dates which should be extended before if they expire before signing the contract.	MOFPED should ensure prompt release of funds for capital expenditure to guard against expiry of securities.
9	Implementation of framework contracts has not been effective.	PDEs advised to use the SBDs for framework contracts on the PPDA website.	PPDA to design the guidelines and insert a price variation clause in framework contracts to be approved and issued.

No.	Issues raised during training	Actions suggested	Recommendations
10	There is no clear policy on procurement/management of markets and Taxi parks.	PDEs advised to continue contracting using the established criteria on a case by case basis.	PPDA in consultation with MoLG to come up with a policy and guidelines on Markets and Taxi parks.
11	Due to limited budgets, the new LGs would wish to procure used vehicles but they don't know the procedure to follow.	PDEs reminded of circular that bars them from procuring used vehicles.	Respective PDEs interested in buying used vehicles to seek approval from the PS/ST.
12	Lack of guidelines for new districts to acquire land for growth and expansion.	PDEs advised to procure land using the same procedures for the procurement of supplies.	PPDA in liaison with Ministry of lands to set a clear policy for PDEs.
13	Prequalification under LGs is too short to be done every year and should be extended to three years, like in CG.	LGs consider the process as a source of revenue but already prequalified firms are maintained on the list.	PPDA should harmonize the pre-qualification period for all PDEs in the amendment of regulations.
B) Central Government PDEs			
14	Threshold for procurements especially for micro-procurements is too small and needs to be increased for purposes of enhancing efficiency.	PDEs advised to give justification in the stakeholders meeting on amendments in the law.	PPDA should seek stakeholders view on the matter in the amendment of Regulations.
15	Disposal of expired drugs is very expensive and unaffordable by hospitals.	Advised Hospitals to write to MOH to facilitate them in the disposal of drugs copying PPDA.	MOH to set up budget to cater for disposal of drugs in the country.
16	All funding for procurement of drugs and equipment must be from National Medical Stores and no funds are left to Referral Hospitals to procure drugs and Sundries during emergencies.	Advised PDEs to lobby for some funds to aid procurement in case of emergencies.	MOH to assist in PDEs leaving at least 10-20% of the budget in Hospitals to cater for emergencies.
17	The use of Public Private Partnerships should be emphasized in the amendments of the Law, as PDEs require guidance on how to use it.	Advised PDEs to consult the authority for guidance on how to contract under PPP.	The department under MoFPED for the Public private partnerships (PPP) to guide PDEs in the implementation of PPPs.
18	PDEs propose that approval of Contracts above 50m to be done by State Attorneys who are members of the CC, in order to reduce on delays in the approval process.	The PDEs advised to use regional offices established by the SG in quickening approvals.	PPDA to consider increasing the threshold from 50M to reduce the number of contracts that require approval.
19	Approval of CC members takes too long and, may be, should be left to the AOs other than the PS/ST	PDEs were reminded that the provision was in the PPDA Act.	PPDA to explore this further

No.	Issues raised during training	Actions suggested	Recommendations
20	The PPDA Act is difficult to interpret and understand	Advised PDEs to seek advice and continuously peruse the law in order to understand it	PPDA to consider formulating simplified guides to enable understanding of the Act.

5.1.3 Conducted two (2) procurement cadre fora

PPDA conducted two (2) procurement cadre fora as planned i.e. one for central government and another for local governments. The chart below is expressing attendance/absenteeism of participants during the training in percentages for both central and local government foras organised by the authority:



Attendance:

- (i) Central Government: 108 participants attended out of 125 invited, accounting for 86.4% attendance and 13.6% absentee
- (ii) Local Governments: 114 participants attended out of 132 invited, accounting for 86.4% attendance and 13.6% absentee

The theme for the foras was **“enhancing efficiency in the public procurement and disposal process”**. The specific objective was to enable Procurement Officers share experiences on practical issues facing PDEs and get abreast to the new developments in the law so as to improve procurement and disposal performance in their respective PDEs.

Issues raised during the cadre fora

During the forum many issues were raised, including: difficulty in the implementation of framework contracts due to lack of proper guidelines and the drastic increases in commodity

prices; PDEs also find it difficult to Use framework contracts for acquisition of garage repair services. They also raised a need to extend the pre-qualification period for providers from 1 year to 3 years; the need to waive the requirement for a letter of bid acceptance (LBA) by the Attorney General before approval of contracts as it is already used as a commitment by the entity.

5.1.4 Held two (2) consultative meetings of Accounting Officers

PPDA conducted two (2) Accounting Officers' consultative meetings for Central Government Entities: one for Statutory Bodies and Commissions and another for the Health sector Entities. The main objective for these meetings was to get feedback on the public procurement and disposal processes and recommend practical solutions with the aim of improving efficiency in service delivery.

Issues raised during the consultative meetings

During the consultative meetings, the Accounting Officers raised a number of concerns which included a proposal that the approval of Contracts above 50m be done by State Attorneys who are members of the CC in order to reduce on delays in the approval process; approval of Contracts Committee members be left to the AOs other than the PS/ST; sought how PDEs can acquire specific requirements or specific brand names of vehicles without being too generic during specification writing; and informed the authority that Bidders were not willing to have framework contracts with PDEs due to constant price changes.

5.1.5 Developed pictorial charts

PPDA engaged a consultant to develop and print pictorial charts to be used as part of the training aids when facilitating workshops. Six different charts were developed and printed 7,700 (Seven thousand seven hundred) copies. The printed charts included those for: Initiation of procurements, Procurement planning process, the bidding process, bid evaluation process, contract management process and roles and responsibilities of politicians. The objective of designing the charts was to visualize and ease on conceptualization of the processes by the stakeholders in the procurement and disposal process.

5.1.6 Revised the PPDA Capacity Building Strategy and training modules

PPDA contracted M/S Reeve Consult International Ltd to revise the Capacity Building Strategy. In addition, the training modules used by the authority were reviewed and two other new modules developed increasing the training manuals to 14 training modules. These materials will be used to build capacity of the different stakeholders who include the Accounting Officers, members of Contracts Committees, staff of Procurement and Disposal units, users, the providers, Civil Society Organizations and the media. The Authority procured 3920 copies of the 14 training modules (i.e. 280 copies per module).

5.1.7 Conducted sensitization of technical staff and politicians in the new Local Governments

PPDA conducted sensitization of 40 Local Governments, 35 of which were newly created districts and Municipalities. The areas covered include Procurement Planning, Roles and responsibilities of key stakeholders, evaluation of bids, contract management and disposal of public assets. The stakeholders sensitized included District Chairpersons, Resident District Commissioners, Speakers, and Secretaries for Finance, Contracts Committee members, procurement officers, NAADS Coordinators and other technical staff from user departments of the districts and Municipalities. The objective of the sensitization was to enable the new local governments develop competences required to conduct their procurements in accordance with the requirements of the PPDA Act, Regulations and Guidelines.

5.1.8 Local Governments sensitized

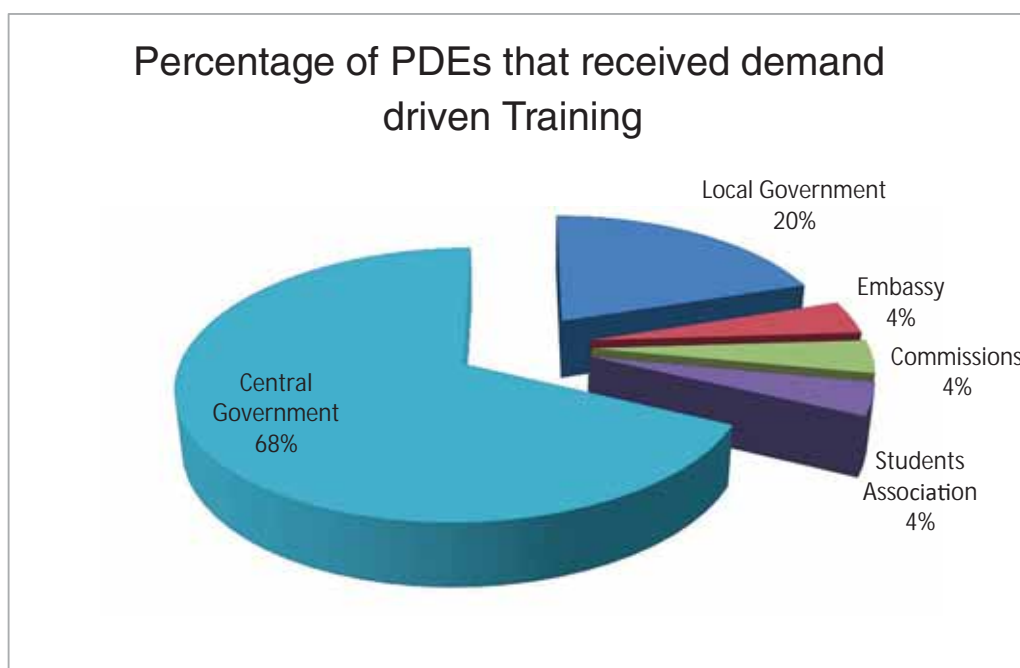
The Local governments sensitized were: Rukungiri MC; Ntungamo MC; Bushenyi Ishaka MC; Mitooma DLG; Sheema DLG; Kiryandongo DLG; Masindi DLG; Hoima MC; Kyankwanzi DLG; Rubirizi DLG; Buhweju DLG; Kibuku DLG; Bulambuli DLG; Mukono MC; Gomba DLG; Butambala DLG; Napak DLG; Kween DLG; Namayingo DLG; Busia MC; Maracha DLG; Zombo DLG; Kalungu DLG; Bukomansimbi DLG; Lwengo DLG; Nwoya DLG, Agago DLG. Aleptong, Buikwe, Buvuma, Buyende, Kole, Kyegeggwa, Luuka, Ngora, Ntoroko, Otuke, Serere, Iganga Municipality and Kasese Municipality

Issues raised during the sensitization

During the sensitization of the local governments, a number of issues were raised and these included: Evaluation of bids was a big challenge to the new entities in that due to limited budgets, the new Local Governments prefer to use Fixed budget Selection methodology to evaluate Supplies and Works, the need to harmonise the PPDA law and the NAADS procurement guidelines, the issue of return of funds to the consolidated fund at the end of the FY affects ongoing contracts and the need to use Public Private Partnerships (PPP) as opposed to leasing out of their land.

5.1.9 Conducted demand driven training programs

PPDA conducted demand driven trainings in 25 procuring and Disposing Entities on various aspects of public procurement and disposal. The chart below describes the distribution of the trainings in percentages by category as conducted by the authority:



Summary of PDE trained by category:

- i) Local Governments: Kumi, Kaberamaido, Bukedea, Ngora, Sembabule,
- ii) Embassy, Irish Embassy,
- iii) Commissions: Uganda Aids Commission,
- iv) Students association: Procurement Students Association,

- v) Central Government: UDB Limited, Uganda Road Fund, NAGRIC, National Curriculum Development Centre, Kyambogo University, Mulago Hospital, Kitante Hill School, Ministry of Foreign Affairs, Micro Finance Support Centre Ltd, URA, NSSF, MoFPED, Office of the Auditor General, UNEB, Uganda Tourist Board, Uganda Wildlife Education Centre, Ministry of Water and Environment.

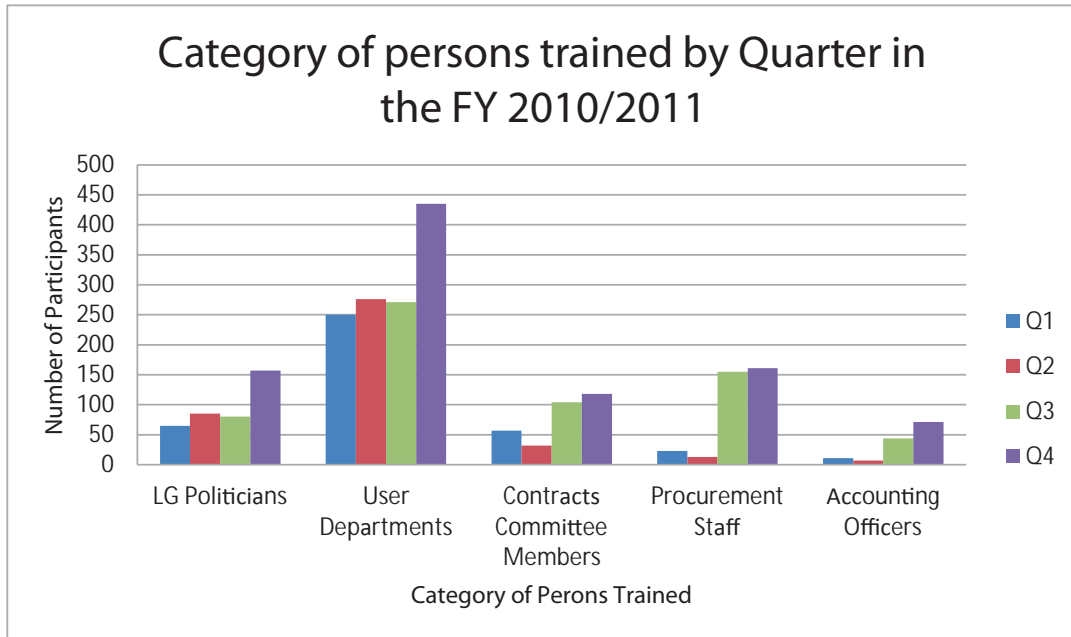
The objective of these training programs was to enhance the capacity of the User Departments, PDU and the Contracts Committee members in the respective PDEs in executing their roles and responsibilities as prescribed in the PPDA Act and Regulations so as to fill the capacity gaps in the various entities.

Overall the persons trained have been summarized in the table below by category and by quarter. In addition, the table also indicates the total number of participants trained during the financial year as exemplified in the table below:

Summary of persons trained by category in the FY 2010/2011					
Category of person trained	Q1	Q2	Q3	Q4	Total Participants
LG Politicians	65	85	80	157	387
User Departments	250	276	271	435	1232
Contracts Committee Members	57	32	104	118	311
Procurement Staff	23	13	155	161	352
Accounting Officers	11	7	44	71	133
Total of persons trained	406	413	654	942	2415

The table above indicates that the overall number of the persons trained increased substantially from 406; 413; 654 and to 942 in Q1, Q2, Q3 and Q4 respectively. This is attributed to the increase in number of Local Governments sensitized as new ones were created; the organising of Procurement Cadre forums for both Central and Local Government; the organising of LG Regional Workshops for Politicians and Technical staff and the holding of Consultative Meetings with Accounting Officers.

The chart below summarizes the number of persons trained in the FY by Category.



Source: Primary data

A total of 2,415 participants comprising of Accounting Officers, User Department staff, Politicians and Board members, Contracts Committee members and Procurement staff were trained by Public Procurement and Disposal of Assets Authority (PPDA) in both the Central and Local Government PDEs including post primary institutions.

CHAPTER 6: MANAGEMENT OF INTERNAL ORGANISATION AND EXTERNAL RELATIONS

This chapter presents the interventions of the Authority during the year in the areas of ICT processes to facilitate work in PPDA, PPDA's public relations, and communications activities, PPDA's strategic partnerships and human resource development issues.

6.1 PPDA Strategic Partnerships.

During the Financial Year, the Authority continued to build relations with stakeholders in public procurement locally and internationally. The following were the key engagements the Authority was involved in during the year:

i. Review of Corporate Plan and PPDA structure.

The Authority with support from FINMAP contracted KPMG to review the Authority's corporate plan and structure. Consultations were carried out with a number of stakeholders in the Financial Year to inform the plan and structure. A draft report of the revised corporate plan was under discussion by the end of the year.

ii. East African Procurement Forum

The Authority participated in the third East African Procurement Forum that was hosted by the Public Procurement Regulatory Authority of Tanzania in Dar es salaam from 19th – 21st August 2010. The forum brings together public procurement practitioners, academics, policy makers, development partners and regulators who deliberate on how to make the public procurement systems in the East African region more effective. The forum created an avenue for participants to share experiences in their respective countries with the view of adopting best practices where possible.

iii. Accountability sector working group.

The Authority belongs to the Accountability sector of Government and it remained an active participant of the Accountability sector working group, attending all meetings when called. PPDA also took part in the review of the Accountability Sector Investment Plan.

iv. Common wealth Public Procurement Network

The PPDA is also a member of the Common wealth Public Procurement network, a body that was founded in 2007 to create an avenue for Public Procurement practitioners, policy makers and other stakeholders in public procurement to network in order to learn from each other and strengthen the procurement systems in their respective countries. In 2010 the Common wealth public procurement network conference that was organized by the Common Wealth Secretariat in conjunction with the Public Procurement Board of Namibia was held in November 2010 in Windhoek, Namibia and PPDA was represented at the meeting. The conference came up with a communiqué on how countries were to improve on their systems.

6.2 Public Relations and Communication Activities

During the FY in review the Authority carried out a number of activities aimed at enhancing the Authorities communication linkages with its stakeholders. These included the following:

6.2.1 Development of the PR and Communications strategy.

The Authority with Funding from FINMAP procured M/s Vantage Communications to develop a PR and Communications strategy for the Authority. The strategy was passed by the Board during the FY for implementation. The strategy which is a 3 year strategy seeks to:

- Increase awareness among PDES and Stakeholders of the benefits of compliance in public procurement.
- Increase public confidence in PPDA as the Public Regulatory Authority for Public Procurement in Uganda
- Increase participation of communities in monitoring procurement activities in their areas
- Increase access to information on public procurement
- Re-brand the PPDA to be consistent with the corporate strategy and vision
- Improve on information flow within the PPDA

The Authority intends to implement the strategy in the coming FY.

6.2.2 Management of the PPDA Corporate Brand

The Authority was able to procure a number of items (corporate wear, diaries and calendars) for its staff and external stakeholders. This has enhanced the Authority's corporate brand identity among not only staff but its stakeholders.

6.2.3 Implementation of a campaign on radio stations.

The Authority also carried out sensitization drives in seven radio stations (Gulu – Mega Fm, Mbarara – Radio West, Kabale – Voice of Kigezi, Hoima – Hoima Fm, Soroti – Etop Fm, Kampala – Capital FM and CBS 1). The objective of the radio talk shows was to address topical issues that have been noted to be of concern to members of the public. The radio talks shows were thus centered around the following issues:

- The role of PPDA and its mandate
- The role of Accounting Officers and contracts committee members is in public procurement.
- The role of the Politicians and CSOs is in public procurement
- Helpful tips on how delays in public procurement can be reduced
- The use of Force Account
- How bidders can prepare responsive bids and
- On the provision of suspending providers.

6.3 Human Resource Management

Due to the fact that human resources are the business drivers in any organization, the Authority tried to make PPDA an employer of choice by attracting, motivating and retaining its workforce. The Authority put in place interventions for the transformation of staff into a highly competent, motivated and productive workforce capable of achieving its strategic objectives. The Authority maintained an average work force of 61 employees.

In line with the above, Management embarked on the following activities.

Staff Development

In a bid to enhance employee skills and improve performance for the Authority to achieve its strategic objectives, several members of staff underwent training as indicated below:

No.	Title of course	Institute	No. of staff that attended the training.
1.	Contract Compliance and performance monitoring	Washington DC	2
2.	Procurement Audit	RIPA International, London, UK	1
3.	Supervisory Skills	MEIRC Training and Consulting - Dubai	1
4.	Public Private Partnership (PPP)	International Capacity Development Centre, Cape Town, South Africa.	2
5.	Activity Based Budgeting	Eastern and Sothern African Management Institute (ESAMI), Mombasa, Kenya.	1
6.	Managing Electronic Records	Eastern and Sothern African Management Institute (ESAMI), Arusha, Tanzania	1
7.	Professional Driving	On Course Consultancy, Kampala, Uganda	3

Employee welfare

The Authority maintained a healthy productive work force by ensuring that its entire staff and their dependants were medically insured. The International Air Ambulance (IAA) was contracted to provide the medical services.

In addition to the above, the Authority extended a Group Personal Accident Insurance cover on all staff to ensure workplace safety. This is in line with the Employment Act 2006.

The Authority also formulated an HIV/AIDS policy for the staff. This was meant to provide appropriate prevention, care, support and treatment to PPDA employees and their immediate family members against HIV/AIDS for health promotion and sustained production.

6.4 Information Communications Technology

In the Financial Year, the Authority carried out the following activities to enhance its Information Communications Technology processes.

- i. Established the ICT infrastructure (both computer and telephone systems) at Nakasero Towers after shifting from Workers House.
- ii. Carried out backlog scanning into the Electronic Document Management System. The PP form 20 was designed and implemented into the EDMS. Its usage is dependent on integration with the Finance system.
- iii. Install a fiber link and to integrate PPDA LANs located in the two buildings to enhance access to resources..

- iv. Developed a tender portal to hold all tender related information to improve transparency and competitiveness.
- v. Carried out a facelift on the PPDA website to give it a fresh new look and kept it updated with current information.
- vi. Enhanced the ERP to include the contracts module, track audits, debtors, stores inventory modules and letter tracking in ED's office. The PDE knowledge management module is in progress.
- vii. Coordinated the development of the e-procurement strategy. The Technical Working Committee and the E- procurement Steering Committee were constituted. Selection of the Consultant to develop the strategy is in final stages.

- viii. Provided IT support to the Authority. This involves continuous user management, backups, applications management, user support, telephone and internet connection management, email management, IFMS support.

6.5 Internal Audit

Internal audit completed audits of the following:

- i. Payments process and use of payment vouchers and supporting documentation. This was to ensure controls are observed over payments processes and in the use of payment vouchers. The audit made recommendations for strengthening controls over the use of the payment vouchers, coding of transactions and filing of documents in order of a serialized number format.
- ii. Reviewed the Authority's transactions to ensure that all had been properly recorded and posted in the accounting system. Recommendations were made to ensure timely posting of transactions and thus preparation of the financial statements as required by the statutory laws.
- iii. Bank reconciliations review to ensure complete and accurate recording of all the Authority's cash and banking arrangements. The audit recommended timely preparation of bank reconciliations for all accounts timely and submitted to internal audit for review so that errors identified are corrected
- iv. Audit of receipts to confirm whether all receipts for the period were properly recorded and posted.
- v. Audit of stores to ensure all store items are properly safeguarded, verified, recorded, and utilized effectively. Recommendations were made for regular update of the accounting system with store transactions and periodic stock counts done so as to have records reconciling to physical stocks.
- vi. Audit of debtors' and suppliers' balances to ensure balances are fairly stated. Recommendations were made for reconciliation of balances.
- vii. Audit of payroll. The objective was to provide reasonable assurance that adequate and effective controls exist to ensure integrity of payroll transactions. The audit was also to ensure appropriateness, accuracy and proper recording of payroll transactions.



THE REPUBLIC OF UGANDA

**REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL
STATEMENTS OF PUBLIC PROCUREMENT AND DISPOSAL OF
PUBLIC ASSETS AUTHORITY (PPDA)
FOR THE YEAR ENDED 30TH JUNE, 2011**

**OFFICE OF THE AUDITOR GENERAL
UGANDA**

PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS

AUTHORITY (PPDA)

REPORT OF THE AUDITOR GENERAL TO PARLIAMENT IN RESPECT OF FOR THE FINANCIAL YEAR ENDED 30th JUNE 2011

I have audited the accompanying financial statements of Public Procurement And Disposal Of Public Assets Authority (PPDA) which comprise the Statement of financial position as at 30th June 2011 and Statement of Comprehensive Income, Statement of Changes in Equity Statement of Cash flows for the year then ended and a summary of significant accounting policies and other explanatory information as set out on pages 1 to 15.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on the audit. I conducted the audit in accordance with International Standards on Auditing. Those standards require that I comply with the ethical requirements and plan and perform the audit 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 risks 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 policies used and the reasonableness of accounting

estimates made by the directors, 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 opinion.

Opinion

In my opinion the financial statements present fairly in all material respects, the financial position of Public Procurement and Disposal of Public Assets Authority (PPDA) as at 30th June 2011 and the results of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Public Procurement and Disposal Act, 2003.



John F.S. Muwanga

AUDITOR GENERAL

KAMPALA

20TH MARCH, 2012

PART "B"

DETAILED REPORT OF THE AUDITOR GENERAL

This Section outlines the detailed audit findings, management response, and my recommendations in respect thereof.

1.0 Un-Filled Staffing positions

The PPDA new structure provides for a staff establishment of one hundred and four (104) positions (See table below). However, it was observed that only seventy (70) posts had been filled leaving thirty four (34) not yet filled with the procurement audit and investigation department being the most affected.

Scale	Position	Current Number	Additional Staff	Proposed Number
L1	Executive Director	1	-	1
L2	Director	4	-	4
L3	Manager	10	2	12
L4	Officer	28	32	60 (18 principal Officers, 20 Senior Officers and 22 Officers).
L5	Assistant Officer	7	(3)	4
L6	Secretary	5	-	5
L7	Driver	12	-	12
L8	Office Assistant	3	3	6
	Total	70	34	104

Staffing gaps impact on the operations and performance of the Authority. The gaps may also put un-due pressure on the few staff available especially those in the procurement audits and investigations department in a bid to achieve the entity planned audits.

I advised management to fill all the approved vacant positions to enable the Authority operate efficiently.

Management explained that the other remaining positions would be filled gradually over a three year period.

2.0 Budget Performance

2.1 Implementation of Procurement Audits & Investigations Work plan

The Procurement Audit & Investigations departmental work-plan was reviewed to establish the extent of achievement of the performance targets set.

According to the prior year entity performance report, out of the 73 procurement audits started, 53 had not been completed by the year end implying that only 30% had been concluded. Still in the year under review; two audits carried forward from 2009/2010 were still incomplete. These were Busia District Local Government and emergency repairs of roads damaged by floods in Northern and Eastern Uganda.

In the year under review, Seventy (70) procurement and disposal audits were planned. Sixteen (16) of them were to be handled in-house, while 53 were to be outsourced. Twenty two (22) audits were still outstanding because they had not been completed. This low level of performance points to lack of capacity to handle audits by PPDA staff.

Delays in conducting procurement audits and investigation may render the reports irrelevant to the users.

Management was advised to review the current arrangements undertaken in conducting procurement audit and investigations of PDUs with a view of increasing in house capacity and timely sourcing of consultants in order to have the reports produced in the prescribed time for effective follow up of findings therein.

Management attributed the performance to the reduction in GoU funding for the procurement audit function over the last financial years which had necessitated the Authority to rely on donor funding under FINMAP. They further explained that the Authority was in discussions with Ministry of Finance, Planning and Economic Development to increase the Authority's budget with a view of undertaking more in-house procurement audits. They attributed delays in concluding the audits to the time taken in procuring consultants to undertake the audits and also high staff turn-over in the organization.

3.0 Compliance with Statutory obligations

3.1 Outstanding Tax Obligations as per accounts

Section 123 (1) of the Income Tax Act requires the withholding agent to remit any tax so withheld within (15) days after the end of the month in which it was withheld. Section 136 (10) (c) provides for a 2% penalty per month for any delays.

Analysis of the accounts payable (Note 6) revealed that management had accumulated a total of Shs.60,920,843 in un-remitted taxes. These arose from statutory deductions from employee emoluments remittable to URA and KCCA as detailed below;

Tax Particulars	Due Amounts
Local Service Tax Payable	1,835,000
PAYE Payable	21,606,106
WHT Payable	37,479,737
Total	60,920,843

The comparative figure for PAYE indicates that this amount has been due for the last two years. Delays in remitting statutory deductions attracts penalties from URA.

Management explained that Shs.12,569,920 being Local Service Tax and part of WHT and PAYE was paid from project account and the balance of Shs.48,350,923 was being internally reviewed to establish its authenticity and thereafter payment would be made.

Management was advised to urgently reconcile the figures and have the outstanding amounts remitted to URA.



**PUBLIC PROCUREMENT AND
DISPOSAL OF PUBLIC ASSETS
AUTHORITY (PPDA)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED**

30th JUNE 2011

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2011

CONTENTS	PAGES
Corporate Information	2
Report of the Directors	3
Statement of Directors responsibilities	4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the financial statements	9-15

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

CORPORATE INFORMATION

DIRECTORS

Mr. James Kahoza – Chairman-	Retired on February 28, 2011
Mr. Anthony Okwenye -	Retired on February 28, 2011
Ms. Sarah Lubega -	Retired on February 28, 2011
Mr. John B.O. Wabwire-	Retired on February 28, 2011
Mr. David Kabateraine-	Retired on February 28, 2011
Eng. Y.B. K. Mpagi-	R.I.P August 2010

Mr. Agaba Edgar - Executive Director- Retired on March 31, 2011

Mr.Ibrahim K. Kabanda- Chairman-	Appointed on March 1, 2011.
Associate Professor Simeon Wanyama-	Appointed on March 1, 2011
Mrs. Lydia Ochieng Obbo-	Appointed on March 1, 2011
Eng. Geoffrey Ssebugwawo-	Appointed on March 1, 2011
Mr. Mohan M.Kiwanuka-	Appointed on March1, 2011 and Resigned in June 2011
Mr. David Kabateraine -	Re- appointed on March 1, 2011
Mr. Joseph Matsiko-	Appointed on March 1, 2011

Mrs. Cornelia K. Sabiiti -Executive Director - Appointed on April 8, 2011

BOARD SECRETARY

Mrs. Cornelia K. Sabiiti July 2010 to March 2011
(Ag) Mrs. Esther Kusiima April to June 2011

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 30th June 2011 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: 10/2/11

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

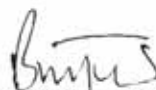
Statement of Directors' responsibilities For the year ended 30th June 2011

The Public Procurement and Disposal of Public Assets Act of 2003 require 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 8, which have been prepared using appropriate accounting policies; 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 financial statements give a true and fair view of the financial affairs of the Authority and of its deficit 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



.....
For Head: Finance and Administration

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2011

	NOTES	2011 UGX	2010 UGX
NON-CURRENT ASSETS	2	2, 888.604,407	2,340,708,671
CURRENT ASSETS			
Stores	3	82,092,673	48,342,113
Debtors & Prepayments	4	68,792,791	585,913,050
Bank and Cash Balances	5	<u>513,498,311</u>	<u>2,274,150,857</u>
		<u>664,383,775</u>	<u>2,908,406,020</u>
CURRENT LIABILITIES:			
Accounts Payable and Accruals	6	369,169,443	359,886,215
NET CURRENT ASSETS:		<u>295,214,332</u>	<u>2,548,519,805</u>
TOTAL NET ASSETS		<u>3,183,818,739</u>	<u>4,889,228,476</u>
FINANCED BY:			
Accumulated Surplus		3,183,818,739	4,889,228,476
		<u>3,183,818,739</u>	<u>4,889,228,476</u>

..... *CK Sedwa* Executive Director

..... *Binyima* **For:** Head, Finance and Administration

Dated *16/02/2012*

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30th JUNE 2011

ITEM DESCRIPTION	NOTES	2011 UGX	2010 UGX
INCOME			
Government Releases		5,487,251,163	7,004,843,204
Donor funding	13	327,129,601	1,239,728,050
Other revenues	14	<u>471,059,690</u>	<u>331,458,650</u>
Total Income		<u>6,285,440,454</u>	<u>8,576,029,904</u>
EXPENDITURE			
Staff costs	7	3,517,723,916	3,333,237,750
Finance & Administration costs	8	1,204,936,095	1,091,841,815
Other expenses	9	385,283,140	339,042,573
Board Expenses	10	208,752,434	115,321,932
Regulatory Expenses	11	1,504,097,570	2,069,507,810
Finance cost	12	4,982,828	2,160,984
Depreciation	2	<u>392,087,542</u>	<u>285,674,414</u>
Total Expenditure		<u>7,217,863,525</u>	<u>7,236,787,278</u>
(DEFICIT)/SURPLUS for the year		<u>(932,423,071)</u>	<u>1,339,242,626</u>

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30th JUNE 2011

	NOTE	2011 UGX	2010 UGX
Balance as at 1st July		4,889,228,476	3,557,712,937
Prior Year Adjustments	16	112,172,663	-
Refunds to funding sources	15	<u>(885,159,329)</u>	<u>(7,727,087)</u>
Restated balance		4,116,241,810	3,549,985,850
(Deficit)/Surplus for the year		<u>(932,423,071)</u>	<u>1,339,242,626</u>
Accumulated Surplus for the year as reported		<u>3,183,818,739</u>	<u>4,889,228,476</u>

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

STATEMENT OF CASH FLOWS FOR YEAR ENDED 30TH JUNE 2011

Cash flows from operating activities	NOTE	2011 UGX	2010 UGX
(Operating deficit)/excess of income over expenditure		(932,423,071)	1,339,242,626
Adjustments for:			
Gain on sale of equipment		(6,319,925)	(16,332,686)
Depreciation		392,087,542	285,674,414
Adjustment of non-current assets balances		26,329,016	-
Prior year adjustments	17	<u>112,172,663</u>	<u>-</u>
		(408,153,775)	1,608,584,354
Increase in stores control account		(33,750,560)	(6,018,016)
(Decrease)/Increase in debtors & prepayments		517,120,259	(368,974,545)
Increase/ (Decrease) in payables		<u>9,283,228</u>	<u>(99,981,436)</u>
Net cash flows from operating activities		84,499,152	1,133,610,357
<u>Cash flows from investing activities</u>			
Purchase of property, plant and equipment		(980,330,369)	(284,180,582)
Proceeds from sale of Plant & equipment		20,338,000	97,362,086
Refunds to funding sources	15	<u>(885,159,329)</u>	<u>(7,727,087)</u>
Net cash flows from investing activities		(1,845,151,698)	(194,545,583)
<u>Net (decrease) increase in cash and cash Equivalents</u>		(1,760,652,546)	939,064,774
<u>Cash and cash equivalent at beginning of the year</u>		<u>2,274,150,857</u>	<u>1,335,086,083</u>
<u>Cash and cash equivalents at year end</u>		<u>513,498,311</u>	<u>2,274,150,857</u>

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 2010/2011**

1. ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

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. The stocks include consumables and publications for sale.

c. PROPERTY EQUIPMENT AND FURNITURE

Property, Equipment and Furniture are stated at cost less accumulated depreciation.

Depreciation

The 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 statement of comprehensive incomes.

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 2010/2011
(Continued)**

e. **GOVERNMENT RELEASES**

All Grants received in cash form are reflected in the Statement of comprehensive income for the period.

f. **RETIREMENT BENEFIT OBLIGATIONS**

The authority contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under NSSF Act. The Authority's obligations under the scheme are limited to specific contributions currently at 10% of the employees' gross salary.

g. **CURRENCY**

The financial statements are expressed in Uganda shillings (UGX).

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2010/2011 (Continued)

2. PROPERTY AND EQUIPMENT		OFFICE BUILDINGS	FURNITURE & FITTINGS	OFFICE COMPUTERS	OFFICE EQUIPMENT	MOTOR VEHICLES	TELECOM SYSTEM	OTHER EQUIPMENT	TOTAL
DESCRIPTION	LAND	4%	10%	33%	20%	25%	20%	20%	
COST/VALUATION									
July 01, 2010	1,010,250,587	376,380,698	258,294,254	767,899,870	266,471,482	1,048,158,415	117,228,075	2,285,000	3,846,968,381
Additions in the year	-	-	213,179,403	49,941,625	42,816,090	674,393,251	-	-	980,330,369
Prior year balances adjustment	-	-	(1,175,240)	35,670,972	(43,499,892)	-	-	-	(9,004,160)
Disposals in the year	-	-	(65,000)	(5,735,000)	(15,746,600)	(63,712,436)	-	-	(85,259,036)
June 30, 2011	1,010,250,587	376,380,698	470,233,417	847,777,467	250,041,080	1,658,839,230	117,228,075	2,285,000	4,733,035,554
ACCUMULATED DEPRECIATION									
July 01, 2010	-	35,128,865	97,112,329	483,049,903	103,514,284	717,990,267	68,326,582	1,137,480	1,506,259,710
Charge for the year	-	13,319,902	84,271,494	112,999,899	25,664,228	145,822,219	9,780,296	229,504	392,087,542
Disposals for the year	-	-	-	(4,437,030)	(13,977,025)	(53,024,403)	-	-	(71,438,458)
Prior year balances adjustment	-	8,254,280	(6,769,754)	6,187,856	9,849,971	-	-	-	17,522,353
June 30, 2011	-	56,703,047	174,614,069	597,800,628	125,051,458	810,788,083	78,106,878	1,366,984	1,844,431,147
NET BOOK VALUE									
June 30, 2011	1,010,250,587	319,677,651	295,619,348	249,976,839	124,989,622	848,051,147	39,121,197	918,016	2,888,604,407
June 30, 2010	1,010,250,587	341,251,833	161,181,925	284,849,967	162,957,198	330,168,148	48,901,493	1,147,520	2,340,708,671

Note: Prior year balances adjustments relates to the correction of imbalance between general and sub ledgers in the system and harmonization of depreciation methods in the prior period.

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 2010/2011 (Continued)**

	2011	2010
	UGX	UGX
3. STORES		
Items in the store were valued at:	<u>82,092,673</u>	<u>48,342,113</u>
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.		
Accountable Advances	3,441,282	63,800,702
Personal Advances	14,669,606	135,533,394
Deposits and Prepayments	27,023,500	302,307,085
Sundry Debtors	<u>23,658,403</u>	<u>84,271,869</u>
	<u>68,792,791</u>	<u>585,913,050</u>
5. CASH AND BANK BALANCES		
Bank - Bank of Uganda RNG Project	421,151,942	1,957,650,182
Bank - Bank of Uganda Vote (TGA)	-	71,843,054
Bank - Bank of Uganda UNDP Project	976,948	606,948
Bank - Bank of Uganda EU Project a/c	-	45,127,389
PPDA Office Imprest	3,842,500	1,493,000
Cash at Hand	985,200	-
Contingency Float - PIA	-	2,000,000
Standard Chartered Bank Advantage Card	19,079,021	13,497,760
Stanbic Bank (U) Ltd	<u>67,462,700</u>	<u>181,932,524</u>
	<u>513,498,311</u>	<u>2,274,150,857</u>
6. ACCOUNTS PAYABLE AND ACCRUALS:		
Local Trade Creditors	301,734,113	285,645,200
Accruals	6,514,487	2,703,196
Local Service Tax Payable	1,835,000	6,010,000
P.A.Y.E	21,606,106	21,606,105
WHT Payable	<u>37,479,737</u>	<u>43,921,714</u>
	<u>369,169,443</u>	<u>359,886,215</u>

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 2010/2011 (Continued)**

	2011 UGX	2010 UGX
7. STAFF COSTS		
Salaries	3,388,371,803	3,236,817,775
Other staff costs	<u>129,352,113</u>	<u>96,419,975</u>
	<u>3,517,723,916</u>	<u>3,333,237,750</u>
8 FINANCE & ADMINISTRATION COSTS		
Rent	355,380,720	223,126,280
Stationery	98,759,492	76,589,997
Equipment maintenance & IT services	76,209,174	88,220,790
Travel inland	71,980,966	45,623,567
Vehicle running & maintenance	193,355,972	176,482,628
Communication expenses	187,968,869	175,696,429
Utilities	73,927,594	36,084,501
Newspapers, magazines & periodicals	12,820,201	17,973,700
General Goods & services	75,276,122	175,496,019
Staff Welfare	<u>59,256,985</u>	<u>76,547,904</u>
	<u>1,204,936,095</u>	<u>1,091,841,815</u>
9. OTHER EXPENSES		
Subscriptions	39,608,981	56,018,936
Insurances	57,872,941	55,601,845
Public Relations	<u>287,801,218</u>	<u>227,421,792</u>
	<u>385,283,140</u>	<u>339,042,573</u>
10. BOARD EXPENSES		
Sitting Allowances	52,440,000	49,018,000
Retainer Fees	47,600,000	46,926,000
Foreign Travel	62,895,884	11,798,732
Other Board Expenses	<u>45,816,550</u>	<u>7,579,200</u>
	<u>208,752,434</u>	<u>115,321,932</u>

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 2010/2011 (Continued)

	2011 UGX	2010 UGX
11. REGULATORY CHARGES		
Training support for procuring entities	125,928,241	315,989,265
UNDP/Capacity Building Project	-	106,625,988
Audits, Inspections & investigations	426,094,018	565,977,897
Harmonize Central & Local Government		
Procedures & Policies	288,568,300	714,911,574
Corporate Programs	413,191,657	265,212,847
Human Resource development	134,423,628	48,792,579
Documentation Centre & Library development		
and admin program activities	<u>115,891,726</u>	<u>51,997,660</u>
	<u>1,504,097,570</u>	<u>2,069,507,810</u>
12. FINANCE COST		
Bank Charges	<u>4,982,828</u>	<u>2,160,984</u>
13. DONOR FUNDING		
Donor		
Royal Netherlands Government	327,129,601	1,083,247,829
United Nations Development Program	-	135,487,151
Grants inform of Non Current Assets [EU & UNDP]	<u>-</u>	<u>20,993,070</u>
	<u>327,129,601</u>	<u>1,239,728,050</u>
14. OTHER REVENUE		
Bid Income & Sale of Publications	8,381,000	16,708,200
Justice, Law and Order Sector funding	-	50,000,000
Register of Providers (ROP)	399,942,000	248,423,719
Miscellaneous incomes	56,416,765	-
Gain on Disposal of Non Current Assets	<u>6,319,925</u>	<u>16,326,731</u>
	<u>471,059,690</u>	<u>331,458,650</u>

PUBLIC PROCUREMENT & DISPOSAL OF PUBLIC ASSETS AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 2010/2011 (Continued)**

15. 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:

	2011 UGX	2010 UGX
a) Balance on expenditure accounts		
Returned to Consolidated Fund Account (CFA)	395,093,881	4,272,087
b) Transfer of Non Tax Revenues to CFA	444,938,059	-
c) Gross Tax	0	3,000,000
d) To donor (European Union)	<u>45,127,389</u>	<u>-</u>
	<u>885,159,329</u>	<u>7,272,087</u>

16. PRIOR YEAR ADJUSTMENTS

Prior year adjustments refer to adjustments made to correct very old creditors' balances and publications stocks previously expensed.

- a) Creditor's balances written off. These are balances that were paid as expenditures incurred in the year instead of existing liabilities thereby remaining as so in the books now written off.
- b) Stocks restated. These are PPDA publications that were expensed on purchase, but still held in stock.
- c) Depreciation on office building was charged using straight line method instead of reducing balance in previous years hence the adjustment.

	2011 UGX	2010 UGX
Trade Creditors	63,881,943	-
Publications Inventory	56,545,000	-
Depreciation office Building	<u>(8,254,280)</u>	<u>-</u>
	<u>112,172,663</u>	<u>-</u>

Annex 1: Training activities conducted in 2010/2011

No.	PDE/Mode of training	Category of People trained	Modules/Areas covered	Number of people.
1	Regional training workshops	RDCs, District chairpersons, CAOs, Mayors, TC, CC members, Users, NAADs coordinators,	Roles and responsibilities of different stakeholders, Public procurement planning, and Key approval requirements by contracts committee, Evaluation of bids, Contract management, Disposal of Public Assets, and Compliance issues.	178
2	Demand driven training for Ministry of Finance Planning and Economic Development Stakeholders	PDU and users	The Public Procurement Process, Roles and responsibilities of key stakeholders in Public procurement, Preparation of bidding documents, Methods of Procurement	50
3	Demand driven training for Budget Monitoring & Accountability Unit (BMAU) – MOFPED	Users	The Public Procurement Process (corruption prone areas), Prequalification process, Contracts and Contract management.	25
4	Demand driven training for Office of the Auditor General staff	Auditors	The procurement process, Evaluation of Bids, Legal and Compliance issues, Procurement audit issues	64
5	Demand driven training for Uganda National Examination Board staff	Users	The Public Procurement Planning, Preparation of Statement of Requirements, Evaluation of Bid, Contract management.	48
6	Demand driven training for Training for Uganda Tourism Board	17 th August 2010	The Public procurement legal framework with emphasis on roles and responsibilities of different stakeholders, Public procurement planning, Evaluation of Bids	8
7	Demand driven training for Uganda Wildlife Education Centre stakeholders	Members of Contracts Committee, PDU, and users.	The Public procurement legal framework with emphasis on roles and responsibilities of different stakeholders, Public procurement planning	14
8	Demand driven training for Ministry of Water & Environment	Users and PDU	Public Procurement and Disposal Legal Framework, Public procurement Planning, Preparation of statement of requirements, Evaluation of Bids, Contracts and Contract management	19

No.	PDE/Mode of training	Category of People trained	Modules/Areas covered	Number of people.
2nd Quarter				
	PDE/Mode of training	Category of People trained	Modules/Areas covered	No of people trained.
8	Regional training for technical staff and politicians from Nine (9) PDEs in West Nile region (districts of Arua, Koboko, Yumbe, Maracha, Zombo, Nebbi, Arua Municipality, and Arua Regional referral Hospital.	District Chairpersons, RDCs, Speakers, and Secretaries for Finance, Contracts Committee members, NAADS Coordinators and other technical staff from user departments	Legal framework and the public procurement and disposal process., Public Procurement Planning, Evaluation of bids , Contract management	75
9	Training for politicians and Technical staff from Kalangala District Local Government	District Chairpersons, RDCs, Speakers, and Secretaries for Finance, Contracts Committee members, NAADS Coordinators and other technical staff from user departments including the town council and sub counties.	Legal framework and the public procurement and disposal process, Public Procurement Planning, Evaluation of bids , Contract management	56
10	Training for politicians and Technical staff from Kanungu District Local Government	District Chairpersons, RDCs, Speakers, and Secretaries for Finance, Contracts Committee members, NAADS Coordinators and other technical staff from user departments including the town council and sub counties.	Legal framework and the public procurement and disposal process, Public Procurement Planning, Evaluation of bids and Contract management	74
11	Training for politicians, members of contracts committee and Technical staff for Kisoro District Local Government	Politicians, members of contracts committee and technical staff from user departments including the staff from the Town Council and Sub counties. Seventy three participants attended this training.	Legal framework and the public procurement and disposal process, Public Procurement Planning, Evaluation of bids and Contract management	74
12	Demand driven training for Micro Finance support Centre Ltd	Accounting Officer, members of Contracts Committee, Procurement and Disposal unit, and users.	Roles and responsibilities of different stakeholders in the procurement process, The procurement process , Preparation and use of standard bidding documents	8
13	Demand driven training for Training for NSSF	Senior management staff and the Contracts Committee	Public procurement process and the areas of improvement, Compliance issues in Public Procurement and Disposal	35

No.	PDE/Mode of training	Category of People trained	Modules/Areas covered	Number of people.
14	Demand driven training for Training for Uganda Revenue Authority	staff in the user department and the Contracts Committee members	Public Procurement and Disposal framework, The procurement cycle , roles and responsibilities, Public Procurement planning , Evaluation of Bids, Contract management	46
	Demand driven training for Uganda Aids Commission	Accounting Officer, members of Contracts Committee, Procurement and Disposal unit, and users	Roles and responsibilities of different stakeholders in the procurement process, The procurement process, Public procurement planning, Bid Evaluation	41
3rd Quarter				
	PDE/Mode of training	Category of People trained	Modules/Areas covered	Number of people.
15	Carry out a Capacity needs Assessment for new Local Governments	AOs, PDU, User department	N/A	
16	Sensitization of 13 new local governments	CAO, TC, PDU, Users ,CC, RDCs, Mayors, district speakers, NAADS coordinators	Roles and responsibilities of different stakeholders, Procurement Planning, Evaluation of bids, Contract management and Disposal.	302
17	Procurement Cadre Forum for Local Government PDEs	Procurement Officers	Key developments in Public Procurement and Disposal, Role of the PDU in ensuring Efficiency in Public Procurement, Presentation on PMMS in enhancing Efficiency in Public Procurement, Presentation on Register of providers (ROP) enhancement	114
18	Consultative meeting with Accounting officers in the Health sector	Directors, AOs, Project coordinators, Procurement Officers, users and technical staff	Key issues of concern in Public Procurement in the Health Sector, Emerging policy issues on procurement of drugs and sundry items in Hospitals, Sharing experience in procurement of drugs and sundry items in Hospitals, Sharing experience in supply of drugs and sundry items to hospitals. Improving the procurement and management of drugs in the country	23

No.	PDE/Mode of training	Category of People trained	Modules/Areas covered	Number of people.
19	Demand driven training for Uganda Development Bank Limited	The procurement unit staff and users	-Preparation of a Statement of Requirements/TOR/SOW -Preparation of SBD -Evaluation of Bids	20
20	Demand driven training Kyambogo University.	University Registrar, Deans of Students, heads of departments and lecturers	The legal framework in Public procurement and Disposal Roles and responsibilities of the different stakeholders in the procurement process	35
21	Demand driven training for National Curriculum Development Centre	Director, and staff of NCDC	Roles and Responsibilities of key players ,procedures for conducting contracts committee meetings Evaluation Methodologies ,Disposal process	37
22	Demand driven training for NAGRI		Roles and Responsibilities of key players in the procurement cycle,Procedures for conducting Contracts Committee meetings and CC approval requirements. Preparation of bidding documents Evaluation of bids	14
23	Demand driven training for Procurement Students' Association (KYUPSA)	Procurement students	Evaluation of bids Contracts Management	109
4th Quarter				
	PDE/Mode of training	Category of People trained	Modules/Areas covered	Number of people.
24	The 7 th Procurement Cadre Forum for central government	Head PDUs-/ Procurement Officers/Assistant Procurement Officers.	Key developments in Public Procurement and Disposal function, Role of the Solicitor General in improving efficiency in Public Procurement, Progress on the PPDA Act Amendment Bill and Administrative Review Issues, Management of Time, Quality and Cost in Public Procurement and Disposal, Demonstration of the Public Procurement and Disposal Tender Portal and the 2nd Public Procurement Integrity Survey 2010.	108

No.	PDE/Mode of training	Category of People trained	Modules/Areas covered	Number of people.
25	Consultative meeting with Accounting Officers of statutory bodies and commissions	Accounting Officers and PPDA Management team	<ul style="list-style-type: none"> -The legal framework in public procurement and Disposal -New Developments by PPDA to enhance Efficiency in the procurement and Disposal process -Key Issues in the amendment of the PPDA law -Management of Time ,Quality, and Cost in the procurement and Disposal process -Management of the -procurement and disposal function in a commercial PDE 	35
26	Sensitization of 27 new Local governments	CC PDU, HOD, NAADS coordinators, CAO,RDCs, District Chairpersons; speaker, town clerks	<ul style="list-style-type: none"> Roles and responsibilities of key stakeholders -Procurement Planning -Evaluation of bids -Contract Management -Disposal of Public Assets 	667
27	Demand driven training for Sembabule District Local Government	CC, UD, PDU, sub county chiefs	<ul style="list-style-type: none"> -The public procurement legal framework including roles and responsibilities -Public procurement process /Procurement Planning -Contract Management -Disposal of Public Assets. 	44
28	Demand driven training for Ngora DLG	Providers	<ul style="list-style-type: none"> -Background to procurement and disposal reforms in LGs -Overview of the bidding process -Significance of activity time schedules -Contract management issues/supervision of contracts -Submitting winning contracts -Principles of Public procurement and disposal 	43
29	Demand driven training for Kitante Hill School	PDU, CC, Head teacher	<ul style="list-style-type: none"> -The legal framework in Public Procurement. - Roles and responsibilities of key Stakeholders -The public Procurement Process - Evaluation of bids 	8
30	Demand driven training for PREFFA	CC,PDU and management	<ul style="list-style-type: none"> -Preparation of statement of requirements -Evaluation of bids -Disposal of public Assets 	8
31	Demand driven training for Irish Embassy	CC,PDU Users,AO	<ul style="list-style-type: none"> -Roles and Responsibilities of key stakeholders in Public Procurement -The Public Procurement process -Evaluation of bids -Disposal of Public Assets 	14

No.	PDE/Mode of training	Category of People trained	Modules/Areas covered	Number of people.
32	Demand driven training for Health Tutors College Mulago	Director,PDU,CC, Registrar,and users	The legal Framework in Public procurement Contract Management	15
	Total			2428

Annex 2: Compliance Status on the submission of procurement plans and monthly/Quarterly reports by the Central and Local Procuring and Disposing Entities for the FY 2010/2011 as at 30th June 2011

CENTRAL GOVERNMENT PDEs

NO.	Name of PDE	Procurement Plans FY 10/11	Monthly Reports		
			Apr	May	Jun
	Amnesty Commission	√	√	√	√
	Arua Hospital	√	√	√	√
	Auditor General	√	√	√	√
	Bank of Uganda	x	x	x	x
	Busiitema University	x	x	x	x
	Butabika Hospital	√	x	x	x
	Butabika School of Psychiatric Clinic	√	x	x	x
	Capital Markets Authority	√	√	√	√
	Civil Aviation Authority	√	x	√	x
	Cotton Development Organization	√	√	√	√
	Courts of Judicature	x	x	x	x
	Diary Development Authority	√	√	√	√
	Directorate of Ethics and Integrity	x	√	√	x
	Directorate of Public Prosecutions	√	√	√	√
	Education Service Commission	√	√	√	√
	Electoral Commission	√	x	x	x
	Electricity Regulatory Authority	√	√	√	√
	External Security Organization	√	x	x	x
	Fort Portal Hospital	√	x	x	x
	Gulu Hospital	√	x	x	x
	Gulu University	x	x	x	x
	Health Service Commission	√	√	x	x
	Hoima Hospital	√	√	√	√
	Inspectorate of Government	√	√	√	x
	Internal Security Organisation	√	x	x	x
	Jinja Hospital	√	√	x	x
	Judicial Service Commission	√	√	√	√
	Kabale Hospital	√	√	x	x
	Kilembe Mines	√	√	√	x
	Kyambogo University	√	x	x	x
	Lake Victoria Environment Management Project				
	Law Development Centre	√	√	√	x
	Law Reform Commission	√	x	x	x
	Lira Referral Hospital	x	x	x	x
	Local Government Finance Commission	√	√	√	√

Makerere University	√	√	×	×
Makerere University Business School	√	√	√	×
Management Training & Advisory Centre	×	×	×	×
Masaka Hospital	√	×	×	×
Mbale Hospital	√	×	×	×
Mbarara Referral Hospital	√	√	√	×
Mbarara University of Science and Technology	√	×	×	×
Micro Finance Support Centre	√	×	×	×
Ministry of Agriculture, Animal Industry & Fisheries	√	×	×	×
Ministry of Defence	√	×	×	×
Ministry of East African Community Affairs	√	√	√	√
Ministry of Education and Sports	√	√	√	√
Ministry of Energy & Mineral Development	√	√	√	√
Ministry of Ethics	×	×	×	×
Ministry of Finance, Planning & Economic Development	√	√	×	×
Ministry of Foreign Affairs	√	√	√	√
Ministry of Gender, Labour & Social Development	√	√	√	√
Ministry of Health	√	√	√	√
Ministry of Information and Communications Technology	√	√	√	√
Ministry of Internal Affairs	√	×	×	×
Ministry of Justice & Constitutional Affairs	√	×	×	×
Ministry of Lands, Housing and Urban Development	√	×	×	×
Ministry of Local Government	×	×	×	×
Ministry of Public Service	√	×	×	×
Ministry of Tourism ,Trade, & Industry	×	×	×	×
Ministry of Water & Environment	√	×	×	×
Ministry of Works and Transport	√	×	×	×
Moroto Regional Referral Hospital	√	√	√	√
Mubende Regional Referral Hospital	√	√	√	√
Mulago Hospital	×	×	×	×
Nakivubo Stadium	√	×	×	×
Nambole Stadium	×	×	×	×
National Agricultural Advisory Services (NAADS)	√	√	√	×
National Agricultural Research Organization	√	√	√	√
National Animal Resource Genetic Centre and Databank	×	×	×	×
National Council for Children	√	×	×	×
National Council for Higher Education	√	√	×	×
National Council for Science & Technology	×	×	×	×
National Council of Sports	×	×	×	×
National Curriculum Development Centre	√	√	×	×
National Drug Authority	√	√	√	√
National Enterprise Corporation	√	×	×	√
National Environment Management Authority (NEMA)	√	×	×	×
National Forest Authority	√	√	×	√
National Housing & Construction Company	×	×	×	×

National Medical Stores	√	√	×	×
National Planning Authority	√		×	×
National Social Security Fund	√	√	×	×
National Teachers' College Kaliro	√	×	×	×
National Water & Sewerage Corporation	√	√	√	√
Office of the President	√	√	√	√
Office of the Prime Minister	×	√	√	×
Parliament of Uganda	√	×	×	×
Police Department	√	√	√	√
Population Secretariat	√	√	×	×
Post Bank	√	√	√	√
Posta Uganda	√	√	√	√
Pride Microfinance	√	×	×	×
Prisons Department	√	√		√
Private Sector Foundation	×	×	×	×
Privatization Unit	√	√	√	√
Public Service Commission	×	×	×	×
Rural Electrification Agency	√	√	√	√
Soroti Referral Hospital	√	√	√	√
State House	√	×	×	×
Uganda Air Cargo	×	×	×	×
Uganda AIDS Commission Secretariat	×	√	×	×
Uganda Blood Transfusion Services	√	√	√	×
Uganda Broadcasting Corporation	√	×	×	×
Uganda Bureau of Statistics	√	√	×	×
Uganda Cancer Institute	×	×	×	×
Uganda Coffee Development Authority	√	√	√	√
Uganda Communications Commission	√	√	√	√
Uganda Development Bank Limited	√	√	√	√
Uganda Electricity Distribution Company	√	√	√	√
Uganda Electricity Generation Company	×	×	×	×
Uganda Electricity Transmission Company	×	√	√	×
Uganda Exports Promotions Board	√	√	×	×
Uganda Heart Institute	√	×	×	×
Uganda Human Rights Commission	√	×	×	×
Uganda Industrial Research Institute	√	√	√	√
Uganda Insurance Commission	√	√	√	√
Uganda Investment Authority	√	√	√	×
Uganda Land Commission	√	×	×	×
Uganda Management Institute	√	×	×	×
Uganda National Bureau of Standards	√	√	√	×
Uganda National Examinations Board	√	√	√	×
Uganda National Council for Science and Technology	×	√	×	×
Uganda National Roads Authority	√	√	√	√
Uganda National Lottery Board	×	×	×	×
Uganda Police Force	√	√	√	√

Uganda Printing & Publishing Corporation	√	√	√	√
Uganda Property Holdings	×	√	√	√
Uganda Registration Service Bureau	√	×	×	×
Uganda Railways Corporation	×	√	√	√
Uganda Revenue Authority	√	√	√	√
Uganda Road Fund	√	√	√	√
Uganda Tourist Board	√	×	×	×
Uganda Veterans Assistance Board	√	√	√	√
Uganda Wildlife Authority	√	√	√	√
Uganda Wildlife Education Centre	×	√	√	√

Local Government PDEs

NO.	Name of PDE	Procurement Plans FY 10/11	Quarterly Re-ports
	Abim	√	x
	Adjumani	√	x
	Agago	√	x
	Amolatar	√	x
	Amuria	√	x
	Amuru	√	x
	Apac	√	x
	Arua	√	√
	Arua Municipality	√	x
	Amudat	√	√
	Budaka	√	x
	Bududa		x
	Bugiri	√	√
	Buhweju		√
	Buikwe	√	x
	Bukomansimbi		√
	Bukedea	√	x
	Bukwo	√	x
	Bundibugyo	√	x
	Bushenyi		x
	Busia	√	x
	Buyende	√	x
	Butaleja District	√	√
	Butambala	√	x
	Buvuma	√	x
	Dokolo	√	√
	Entebbe Municipality	√	x
	Fort portal Municipality		x
	Gulu District	√	√
	Gulu Municipality	√	√
	Gomba		x
	Hoima DLG	√	√
	Ibanda	√	√
	Iganga	√	x
	Isingiro	√	√
	Jinja	√	x
	Jinja Municipality	√	x
	Kaabong		x
	Kabale	√	x
	Kabale Municipality	√	x
	Kabarole	√	x
	Kaberamaido		x

Kalangala	√	x
Kaliro	√	√
Kalungu	√	x
Kampala City Council	√	x
Kamuli		x
Kamwenge LG	√	x
Kanungu	√	√
Kapchorwa	√	x
Kasese	√	x
Katakwi	√	x
Kayunga	√	x
Kibaale District	√	x
Kiboga	√	√
Kiruhura	√	x
Kisoro	√	x
Kitgum	√	x
Koboko District	√	√
Kole	√	x
Kotido	√	x
Kumi	√	x
Kyankwanzi	√	x
Kyegegwa	√	x
Kyenjonjo	√	x
Kween	√	x
Lamwo	√	x
Lira	√	x
Lira Municipality	√	x
Luwero	√	x
Lyantonde	√	x
Manafwa	√	x
Maracha	√	x
Masaka District	√	x
Masaka Municipality	√	√
Masindi	√	x
Mayuge	√	x
Mbale		x
Mbale Municipality	√	x
Mbarara	√	x
Mbarara Municipality	√	x
Mityana	√	x
Mitooma	√	x
Moroto	√	√
Moroto Municipality	√	x
Moyo	√	x
Mpigi	√	x
Mubende	√	x

Mukono	√	×
Nakapiripirit	√	×
Nakaseke	√	√
Nakasongola	√	√
Namutumba	√	√
Namayingo		×
Nebbi	√	×
Ngora	√	×
Ntoroko	√	×
Ntungamo	√	×
Ntungamo Municipality		×
Oyam	√	×
Pader	√	√
Pallisa District	√	√
Rakai District	√	×
Rubirizi	√	×
Rukungiri	√	×
Sembabule	√	×
Serere	√	×
Sheema		√
Sironko	√	×
Soroti	√	×
Soroti Municipality	√	×
Terego		×
Tororo	√	×
Tororo Municipality	√	×
Wakiso	√	×
Yumbe	√	×
Zombo	√	√

ANNEX 3: SUMMARY OF APPLICATIONS FOR ADMINISTRATIVE REVIEW HANDLED BY PPDA JULY 2010 TO JUNE 2011

No.	Name of Entity and Applicant	Subject of Procurement	Estimated Cost	Grounds for the Application for Administrative Review	PPDA Decision
1	M/s Imminent Lab Vs National Water & Sewerage Corporation	Pre-printed thermal rolls	Ushs 150,470,600/=.	- M/s Kamidah Trading Company(BEB) did not pass the technical evaluation stage because they submitted plain sheets of paper of different sizes which was contrary to the technical specifications given in the statement of requirements;	Application for Administrative Review was upheld due to the fact that the sample provided by M/s Kamidah Trading Co. was not compliant and responsive to the technical specifications in the SBD because the sample provided did not meet the technical specifications as required in the bid document. The Entity was therefore directed to re-evaluate the bids using an independent Evaluation Committee.
2	M/s Cable Corporation Ltd Vs Uganda Electricity Distribution Company Limited	supply of power line conductors and accessories	UGX 2,584,000,000/=.	M/s Cable Corporation Ltd should have been the BEB since it had a cheaper bid price	Application for Administrative Review was rejected because including the costs to be incurred by the Entity such as taxes on the bid of the Best Evaluated Bidder would amount to changing the INCOTERMS from CIP to DDP contrary to the requirements of the solicitation document. The Entity was directed to proceed with the procurement process.
3	M/s Winlinks EA Limited Vs Parliament	Operation of the Parliamentary Bar and Restaurant	The buffet price was Shs. 7,000 and other meals 5,000	-M/s Mukaka Catering Services(BEB) did not have an income Tax Clearance, a valid VAT registration status and was a nonentity Organization;	Application for Administrative Review was upheld due to the fact that the BEB did not meet the eligibility requirements set in the bidding document. The BEB submitted a forged Income Tax Clearance Certificate and could not be an eligible bidder in the procurement process. The Entity was therefore directed to re-tender the procurement process.

No.	Name of Entity and Applicant	Subject of Procurement	Estimated Cost	Grounds for the Application for Administrative Review	PPDA Decision
4	M/s Phillips Medical Systems Vs Uganda Heart Institute	Supply, delivery and installation for cardiac catheterisation laboratory equipment and sundries	US\$ 1,913,470.	-The requirements in the bidding document were biased towards a specific bidder	Application for Administrative Review was rejected due to the fact that there was no evidence to indicate that the tender specifications were biased and tailored to a specific manufacturer for product Axion Sensis from Siemens catalogue. The Entity was directed to proceed with the procurement.
5	M/s Inyatsi/Multiplex Joint Venture Vs UNRA	Reconstruction of various paved roads by UNRA Lot A & B. -Lot A: Mukono-Kayunga Road (51 Kms) -Lot B: Kayunga-Njeru Road (43 Kms)	Ugx. 48,253,935,400 Ugx. 22,957,021,200 respectively.	M/s Unik Construction Engineering (PTY) was given an unfair advantage over other bidders when it was allowed to submit fresh documents after submission - M/s Inyatsi/Multiplex JV Bid's was wrongly disqualified for Lot A and Lot B on non-material grounds that some of the proposed personnel were not registered. -The Complainants bid was cheaper than that of the BEB	Application for Administrative Review was rejected and the Entity was instructed to proceed with the procurement. M/s Inyatsi/Multiplex did not meet the requirement of having registered engineers as stated in the bidding document. -M/s UNIK Construction submitted as part of its bid, evidence of relevant experience contrary to the allegations of M/s Inyatsi-Multiplex. The Entity was directed to proceed with the procurement.
6	Ms. Vasta Tukamuhabwa Vs Rukungiri DLG	Management of Nyamayenje Market	25,200,000/= with animals and 5,844,000/= without animals.	The Bidder was issued a wrong written purchase receipt which read collection of revenue from Buyanja market instead of Nyamayenje market and as a result of this error, she was wrongly disqualified as the best evaluated bidder.	Application for Administrative Review was upheld due to the following reasons: The Entity issued a receipt for a market that does not exist to Ms. Vasta Tukamuhabwa The Entity was directed to cancel the award decision and best evaluated bidder notice and reconsider the recommendation of the Evaluation Committee.
7	M/s Hawk International Finance & Construction Co, Limited Vs UNRA	Design and build for Mbarara-Kikagati-Murongo Bridge road.	USD 75,000,000 (UGX 161,449,125,000).	M/s Hawk International was the lowest evaluated bidder	The Administrative Review was upheld due to the inconsistencies in the technical evaluation process. Accordingly, the Authority was instructed the Entity to re-evaluate all the bids with a view to ensuring that the Entity obtains value for money in the procurement process.

No.	Name of Entity and Applicant	Subject of Procurement	Estimated Cost	Grounds for the Application for Administrative Review	PPDA Decision
8	M/s MFI Office Solutions Vs Office of the President	Supply of a heavy duty photocopier	Ushs 72,000,000/=	M/s Copy Cat (U) Limited(BEB) did not meet all the required specifications of the tender.	-Application for Administrative Review was upheld due to the following reasons: -M/s Copy Cat (U) Limited did not meet the Lines Per Inch (LPI) and vacuum feeder technology. However a contract had been signed with M/s Copy Cat (U) Limited on 6 th July 2010, the heavy duty photocopier was delivered by the bidder and duly paid for by the Entity. The Authority therefore could not annul a contract that had already been executed. Entity was instructed to proceed with the procurement
9	M/s China Jiangxi (U) Ltd Vs UNBS	Provision of the design and construction of the UNBS headquarters at Bweyogerere, Wakiso district	26,997,452,881/=	- M/s China Jiangxi was unfairly disqualified	Application for Administrative Review was rejected due to the following reasons: -M/s China Jiangxi's partners M/s Envision Designs and M/s Precise Engineering Services were non-compliant with the eligibility and administrative criteria and hence did not qualify for the detailed technical and compliance evaluation. It was noted that UNBS did not use the traditional Design-Bid-Build method that calls for separate 'Design' and 'Construction' contracts at different points in time The Entity was therefore directed to re-tender
10	M/s Uganda Tyre Distributors Ltd Vs Uganda National Roads Authority (UNRA)	Supply and Delivery of Vehicle and Plant Tyres	851,080,000/=	The Entity did not give clear definitions and scope of their requirement for after Sales Support	Application for Administrative Review was rejected due to the following reason: -The bidder did not provide evidence of providing after sales services support The Entity was directed to proceed with the procurement

No.	Name of Entity and Applicant	Subject of Procurement	Estimated Cost	Grounds for the Application for Administrative Review	PPDA Decision
11	Ms. Buchmann Medical Care Vs National Medical Stores	Provision of Pharmaceuticals (Sundries) under Framework Contract valid for 12 months	USD. 491,143.55	Unfairly disqualified from the evaluation process	<p>Application for Administrative Review was rejected due to the following reasons</p> <ul style="list-style-type: none"> -The Evaluation criteria used was applied to all bidders. There was no evidence showing that the Entity in its evaluation favoured a particular bidder or some bidders. -There was no breach of the provisions of regulation 130 of the PPDA Regulations. <p>The Entity was directed to proceed with the procurement</p>
12	M/s Environment Systems Products Holdings Inc Vs Ministry of Works and Transport	Mandatory motor vehicle inspection services	Bidders quoted unit prices inclusive of direct costs, financial costs, overheads, profit and concession fees	<ul style="list-style-type: none"> -The degree of transparency and fairness in the procurement process - Validity of the documents submitted by ESP 	<p>Application for Administrative Review was rejected.</p> <p>However due to the unethical conduct involved in the procurement process by the Entity and the bidders, the Entity was directed to cancel the procurement process and re-tender using the restricted international bidding with the six (6) firms that submitted bids.</p>
13	M/s Ren Form CC Vs Electoral Commission	Purchase of Ballot papers for Presidential, General and Local Government's Council Elections, 2011	CIF Entebbe Lot 2 GBP 1,606,360 GBP 2,194,080 GBP 2,262,960	<ul style="list-style-type: none"> M/s Ren Form CC submitted a notarised Power of Attorney as was required in the bidding document (1st Application) The Best Evaluated Bidder M/s Avic International Holding did not meet the requirements as set in the bidding document(2nd Application) 	<ul style="list-style-type: none"> -The 1st Application was rejected due to the fact that M/s Ren Form CC's bid lacked a notarised Power of Attorney and was therefore not eligible and non-compliant(1st A); and - The 2nd Application was upheld due to the fact that M/s Avic International Holding did not meet the requirement of a Prime Sole Printer and being a security printer <p>The Entity was directed to:</p> <ul style="list-style-type: none"> -Ensure that all the Best Evaluated Bidders are subjected to the post qualification criteria as provided for in the solicitation document; and -Re-evaluate the two lots ie Lot 4 and Lot 5 which had been awarded to M/s Avic International Holding in line with the evaluation criteria stated in the bidding document.

No.	Name of Entity and Applicant	Subject of Procurement	Estimated Cost	Grounds for the Application for Administrative Review	PPDA Decision
14	Ms Akello Beatrice Vs Kaberamaido DLG	Renting Otuboi and Kalaki Livestock Markets	Ushs 3,045,000	The evaluation process was not carried out in accordance with the law.	Application for Administrative Review was upheld due to the fact that Ms Akello Beatrice's bid which was responsive in the procurement of Otuboi and Kalaki Livestock Markets was unfairly rejected by the contracts committee on the basis that the company was owned by Public officers.
15	Ms Victoria Region Motel Vs National Medical Stores	Catering services	Ushs 170,656,055/=	-M/s Victoria Region Motel had a bid price which was cheaper than M/s Keba Investment Ltd who was the Best Evaluated Bidder - There was no physical inspection of the premises of M/s Victoria Motel contrary to the requirements set in the bidding document	Application for Administrative Review was rejected due to the following reasons: -M/s Victoria Region Motel Limited's bid price was not considered since their bid was not responsive. -The Entity erred in not carrying out the site visit as stated in the evaluation criteria; The Entity was instructed to proceed with the procurement process.
16	M/s Assured Engineering Services Vs UNRA	Periodic maintenance of selected national roads; Lot 7 Lumbungu-Lyantonde road (50km)	Ushs 1,323,395,550/=	-The site engineer proposed by M/s Suzza Construction Company Limited (Best Evaluated Bidder) did not have the required 5 years experience.	Application for Administrative Review was upheld due to the following reasons: - M/s Suzza Construction Company Ltd was not compliant with bid validity period required by the Bidding Document -M/s Suzza should not have passed the eligibility and Administrative compliance stages should have been rejected and not evaluated further. Entity was instructed to re-tender the procurement
17	M/s Roalpa Investments Vs Serere DLG	Collection of revenue for Kasilo market	Ushs 5,360,000/=	Introduction of new evaluation criteria with regard to the national gender policy and Millennium Development goal	Application for Administrative Review was upheld due to the following reasons: -inconsistencies in the evaluation process and the Entity The Entity was directed to re-evaluate all the bids for renting of Kasilo market in accordance with the evaluation criteria in the bidding document.

No.	Name of Entity and Applicant	Subject of Procurement	Estimated Cost	Grounds for the Application for Administrative Review	PPDA Decision
18	M/s Busoga Taxi Operators & Driver's Association (BUTODA) Vs Jinja DLG	Management of Bugembe taxi park	1,350,000/=	-Powers of attorney was unwarranted	Application for Administrative Review was rejected due to the fact that M/s BUTODA did not have the required Power of Attorney. The Authority however noted that the procurement process was marred with illegalities and irregularities and therefore the Accounting Officer was directed to cancel and re-tender the procurement process. The Entity was directed to re-tender the procurement process
19	M/s Kamuli Rehabilitation and Savings Society Vs Jinja DLG	Management of the Buwenge Town Council taxi park	reserve price of the procurement was UGX 4,500,000/= per month	Relevancy of the Powers of Attorney	Application for Administrative Review was rejected due to the following reasons: -The solicitation document clearly required for the Powers of Attorney or written authorisation which the Complainant ignored The Authority however noted that the procurement process was marred with illegalities and irregularities and therefore the Accounting Officer was directed to cancel. The Entity was directed to re-tender the procurement process
20	M/s Fontana Auto Parts (u) Ltd Vs Uganda Electricity Distribution Company Limited (UEDCL)	Supply of 2000 drums of creosote oil	UGX 1,200,000,000	Validity of the documents submitted by Eximp Agencies" -The Bid Data Sheet required bidders to state DDP prices, and not CIP prices as Eximp Agencies displayed, and then responded to by stating "N/A".	The Application for Administrative Review was rejected due to the following reasons. -The Authority observed that Eximp Agencies submitted all the required eligibility documents applicable for a foreign bidder and not only the certificate of registration and VAT certificate as stated by the Complainant. -The requirement of the unit cost was not indicated under the Bid Data Sheet (BDS) and the BDS specifies details relevant to an individual bidding document. The Entity was directed to proceed with the procurement process.

No.	Name of Entity and Applicant	Subject of Procurement	Estimated Cost	Grounds for the Application for Administrative Review	PPDA Decision
21	M/s Precise Engineering Vs Nakapiripirit DLG	Consultancy services for the design of Kodike and Kaiku Gravity Flow Scheme	Ushs 37,100,000/=	M/s Precise felt that their documentation was compliant to the bid requirements and the process of evaluation was therefore not fair.	-Application for Administrative Review was upheld due the following issues -The Entity issued a bidding document which was not approved by the Contracts Committee and they did follow the Evaluation Methodology stated in the bidding document. The Entity was directed to re-tender the procurement process.
22	M/s China Geo Engineering Vs Manafwa DLG	Construction of ten boreholes under two lots	135,719,550	The complainant was not awarded any contract yet it had the lowest bids.	Application for Administrative Review was upheld due to the following reasons: -The Contracts Committee made an award in respect to Lot 2 to M/s E-Plus General Engineering who had not been recommended by the Evaluation Committee inspite of the advice given by the Head, Procurement and Disposal unit. -The Contracts Committee was directed to reconsider the Evaluation Committee recommendation to award to M/s China Geo Engineering Limited. However with regard to Lot 1, the Entity was instructed to proceed with the procurement process.
23	M/s Mayanja General Services Vs Iganga Municipal Council	Provide services of managing street parking in the municipal council	Ushs 650,000	-That the evaluation process was fraudulent and full of irregularities. -That the BEB did not have suitable experience to manage street parking. -That the complainant quoted the best price per month of 650,000 compared to the BEB.	Application for Administrative Review was upheld due to the following reasons: -The BEB had not provided sufficient evidence of experience as prescribed in the bidding document. The Entity was directed to re-tender since the other three firms that had submitted bids had failed at preliminary stage and the BEB had also not provided evidence of experience.

No.	Name of Entity and Applicant	Subject of Procurement	Estimated Cost	Grounds for the Application for Administrative Review	PPDA Decision
24	M/s O.K Noah Construction & General Supplies' Application Vs Dokolo DLG	P e r i o d i c Maintenance of Aneralibi-Ikuli Road (13 km) with funds under PAF and PRDP.	Ushs 182,887,000/=	-M/s O.K Noah Construction & General Supplies Ltd was technically compliant -There was no effort made by the evaluation committee to notify the other competing bidders for the same work of the material change in the amount quoted by M/s New Trust General Construction Co. Ltd	Application for Administrative Review was upheld due to the following reasons: -The provisions of Regulation 74 were not followed as the Entity should have sought clarification of the arithmetic errors from the bidders and as well inform the other bidders. -There was evidence of tampering with the documents of M/s O.K Noah after bid opening The Entity was directed to re-tender
25	Ms Ayayo Lillian Vs Kaberamaido DLG	Renting Achero Livestock Market.	Ushs 3,500,000	The reason for rejecting Ms Ayayo's bid was not based on the evaluation criteria set in the bidding document	Application for Administrative Review was upheld due to that fact that there was no evidence adduced by the Entity to substantiate the allegations of the Contracts Committee with regard to Ms Ayayo Lillian.
26	MOWT Vs M/s Omega Construction Ltd	Construction works for the project for social infrastructure development for promoting return and resettlement of internally displaced persons in the republic of Uganda funded by the Japan International Cooperation System (JICS)	Package 1 - USD 8,698,593. Package 2 - USD 2,923,441.	- Unfairly disqualifying M/s Omega's bid - Disregarding the post qualification criteria	The Application for Administrative Review was rejected due to the following reasons: - There was a conflict between the PPDA Act and the Agreements signed between the Government of Japan and the Government of Uganda and as such the Authority did not have jurisdiction to handle the Application for Administrative Review by M/s Omega Construction Ltd. -The JICS Uganda Office was advised to proceed to handle the procurement process in accordance with the applicable JICS procurement Guidelines and the Agency Agreement.

No.	Name of Entity and Applicant	Subject of Procurement	Estimated Cost	Grounds for the Application for Administrative Review	PPDA Decision
27	M/s Technology Associates Vs Ministry of Finance, Planning and Economic Development	Supply and installation of computer hardware, network equipment and related accessories to be used in IFMS roll out	USD 865,201.53.	The price of the Best Evaluated Bidder was too low to meet technical requirements set in the bidding document	Application for Administrative Review rejected due to the fact that the Authority did not find merit in the ground raised by the Complainant. The Entity was directed to proceed with the procurement process
28	M/s Medical Equipment consultants in JV with Vs Butabika Hospital	Supply of a CT scan for Mbarara Hospital.	US \$450,000/=	- The best evaluated bidder did not meet the minimum technical specification stated in the solicitation document for <u>X-ray Generator power output of 50kW or higher</u> the basis of our bid".	Application for Administrative Review rejected due to the following reason: The BEB, M/s Meditec Systems Limited submitted the required specification of 50kW and not 44.85kW as calculated by the complainant; The Entity was directed to proceed with the procurement process.
29	M/s Stericon Gmbh Vs Ministry of Health	Procurement of 120 million male condoms in two colours types namely Pink 90 million and Blue 30 million	USD \$ 3,600,000.	- M/s Stericon Gmbh bid met all eligibility, administrative and commercial criteria.	Application for Administrative Review was rejected due to the following: - It was a requirement in the solicitation document to include in the bid document cGMP certification issued by the relevant authority and that the certificate so issued should be in line with WHO certification scheme; However, the Authority advised the Entity to seek a No-Objection from Global Fund in order to ensure Value for Money in this procurement processes

No.	Name of Entity and Applicant	Subject of Procurement	Estimated Cost	Grounds for the Application for Administrative Review	PPDA Decision
30	M/s Farm Engineering International Limited's (FEIL) Vs Ministry of Works and Transport	Supply and delivery of road equipment and supervision Vehicles.	Ush 1,495,260,000/=	M/s Farm Engineering International Limited were the lowest in both Lot1 and 2 and were fully compliant with the requirements of the tender.	<p>Application for Administrative Review rejected due to the following reasons:</p> <ul style="list-style-type: none"> -With regard to Lot 1, the Motor Grader that was to be supplied by M/s FEIL was a Mitsubishi Motor Grader Model MG 330, 135HP (101 KW) yet the evidence submitted was for supply of Tata TG -14 Graders. -For Lot 2, M/s Farm Engineering Limited submitted evidence of locally supplying and providing after sales support for the equipment make/brand bided for not less than three years and was therefore the Best Evaluated Bidder -However, the Authority also noted that all the bids submitted by the bidders for both Lot 1 and 2 had since expired. -The Entity was directed to re-tender the procurement process for Lot 1 and Lot 2.
31	M/s Biomedics Products Vs National Medical Stores	Procurement of CD4 testing machines for HC IVs.	Ushs. 9,075,158,624/=	-That the specifications availed to NMS from the Ministry of Health were for the PIIMA CD4 Analyser.	<p>Application for Administrative Review was upheld due to the following reasons:</p> <ul style="list-style-type: none"> -The specifications which NMS issued to bidders were unique to a particular brand (i.e PIMA); -The specifications were discriminative against non-manufacturers/ distributors of PIMA and this is contrary to PPDA Regulation 265(1); Entity was instructed to re-tender the procurement process.

No.	Name of Entity and Applicant	Subject of Procurement	Estimated Cost	Grounds for the Application for Administrative Review	PPDA Decision
32	M/s Vector International Management Limited. Vs Civil Aviation Authority	Tender for consultancy services for Kasese and Gulu Airport development projects.	UShs. 200,000,000 and USShs. 300,000,000 respectively	The price of the Best Evaluated Bidder was unrealistically low.	Application for Administrative Review was rejected due to the following reasons: -On 11 th October 2011, the Entity issued a response to the various clarifications that changed the project scope for both airports in terms of detailed designs to be limited to airport pavements. - M/s Vector Management International bid for bigger scope of works than what was required as evidenced by their prices for both projects. -The clarifications that were made by the Entity took precedence over the provisions of the bidding document which contained a bigger scope of works
33	M/s Acacia Safaris Limited Vs Uganda Bureau of Statistics	Hire of UDHS vehicles for the UDHS survey.	Ug. Shs. 420,552,000/=	The Power of Attorney and the Articles and Memorandum of Association submitted by M/s Acacia Safaris Limited were authentic	Application for Administrative Review was rejected due to the following reasons: -M/s Acacia Safaris Limited did not submit the following documents in accordance with the requirements set in the bidding document: -A copy of certified certificate of incorporation/registration or equivalent; -A copy of certified Memorandum and Articles of Association; -A copy of notarised and registered power of attorney; and -A copy of certified current trading licence or equivalent. The Entity was directed to proceed with the procurement process

No.	Name of Entity and Applicant	Subject of Procurement	Estimated Cost	Grounds for the Application for Administrative Review	PPDA Decision
34	M/s Roko Construction Limited Vs Ministry of Finance, Planning and Economic Development	Tender for construction of the Auditor General's office.	Ushs 43,930,765,007	<p>A Power of Attorney existed in M/s Roko Construction Ltd's bid contrary to the results of the evaluation process</p> <ul style="list-style-type: none"> - M/s Roko Construction Limited's bid price was cheaper than M/s Seyani and Brothers Construction's bid price 	<p>Application for Administrative Review was rejected due to the following reasons:</p> <ul style="list-style-type: none"> -M/s Roko Construction Limited did not submit a Power of Attorney and was thus non-compliant to the administrative criteria; -A Power of Attorney is a material requirement and its omission is a material deviation which cannot be waived; and -M/s Roko Construction Ltd's financial bid was not evaluated further in accordance with PPDA Regulation 190 (2) (a); and <p>The Entity was directed to proceed with the procurement process.</p>

Annex 4: Table showing the suspended provider and Directors, reasons for suspension , duration of suspension and the Entity that recommended the suspension.

No	PROVIDER & DIRECTORS	REASON FOR SUSPENSION	DURATION OF SUSPENSION	PROCURING & DISPOSING ENTITY
1	<p>M/s Madav Contra Limited Directors: Mr. Masereke David Mr. Kabughho Yolde</p>	<p>-Deviating from the contract specifications without approval by the District Contracts Committee -Using higher rates that those originally quoted in the bills of quantities -Failure to refund Ushs. 78,000,000 or rectify the works as requested</p>	Five (5) Years effective 20 th July, 2010	Bundibugyo District Local Government
2	<p>M/s Sualf Construction Company Limited Directors: Mr. Kiiza Bernard Mr. Mugenyi Edward Mr. Ahimbisibwe Paddy</p>	<p>Failure to implement the construction of Kikyoo Gravity Flow Scheme as per the terms, conditions, drawings and specifications of the contracts Invoicing for work not done</p>	Five (5) Years effective 20 th July, 2010	Bundibugyo District Local Government
3	<p>M/s Basangira Building Contractors (1977) Limited Directors: Mr. John Baptist Basangira Mr. Roy Karugaba Mr. Richard Muhumuza Ms Lillian Manoro Mr. Israel Kakungulu.</p>	<p>Omitting of necessary fittings and failure to complete the project due to lack of necessary fittings in the system Claiming and being paid for work not done</p>	One (1) year effective 20 th July, 2010	Bundibugyo District Local Government

No	PROVIDER & DIRECTORS	REASON FOR SUSPENSION	DURATION OF SUSPENSION	PROCURING & DISPOSING ENTITY
4	<p>M/s Kabu Auctioneers and Court Bailiffs</p> <p>Directors: Mr. Jomo Kashaija Mr. Herman Buyambi</p>	<p>Failure to remit auction funds worth Ushs. 38,700,000</p>	<p>Three (3) years effective 17th September, 2010</p>	<p>Ministry of Water and Environment</p>
5	<p>M/s Ayemo Investments Ltd</p> <p>Directors: Mr. Opua Alex Ms Rwebuga Annet.</p>	<p>Breaching the Ethical Code of conduct for Providers by submitting forged Advance Payment Guarantee and Performance Guarantee of Shs 207,905,879 and 103,952,940 respectively on the basis of which the company was paid UShs. 244,449,034 thus causing financial loss to the entity.</p>	<p>Three (3) years Effective 8th October, 2010</p>	<p>Private Sector Foundation</p>
6	<p>M/s Real Engineering Contractors Ltd</p> <p>Directors: -Mr Semanda James; -Mr Byaruhanga Julius; -Mr Tweheyo Emmanuel</p>	<p>Submitting a forged Uganda National Association of Building and Civil Engineering Contractors (UNAB-CEC) Certificate.</p>	<p>One (1) year effective 8th October, 2010</p>	<p>National Medical Stores</p>

No	PROVIDER & DIRECTORS	REASON FOR SUSPENSION	DURATION OF SUSPENSION	PROCURING & DISPOSING ENTITY
7	<p>M/s Liberty Construction Company Limited Directors</p> <ul style="list-style-type: none"> -Mr Mabiro Godfrey Edmund; -Mr Rusongoza Patrick Kusemerwa; -Mr Musoke Cyrus Nkonge; -Mr Kirume Joel John; -Dr Daniel Onen Kaitaita; and -Dr Richard Ssuna 	<p>Submission of a forged bid security purported to have been issued by Barclays Bank.</p> <p>The guarantee and the line of credit submitted by M/s Liberty Construction Limited were not issued by the Bank. The bid bond and the line of credit were worth Ushs 60,000,000/= and Ushs 850,000,000/= respectively.</p>	<p>One (1) Year effective 11th November 2010</p>	<p>Ministry of Water and Environment</p>
8	<p>M/s Dhema Agencies Limited Directors</p> <ul style="list-style-type: none"> MR Mugisha Henry; Ms Arinatwe Maria; and Ms Musiime Martha. 	<p>Submission of two forged bid securities of Ushs 20,000,000/= to Private Sector Foundation Uganda purported to have been issued by Barclays Bank. This amounts to fraudulent conduct and is in breach of the Code of Ethics of Providers as provided for in PPDA Guideline 4/2003.</p>	<p>One (1) Year effective 20th October 2010</p> <p>PSFU</p>	
9	<p>M/s Ibhaccon Services Ltd Mr Ibanda Moses</p>	<p>The Company submitted to Makerere University Business School forged bid securities on two occasions in 2009 and 2011 which amounted to a breach of the Code of Ethical conduct for bidders and Providers.</p>	<p>FOUR YEARS effective from 5th May 2011</p>	<p>Makerere University Business School</p>

No	PROVIDER & DIRECTORS	REASON FOR SUSPENSION	DURATION OF SUSPENSION	PROCURING & DISPOSING ENTITY
10	<p>M/s Qualimax (U) Limited Mr Olado Francis; Mr Kwatum E. Peter; Mr Kirya Benard; and Mr Obicho Samson</p>	<p>-Poor quality work; -Abandoning site without notice to the employer; -Failure to complete site works by the intended date; Failure to abide by the site instructions issued by the site supervisor; Entering into an agreement with a sub-contractor without getting all the necessary approvals by the employer/or its representative that is contrary to the requirements of the procurement process. The above was in respect to the tenders for construction of Kanchung HC II OPD block and construction of the Sub-County Chief's house</p>	<p>FIVE YEARS effective 23rd June 2011</p>	<p>Dokolo District</p>
11	<p>M/s Kabila Technical Services Mr Abila Tom; Mr Owani Charles; and Mr Okech Jimmy.</p>	<p>-Failure to fulfil contractual obligations; -Abandoning the site; and -Causing financial loss to the Government of Uganda which amounted to a breach of the Code of Ethical conduct for bidders and Providers. The above was in respect to the tender for the construction of a staff house at Kihagani Primary School.</p>	<p>FIVE YEARS effective from 23rd June 2011</p>	<p>Masindi District</p>
12	<p>M/s Motor Centre Limited Directors: Mr. Joseph Robins Ssemuwemba Ms. Annet Ssemuwemba</p>	<p>Submitting an illegitimate Manufacturer's Authorization purportedly from M/s Toyota Motor Thailand Co. Ltd thereby breaching the Code of Ethics for Providers</p>	<p>One (1) year effective 22nd April, 2010</p>	<p>Office of the President</p>

Annex 5: Details of investigated cases

1	<p>Entity: Uganda Prison Services</p> <p><i>The PPDA received a complaint from a whistleblower citing irregularities in the procurement of agricultural machinery (Lot 1, 2 and 3).</i></p>	
	<p style="text-align: center;">Findings</p> <ul style="list-style-type: none"> • M/s Cooper Motor Corporation (U) Ltd, M/s H.M Capital and M/s Farm Engineering Industries Ltd did not meet the requirements of the tender hence they were not responsive. • M/s Engineering Solutions (U) Ltd did not meet all the requirements of the tender but they were awarded the tender. This depicted a favour to M/s Engineering Solutions (U) Ltd and unfair treatment to the other bidders who were failed for non-responsiveness. 	<p style="text-align: center;">Recommendations</p> <ul style="list-style-type: none"> • The Accounting Officer should take appropriate disciplinary action against members of the evaluation committee for recommending award to a bidder who had not satisfied the technical requirements of the tender. • The Accounting Officer should re-design the specifications, debrief the four bidders who participated in the tender and invite them to bid under Restricted Bidding method.
2	<p>Entity: Uganda Police Force</p> <p><i>The PPDA received a complaint from a whistleblower citing irregularities in the procurement of Motor Vehicles, Motorcycles and Bicycles for policing elections</i></p>	
	<p style="text-align: center;">Findings</p> <ul style="list-style-type: none"> • Management of the contract was poor. This led to the expiry of all contract without being amended to capture the time variation. As a result, there were not valid contracts between Uganda Police and M/s Nile Fishing Company, M/s Toyota (U) Ltd and M/s Tata (U) Ltd respectively leading to a breach of the contracts. • The following deliveries had not yet been made – 1200 motorcycles, 100 Mountain bicycles, 2 Toyota Land Cruiser Ambulance, 85 Single Cabin pick-up and 1 Fuel Tanker yet contracts had expired. • The Entity issued two different solicitation documents to M/s Honda (U) Ltd and as such, M/s Honda issued a faulted bid. 	<p style="text-align: center;">Recommendations</p> <ul style="list-style-type: none"> • The Accounting Officer should caution the User Department for failure to appoint a contract manager to oversee contract implementation as well as manage the obligation and duties specified in the contract in accordance with Reg. 259 and 260. • Appropriate disciplinary action should be taken against the three (3) providers e.g suspension of the provider as per Section 94 of the PPDA Act, 2003, for breach of contractual obligations. • The Accounting Officer should take appropriate disciplinary action against Mr. Patrick Naloda for issuing a solicitation document to M/s Honda (U) Ltd before it was officially released.

1	<p>Entity: Uganda Prison Services</p> <p><i>The PPDA received a complaint from a whistleblower citing irregularities in the procurement of agricultural machinery (Lot 1, 2 and 3).</i></p>	
3	<p>Entity: Ministry of Tourism, Trade and Industry</p> <p><i>The Authority received a complaint from M/s Ntinda Industrial Estate Development Association Ltd concerning the disposal of land at Ntinda Industrial Estate by Management Training Advisory Centre (MTAC)</i></p>	
	<p style="text-align: center;">Findings</p>	<p style="text-align: center;">Recommendations</p>
	<ul style="list-style-type: none"> • The disposal of land to M/s Charms (U) Ltd and M/s Pearl Real Estates Ltd (Plot 15 and Plot 17 respectively) was done by the Uganda Land Commission with the permission of Ministry of Tourism, Trade and Industry who gave a 'No Objection' in disregard of the PPDA disposal procedure. • It is also evident that MTAC was involved in identifying the two investors – M/s Charms (U) Ltd and M/s Pearl Real Estates Ltd – with the intention of entering into a private public partnership. Therefore, they played a leading role since they never advised the Ministry that the estate had sitting tenants. 	<ul style="list-style-type: none"> • The Accounting Officer of MTTI takes overall responsibility for failure to adhere to the disposal procedures enshrined in the PPDA Act and Regulations, 2003.
4	<p>Entity: Uganda National Road Authority (UNRA)</p> <p><i>The Authority received a complaint from M/s UNIK Construction Engineering Ltd regarding the staged construction of various paved road (Lot A and B)</i></p>	
	<p style="text-align: center;">Findings</p>	<p style="text-align: center;">Recommendations</p>
	<ul style="list-style-type: none"> • At the time of evaluation, the bid submitted by M/s UNIK Construction Engineering Ltd was contentious on the 180 Km Sebina Junction to Nata Road in Botswana. However, PPDA confirmed its existence and that award was made and confirmed by the the Public Procurement & Assets Disposal Board (PPDAB) – Botswana. 	<p>The Authority advised that any further decisions by the Entity on this matter should take into consideration information submitted by the PPADB.</p>

1	<p>Entity: Uganda Prison Services</p> <p><i>The PPDA received a complaint from a whistleblower citing irregularities in the procurement of agricultural machinery (Lot 1, 2 and 3).</i></p>					
5	<p>Entity: Ministry of Justice and Constitutional Affairs</p> <p><i>The Authority received the complaint from Mr. Moses Omodinga regarding the procurement of consultancy services for production of JLOS Mapping using GIS Technology</i></p> <table border="1" data-bbox="272 528 1375 1104"> <thead> <tr> <th data-bbox="272 528 799 595">Findings</th> <th data-bbox="799 528 1375 595">Recommendation(s)</th> </tr> </thead> <tbody> <tr> <td data-bbox="272 595 799 1104"> <ul style="list-style-type: none"> The Ministry of Justice and Constitutional Affairs acted within the principles of fairness and competition as enshrined in Sections 45 and 46 of the PPDA Act, 2003 respectively. The bid document did not refer to preference of experience in software from any specific company. Reference to software such as ArcGIS and ArcView was for guidance (from consultations with Information Technology [IT] people and other Government Agencies such as Uganda Bureau of Standards, Directorate of Water Development that are/have used similar software) and this was not intended to restrict bidders to this software. </td> <td data-bbox="799 595 1375 1104"> <ul style="list-style-type: none"> The Entity should proceed with the procurement in accordance with the PPDA Act, 2003 and Regulations, 2003. </td> </tr> </tbody> </table>		Findings	Recommendation(s)	<ul style="list-style-type: none"> The Ministry of Justice and Constitutional Affairs acted within the principles of fairness and competition as enshrined in Sections 45 and 46 of the PPDA Act, 2003 respectively. The bid document did not refer to preference of experience in software from any specific company. Reference to software such as ArcGIS and ArcView was for guidance (from consultations with Information Technology [IT] people and other Government Agencies such as Uganda Bureau of Standards, Directorate of Water Development that are/have used similar software) and this was not intended to restrict bidders to this software. 	<ul style="list-style-type: none"> The Entity should proceed with the procurement in accordance with the PPDA Act, 2003 and Regulations, 2003.
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1	<p>Entity: Uganda Prison Services</p> <p><i>The PPDA received a complaint from a whistleblower citing irregularities in the procurement of agricultural machinery (Lot 1, 2 and 3).</i></p>	
7	<p>Entity: National Medical Stores</p> <p><i>The Authority received a complaint from M/s Goldstar Insurance Company Ltd citing irregularities in the procurement process for the provision of Insurance Services</i></p>	
	<p>Findings</p> <ul style="list-style-type: none"> Though M/s Goldstar Insurance Co. Ltd offered a lower price than M/s Statewide Insurance Co. Ltd, it did not meet the tender requirements, in particular the Group Personal Accident and hence it was not the Best Evaluated Bidder for award of contract. 	<p>Recommendations</p> <ul style="list-style-type: none"> The Entity should proceed with the procurement in accordance with the PPDA Act, 2003 and Regulations, 2003.
8	<p>Entity: Electoral Commission</p> <p><i>The PPDA received a complaint from a whistleblower regarding the procurement of indelible ink for the February 2011 elections</i></p>	
	<p>Findings</p> <ul style="list-style-type: none"> In the second evaluation report, the Evaluation Committees recommended re-tendering (since both bidders did not meet the requirements of 15 mls volume). However, the Contracts Committee instead “recommended award” to M/s Arnold Brooklyn & Co. Ltd contrary to the evaluation committee’s recommendation. <p>The evaluation committee introduced evaluation criterion (Total weight of ink [gms]) that was not specified in the solicitation document and not made known to the bidders. This breached Regulation 172(1).</p>	<p>Recommendations</p> <ul style="list-style-type: none"> The Contracts Committee should ensure that in case of a disagreement between them and the evaluation committee (PDU), the evaluation report is returned to the PDU for review or a request for independent review is sought from the Authority in accordance with Section 33 of the PPDA Act. The Accounting Officer should take appropriate disciplinary action against members of the evaluation committee for introducing an evaluation criterion not specified in the solicitation document.
9	<p>Entity: National Council for Higher Education</p> <p><i>The Authority received a complaint from Mr. Francis Kasomere Kabwechere, a Human Resources and Institutional Development Specialist regarding the tender for the study and evaluation of National Council for Higher Education.</i></p>	
	<p>Findings</p> <ul style="list-style-type: none"> The Authority notes that the bid opening was held on 31st May 2011 contrary to the date stated in the solicitation document of 25th May 2011. Only two (2) bidders were recorded using the Entity’s ordinary register for incoming mail/documentation i.e Francis Kabwechere (11.45 a.m) and PSI Consult (12.01p.m). However, some bidders who submitted bids did not register namely; MTAC and AH Consulting. 	<p>Recommendations</p> <ul style="list-style-type: none"> The procurement of consultancy services for the study and evaluation of NCHE should be cancelled and re-tendered in accordance with the PPDA Act and Regulations 2003. The Accounting Officer should take disciplinary action against the Procurement Officer and Contracts Committee for negligence with regard to the bid closing process for this procurement.

1	<p>Entity: Uganda Prison Services</p> <p><i>The PPDA received a complaint from a whistleblower citing irregularities in the procurement of agricultural machinery (Lot 1, 2 and 3).</i></p>	
10	<p>Entity: Kaderuna Secondary School</p> <p><i>Construction of a 3 (2) classroom block, 2 VIP 5-stance latrines and a science laboratory under the UPPET Project of the World Bank by Ministry of Education and Sports</i></p>	
	<p style="text-align: center;">Findings</p>	<p style="text-align: center;">Recommendations</p>
	<ul style="list-style-type: none"> • Bidders were not notified of the arithmetic corrections in their bid proposals contrary to Regulation 192 (3) of the PPDA Regulations, 2003. • M/s Nankoma General Enterprises was unfairly treated when they denied the firm the contract during the first evaluation noting that their bid quotation of UGX 241,943,200/= was way above the Ministry's ceiling of UGX 246,563,484/=. 	<ul style="list-style-type: none"> • The Accounting Officer should caution the members of the Evaluation Committee (Mr. Ochola Clement, Ms. Kakumba Annet, Eng. Musisi Rajab, Mr. Pogoto Christopher and Ms. Lukiya Kagoya) for failure to notify bidders of arithmetic errors in the bid proposals of M/s Nankoma General Enterprises and M/s Kagumu Development Organisation.
11	<p>Entity: Uganda Electricity Distribution Company Ltd</p> <p><i>The PPDA received a complaint from a concerned citizen regarding the breach of PPDA Regulations and procedures by UEDCL</i></p>	
	<p style="text-align: center;">Findings</p>	<p style="text-align: center;">Recommendations</p>
	<ul style="list-style-type: none"> • Regarding the investment of UGX 27bn=, the Authority noted that UEDCL did not follow the PPDA Act and Regulations, 2003. • The Authority did not find evidence of flaws regarding the payment of VAT on accounts receivable allocated to Umeme Ltd when it was assigned to operate and maintain the distribution system through the billing of its customers for electricity consumed and collecting revenue accruing since this matter was being handled amicably between UEDCL and Umeme. 	<ul style="list-style-type: none"> • In accordance with Section 9 of the PPDA Act, 2003 and based on the findings and observations, the Authority recommends that the Entity should apply for accreditation from PPDA on investments to allow them use an alternative procurement system in accordance with Regulation 342 of the PPDA Regulations, 2003.

1	<p>Entity: Uganda Prison Services</p> <p><i>The PPDA received a complaint from a whistleblower citing irregularities in the procurement of agricultural machinery (Lot 1, 2 and 3).</i></p>	
12	<p>Entity: Office of the President</p> <p><i>The Authority received a complaint from M/s Africa One Tours and Travel Explore through their lawyers M/s Kayanja and Co. Advocates regarding the hire of vehicles during the swearing-in ceremony for the President-elect.</i></p>	
	<p style="text-align: center;">Findings</p>	<p style="text-align: center;">Recommendations</p>
	<ul style="list-style-type: none"> • Some vehicles that were inspected under the names of M/s Africa One Tours & Travel Explore Africa were contracted under M/s Travel Wonders Discovery while inspection reports for three vehicles that had been initially inspected under the names of M/s Africa One Tours & Travel Explore Africa were crossed and changed to M/s Country Safaris and were among the vehicles hired under M/s Country Safaris contrary to Section 45 of the PPDA Act, 2003. • M/s Africa One Tours & Travel Explore Africa's vehicles were eliminated due to failure to meet the specification on year of manufacture and yet other firms that did not meet this specification were passed namely; M/s Travel Wonders Discovery and M/s Country Safaris. • The use of the wrong procurement method i.e. restricted bidding instead of the open bidding method without approval from the Authority contrary to Regulation 106 (4), Guideline No 1/2003 and Regulation 339. 	<ul style="list-style-type: none"> • The Permanent Secretary, Ministry of Works and Transport should take appropriate disciplinary action against Eng. Winfred Naluyinda, the Coordinator of the Transport Sub-Committee and the members of the inspection team for the irregularities noted during the inspection of the vehicles. • The Accounting Officer, OP should take appropriate disciplinary action against the Contracts Committee and Head, Procurement and Disposal Unit for using the wrong method of procurement and reducing the bidding periods and display of best evaluated bidder notice without seeking for authority from PPDA contrary to PPDA Regulation 339.

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13	<p>Entity: Ministry of Water and Environment</p> <p><i>The Authority received a complaint from Mr. Andrew Muhimbise of Procurement Initiatives, Africa, Uganda Chapter regarding the supply, delivery and installation of Wind Shear Equipment to Metrology Department</i></p> <table border="1" data-bbox="272 533 1383 1122"> <thead> <tr> <th data-bbox="272 533 799 591">Findings</th> <th data-bbox="799 533 1383 591">Recommendations</th> </tr> </thead> <tbody> <tr> <td data-bbox="272 591 799 1122"> <ul style="list-style-type: none"> MoWE did not alter or amend the content or substance of the bid document but rather emphasized the need for bidders to state clearly what technical specifications they were providing under Section 6; Statement of requirements. Therefore, <i>Regulation 127 (3) was not contravened.</i> The solicitation document was not vague as claimed. The placement of the statement requiring bidders “<i>to state technical specifications in addition to comply</i>” under Section 6 was known to all bidders and was not an additional consideration under evaluation. The Entity therefore did not act contrary to Section 71(2), Section 73 and Regulation 134. </td> <td data-bbox="799 591 1383 1122"> <ul style="list-style-type: none"> The Entity should proceed with the procurement in accordance with the PPDA Act, 2003 and Regulations, 2003. </td> </tr> </tbody> </table>		Findings	Recommendations	<ul style="list-style-type: none"> MoWE did not alter or amend the content or substance of the bid document but rather emphasized the need for bidders to state clearly what technical specifications they were providing under Section 6; Statement of requirements. Therefore, <i>Regulation 127 (3) was not contravened.</i> The solicitation document was not vague as claimed. The placement of the statement requiring bidders “<i>to state technical specifications in addition to comply</i>” under Section 6 was known to all bidders and was not an additional consideration under evaluation. The Entity therefore did not act contrary to Section 71(2), Section 73 and Regulation 134. 	<ul style="list-style-type: none"> The Entity should proceed with the procurement in accordance with the PPDA Act, 2003 and Regulations, 2003.
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15	<p>Entity: Lumino Community Polytechnic, Busia</p> <p><i>The Authority received a complaint from one of the bidders, M/s Bagwe Builders Ltd citing irregularities the procurement process of the construction of a Two-Classroom Block and a Twin Workshop Block.</i></p> <table border="1" data-bbox="272 546 1383 1234"> <thead> <tr> <th data-bbox="272 546 799 600">Findings</th> <th data-bbox="799 546 1383 600">Recommendations</th> </tr> </thead> <tbody> <tr> <td data-bbox="272 600 799 1234"> <ul style="list-style-type: none"> • The solicitation document was not approved by the CC; • The issue and receipt of bids was done using the Visitor's Register and not in the recommended PPDA format; • The solicitation document issued to bidders did not have the preliminary evaluation criteria; • The Evaluation Committee developed the preliminary evaluation criteria during evaluation. Therefore, they did not have a basis for failing or passing the bidders; • St. Mugagga submitted additional information after bid closure, that is, Powers of Attorney, Trading Licence, Income Tax Clearance as well as evidence of equipment for the assignment. </td> <td data-bbox="799 600 1383 1234"> <ul style="list-style-type: none"> • Lumino Community Polytechnic should re-tender the procurement for the construction of a two-classroom block and a twin-workshop block using a Standard Bidding Document (SBD) provided by the PPDA. • The Entity should ensure that the evaluation criteria is stated in the bid document in accordance Reg. 172 (1). • The Accounting Officer takes appropriate disciplinary action against the Head Procurement and Disposal Unit, Mr. Aisu Joseph Edotun for failure to include the evaluation criteria in the solicitation document. • The Accounting Officer should take disciplinary action against the EC for wrongly awarding scores to St. Mugagga after submitting additional information. </td> </tr> </tbody> </table>		Findings	Recommendations	<ul style="list-style-type: none"> • The solicitation document was not approved by the CC; • The issue and receipt of bids was done using the Visitor's Register and not in the recommended PPDA format; • The solicitation document issued to bidders did not have the preliminary evaluation criteria; • The Evaluation Committee developed the preliminary evaluation criteria during evaluation. Therefore, they did not have a basis for failing or passing the bidders; • St. Mugagga submitted additional information after bid closure, that is, Powers of Attorney, Trading Licence, Income Tax Clearance as well as evidence of equipment for the assignment. 	<ul style="list-style-type: none"> • Lumino Community Polytechnic should re-tender the procurement for the construction of a two-classroom block and a twin-workshop block using a Standard Bidding Document (SBD) provided by the PPDA. • The Entity should ensure that the evaluation criteria is stated in the bid document in accordance Reg. 172 (1). • The Accounting Officer takes appropriate disciplinary action against the Head Procurement and Disposal Unit, Mr. Aisu Joseph Edotun for failure to include the evaluation criteria in the solicitation document. • The Accounting Officer should take disciplinary action against the EC for wrongly awarding scores to St. Mugagga after submitting additional information.
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16	<p>Entity: Ministry of Works and Transport</p> <p><i>The Authority received a complaint from M/s Acacia Safaris Ltd and and M/s Bunyonyi Safaris Ltd citing irregularities in the tender for provision of vehicle rental services during the African Union (AU) Summit of 19-26 July 2010.</i></p> <table border="1" data-bbox="272 1391 1383 1998"> <thead> <tr> <th data-bbox="272 1391 799 1480">Findings</th> <th data-bbox="799 1391 1383 1480">Recommendations</th> </tr> </thead> <tbody> <tr> <td data-bbox="272 1480 799 1998"> <p>The Authority notes that there were irregularities in the procurement process for rental of cars for the African Union Summit and the key basic principles of procurement were flouted. The Entity was not in charge of the process, it did not exercise fairness and competition while contracting firms to offer the above services.</p> </td> <td data-bbox="799 1480 1383 1998"> <ul style="list-style-type: none"> • The Accounting Officer should take disciplinary action against the members of the Contracts Committee and Head PDU for the irregularities in the procurement process. • Appropriate disciplinary action should be taken against the Head PDU and Contracts Committee for using wrong procurement method and for exhibiting unfairness and lack of transparency in the procurement process. • Appropriate disciplinary action should be taken against the Head PDU for failure to send notice of best evaluated bidder notice to all bidders who participated in the procurement process in accordance with Reg. 224 (5 & 6). </td> </tr> </tbody> </table>		Findings	Recommendations	<p>The Authority notes that there were irregularities in the procurement process for rental of cars for the African Union Summit and the key basic principles of procurement were flouted. The Entity was not in charge of the process, it did not exercise fairness and competition while contracting firms to offer the above services.</p>	<ul style="list-style-type: none"> • The Accounting Officer should take disciplinary action against the members of the Contracts Committee and Head PDU for the irregularities in the procurement process. • Appropriate disciplinary action should be taken against the Head PDU and Contracts Committee for using wrong procurement method and for exhibiting unfairness and lack of transparency in the procurement process. • Appropriate disciplinary action should be taken against the Head PDU for failure to send notice of best evaluated bidder notice to all bidders who participated in the procurement process in accordance with Reg. 224 (5 & 6).
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27	<p>Entity – Electoral Commission</p> <p><i>Tender for supply of Ballot Papers for Presidential, General Parliamentary and Local Governments Council Elections 2011 – The PPDA received a complaint from a whistleblower after display of BEB notice.</i></p>					
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1	<p>Entity: Uganda Prison Services</p> <p><i>The PPDA received a complaint from a whistleblower citing irregularities in the procurement of agricultural machinery (Lot 1, 2 and 3).</i></p>	
28	<p>Entity – Manafwa District</p> <p><i>The Authority received an anonymous complaint regarding the irregular works on Bukhaweka-Butiru Road</i></p>	
	<p style="text-align: center;">Findings</p>	<p style="text-align: center;">Recommendations</p>
	<ul style="list-style-type: none"> ○ There was no single record on the works on file apart from a payment voucher under the custody of the Chief Finance Officer, Mr. Joseph Mandu, who was elusive and refused to meet the Authority staff; and ○ It is evident that no procurement was undertaken but money worth UGX 80,000,000/= was withdrawn from Manafwa District General Fund Account for this procurement. 	<p>This fraud should be investigated by the Criminal Investigations Department of the Uganda Police Force.</p>
29	<p>Entity – Electoral Commission</p> <p><i>Tender for supply of Ballot Papers for Presidential, General Parliamentary and Local Governments Council Elections 2011 – The PPDA received a complaint from M/s Madras Security Printers Private Ltd after display of BEB notice.</i></p>	
	<p style="text-align: center;">Findings</p>	<p style="text-align: center;">Recommendations</p>
	<ul style="list-style-type: none"> • M/s Madras Security Printers Private Ltd did not meet the requirement of ten years experience in security printing. The bidder was rightly eliminated at preliminary stage since the firm was registered in 2009 and therefore couldn't have had experience of ten years. 	<p>There was no merit in the complaint submitted by M/s Madras Security Printers Private Ltd and the Authority advised the Entity to proceed with the procurement process.</p>
30	<p>Entity – Sembabule District</p> <p><i>Irregularities in the tender for the Construction of Valley Dams in Sembabule District – One of the bidders, M/s Victoria Construction complained to PPDA that their firm had been denied the tender. M/s Victoria Construction, the complainant withdrew the case.</i></p>	

1	Entity: Uganda Prison Services					
	<i>The PPDA received a complaint from a whistleblower citing irregularities in the procurement of agricultural machinery (Lot 1, 2 and 3).</i>					
	Entity – Ntare School					
	<i>The tender for construction of a 12-dormitory double storeyed building at Ntare School – The PPDA received a complaint from Ahimbisimbwe Jackson after award of contract.</i>					
31	<table border="1"> <thead> <tr> <th>Findings</th> <th>Recommendations</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> The Deputy Headmaster usurped the role of PDU; Some CC members participated in conducting the evaluation; The BEB was displayed before award of contract by the CC; the AO communicated awarded the contract before expiry of BEB notice; the AO did not seek clearance of contract from SG; </td> <td> <ul style="list-style-type: none"> The AO should transfer the role of PDU from the Deputy Headmaster, Mr. Tumushabe Eliab to the Bursar. The Accounting Officer should discipline the CC members who participated in the evaluation of bids. The Permanent Secretary, Ministry of Education and Sports, should caution the Headmaster of Ntare School, Mr. H. Ahimbisibwe, for failure to seek Solicitor General's approval for the contract worth UGX 1,209,621,516 and communicating award of contract before expiry of the BEB notice. </td> </tr> </tbody> </table>	Findings	Recommendations	<ul style="list-style-type: none"> The Deputy Headmaster usurped the role of PDU; Some CC members participated in conducting the evaluation; The BEB was displayed before award of contract by the CC; the AO communicated awarded the contract before expiry of BEB notice; the AO did not seek clearance of contract from SG; 	<ul style="list-style-type: none"> The AO should transfer the role of PDU from the Deputy Headmaster, Mr. Tumushabe Eliab to the Bursar. The Accounting Officer should discipline the CC members who participated in the evaluation of bids. The Permanent Secretary, Ministry of Education and Sports, should caution the Headmaster of Ntare School, Mr. H. Ahimbisibwe, for failure to seek Solicitor General's approval for the contract worth UGX 1,209,621,516 and communicating award of contract before expiry of the BEB notice. 	
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32	Entity: Uganda Cancer Institute: Procurement for construction of a five-level cancer ward for Uganda Cancer Institute at Mulago Hospital					
	<ul style="list-style-type: none"> Among the post-qualification criteria there were requirements for the Contract Manager and Site Agent/Engineer to be Registered Engineers with the option of a Registered Architect for Contract Manager. The Authority verified the status of registration of Mr Chelliah Ruthiralingam with ERB and it was confirmed that Mr. Chelliah Ruthiralingam is not registered with ERB as 15th November 2010. M/s Ambitious did not present any evidence in their bid that proposed Site Engineer Mr Ram Krishna is a Registered Engineer. 	<ol style="list-style-type: none"> The Accounting Officer should immediately compel the contractor to replace the Current Contract Manager –Chelliah Ruthiralingam and the Site Engineer Rama Krishna with Registered Engineers with five years working experience. It is the opinion of the Authority that construction works should not continue until the above replacement has been done. The Accounting Officer should take disciplinary action against the members of the evaluation committee namely: Mr Mathew Okello, Arch Denis Kiberu, Muhanguzi Richard and Mrs Edidah Busingye for the gross errors exhibited in the evaluation process. 				
33	Entity: Kyenjojo DLG: Complaint on the irregularities in the tender for revenue collection from Kyenjojo Taxi and Lorry parks					

1	Entity: Uganda Prison Services <i>The PPDA received a complaint from a whistleblower citing irregularities in the procurement of agricultural machinery (Lot 1, 2 and 3).</i>	
	<ul style="list-style-type: none"> The HPDU received the bid for Mr. Kasaija Stephen Mwanga after bid closing time. The Contracts Committee erred when they approved open oral bidding or auction which is non-existent in the PPDA Regulations. The Accounting Officer erred in authorising the radio announcement for a process not recognised under the PPDA Act and Regulations. The CAO also breached Regulation 13(1) - independence of functions - when he directed the Head PDU to conclude the procurement process on 20th October 2010. The action of the CAO amounted to interfering with the procurement process. As a result of the auction whose only criterion was price, Mr. Kasaija won the tender and hence the award was made to a bidder who lacked the required capacity stated originally in the bidding document. 	<ul style="list-style-type: none"> The Accounting Officer should take appropriate disciplinary action against Head PDU for accepting a late bid, which action is contrary to Regulation 70(6-8) of the PPDA Regulation 2006. The Accounting Officer should take appropriate disciplinary action against the for approving a procurement method which does not exist, a procurement process not recognised under the PPDA Act. The Accounting Officer takes full responsibility for sanctioning an advert for a legally unrecognised procurement process and for interfering with the procurement process. The Accounting Officer should not renew the contract of Mr. Kasaija S Stephen. The tender should be immediately advertised and the procurement process should follow the PPDA law.
34	Entity: Uganda Bureau of Statistics – Complaint on the tender for procurement of Solar Systems for CIS	
	<p style="text-align: center;">Findings</p>	<p style="text-align: center;">Recommendations</p>
	<ul style="list-style-type: none"> The Authority concluded that it could not prove whether the PDU was biased as claimed by the complainant; however, the proposed advance payment appears exorbitant and unsecured. There is no evidence that there were forces dictating the need for advance payment in line with Reg. 149(1). 	<ul style="list-style-type: none"> The Accounting Officer may proceed with the procurement taking into consideration the advice given above and the findings in the report.
35	Entity: Kitgum DLG – Investigation on the advert run by Kitgum DLG on 23rd September 2010 inviting bids for works and services for FY 2010/2011	

1	Entity: Uganda Prison Services <i>The PPDA received a complaint from a whistleblower citing irregularities in the procurement of agricultural machinery (Lot 1, 2 and 3).</i>	
	Findings	Recommendations
	<ul style="list-style-type: none"> The Authority established that although there were anomalies with the advert and the procurement requisition, the entity has corrected the anomalies through retrospective approvals and amendment of the bidding document. However, the bidding period is insufficient since the bidding documents were not made available to the bidders in time. 	<ul style="list-style-type: none"> The Entity should proceed with the procurement process in accordance with the procedures and regulations enshrined in the Local Government (PPDA) Regulations, 2006. The Contract Committee should desist from making retrospective approvals. The Accounting Officer should extend the bidding period to allow the bidders sufficient time to prepare and submit bids.
36	<i>Entity: National Medical Stores – Procurement of drugs for the Uganda Cancer Institute by National Medical Stores</i>	
	Findings	Recommendations
	<ul style="list-style-type: none"> Whereas Uganda Cancer Institute (UCI) requires drugs from suppliers who are United States Food and Drugs Authority certified (U.S FDA), NMS notes that in Uganda, the relevant authority on standards of drugs is NDA. It was therefore unrealistic for UCI to require standards (U.S FDA) which are not readily available on the Uganda market. Despite NMS' claims that the drugs supplied are cost effective, UCI noted that some of the medicines procured are more expensive than those sourced on the open market. UCI requested NMS to lower their markup of 15% on products supplied to UCI since the cost of cancer medicines is already high. 	<ul style="list-style-type: none"> UCI in collaboration with National Drug Authority (NDA) should develop and approve standards for Cancer drugs to avoid over specification by UCI and procurement of sub-standard drugs by NMS. Mark-Up of 15%: The Authority notes that in line with the recent policy on centralization of procurement medicines and medical consumables, in FY 2010/2011 NMS was granted 100% of all the funds allocated to health facilities for procurement of medicines and medical consumables. However, the 15% mark-up levied by NMS on procurements for UCI is too high and has no justification. This matter should be urgently addressed by Ministry of Health.
37	Entity: Electoral Commission – Tender for consultancy services for Public Relations 2010 campaigns	
	Findings	Recommendations
	<p>The Authority notes that at the time of investigation, all bids had expired and therefore Electoral Commission cannot award a tender to an invalid bid.</p> <p>The Authority further notes that the evaluation was done by members who were not approved by the Contracts Committee. In light of the irregularities noted above the current procurement process cannot be corrected by a re-evaluation.</p>	<p>The Authority therefore recommends re-tendering of the procurement for consultancy services for Public Relations 2010 Campaign using open domestic bidding to attract more competition.</p>

1	Entity: Uganda Prison Services <i>The PPDA received a complaint from a whistleblower citing irregularities in the procurement of agricultural machinery (Lot 1, 2 and 3).</i>	
38	Entity: National Medical Stores: Procurement of a service provider for catering services	
	Findings	Recommendations
	<ul style="list-style-type: none"> The Authority observes that the Contracts Committee decision to cancel the procurement process was not justified. There was no objective or sound basis for their decision. The decision was not fair to M/s Victoria Region Motel Ltd who had been determined as the best evaluated bidder. Whereas the PDU mismanaged the evaluation process, the entity used the same Evaluation Committee membership to re-evaluate the bids on two different occasions. The Contracts Committee undermined the powers of the PDU by approving a member of the evaluation committee who was not nominated by the PDU. 	<ul style="list-style-type: none"> The Accounting Officer should terminate the appointment of Mr. Johnny Byohangiirwe from Contracts Committee for the bias he depicted in this procurement. The termination should be subjected to PS/ST approval in compliance with PPDA Regulation 47(3). The Accounting Officer should nominate a replacement for the Chairperson CC for approval of PS/ST. The Accounting Officer should caution the Head PDU Mr. Nicholas Kyaterekera for failing to manage the evaluation process. The head PDU let the Procurement Assistant Kigono Patrick participate in the evaluation process well knowing that he was not approved by CC. The Accounting Officer should ensure there is independence of functions between the PDU and Contracts Committee. AO should caution the members of CC to desist from this act.
39	Entity: Luwero DLG – Tender for collection of revenue from Bombo Taxi Park	
	Findings	Recommendations
	<ul style="list-style-type: none"> The Authority established that Bombo TC had never submitted contract management reports on this procurement to the District Contracts Committee through the PDU contrary to Section 34 (1) (j) and Regulation 26 (2). The Town Clerk, Bombo Town Council, Mr. Elly Piwang authorised a contract extension without the approval of the DCC and the CAO and without delegation by the CAO. This was irregular and contrary to Reg. 17 (2) (b) 	<ul style="list-style-type: none"> The Accounting Officer should require Heads of User Department, including Town Councils to submit contract management reports to the CC through the PDU. The CAO, Accounting Officer should discipline the Town Clerk, Mr. Elly Piwang for authorising a contract extension without approval of the DCC and the AO. Luwero DLG should expedite the procurement process to acquire a contractor to collect revenue from Bombo Taxi Park by beginning of third quarter.
40	Entity: Rural Electrification Agency – Tender for construction of Government Priority Rural Electrification Schemes in selected Districts-Lot 5 for Kyenjojo/Kibale/Masindi Districts	
	<ul style="list-style-type: none"> The Authority did not find irregularities in the tendering process for the construction of power lines and associated low voltage networks in Kyenjojo/Kibale/Masindi (Lot 5). 	<ul style="list-style-type: none"> The decision of the Authority is that the Rural Electrification Agency proceeds with the procurement process for the construction of power lines and associated low voltage networks of Government priority Rural Electrification Projects in Kyenjojo/Kibale/Masindi Districts (Lot 5).

1	Entity: Uganda Prison Services <i>The PPDA received a complaint from a whistleblower citing irregularities in the procurement of agricultural machinery (Lot 1, 2 and 3).</i>	
41	Entity: Uganda Broadcasting Corporation: <i>Complaint about disposal of land located on Plot Nos. 19, 21,23 Kibira Road and M.47 held under Freehold Register Volume 212, Folio 10</i>	
	Findings	Recommendations
	<ul style="list-style-type: none"> The Authority notes that the disposal process of UBC land at Kibira road was carried out in accordance with The PPDA Regulations of 2003 and therefore finds no merit in the anonymous complaint. 	<ul style="list-style-type: none"> In light of the investigation conducted by the Authority and the findings thereto, the decision of the Authority in accordance with Section 8(c) of the PPDA Act No.1 of 2003 is that the entity should proceed with the disposal process.
42	Entity: Ministry of Energy and Mineral Development: <i>Complaint about disposal by Public Auction of boarded-off motor vehicles and assorted obsolete store items</i>	
	Findings	Recommendations
	<ul style="list-style-type: none"> The Ministry obtained only one valuation, for the items to be disposed. The second valuation was not obtained contrary to Regulation 315 (1a). The disposal process was characterised by irregularities such as participation of Ministry staff who are public officers, namely; Mr. Bukenya Matovu and Mr. Honey Malinga in a public auction and failure by the Ministry to carry out a second valuation for the disposal items. A staff of M/s Kiwa Associates & Auctioneers, Mr. Thomas Waiswa wrongly received money from a bidder' representative. 	<ul style="list-style-type: none"> The entity should always obtain two valuations as required by Regulation 315 (1a) which states that "a PDE shall obtain two valuations of an asset prior to the commencement of any disposal proceedings if required by Law, a first valuation shall be obtained from a competent authority and a second independent, market based valuation shall be obtained from an appropriate authority or provider. The Accounting Officer should discipline the Ministry staff; Mr. Bukenya Matovu and Mr. Honey Malinga who purchased the vehicles in breach of the Law, by participating in the public auction and should return the assets they illegally obtained.
43	Alleged irregularities in the tender for Kamwenge taxi/bus park by Kamwenge DLG	
	Findings	Recommendations
	<ul style="list-style-type: none"> The complaint M/s Katoda who cited unfair treatment in the tender did not submit a bid, therefore could not have been treated unfairly by the Entity. The Authority also noted that the quotation in the bid submitted by M/s TEB Technical Services and Contractors Ltd was below the Entity reserve price of Shs 5 million. 	<ul style="list-style-type: none"> The Entity should proceed with the procurement process in accordance with the procedures and regulations enshrined in the Local Government (PPDA) Regulations, 2006. The Accounting Officer should take responsibility and ensure value for money in this tender.

Annex 5: Summary of the Applications for Accreditation handled by the Authority

No.	Entity	Proposed areas of Accreditation	Decision of the Authority
1	National Water & Sewerage Corporation	<ul style="list-style-type: none"> -Disclosing Budget estimates to Bidders; -Elimination of bidders at preliminary stage based on non-provision of certain requirements that can be obtained on request; -Handling of sole best evaluated bidder in a competitive process; -How to determine the Best Evaluated Bidder under framework contracts; -Paper-based procurement system contributing to delays in procurement; -Procurement of fuel and consumables – with high fluctuating prices over short periods; -Reduction of the period for opening financial bids under consultancy services; -Low procurement value thresholds; -Reduction of the bidding periods; -Reduction of the period for display of the best evaluated bidder notice periods 	<p>Application was rejected by the Authority and the Entity was advised as follows:</p> <ul style="list-style-type: none"> -The procurement of proposed items should be planned for well in advance by the Entity to overcome the challenges mentioned in your application to PPDA; and -With regard to the need to procure items under emergence situations, PPDA Regulation 110 is clear on how the Entity can handle such procurements.

No.	Entity	Proposed areas of Accreditation	Decision of the Authority
2	National Medical Stores	<ul style="list-style-type: none"> -Increased thresholds for all the procurement methods; -Restricted bidding as the preferred method of procurement for medical supplies; -Use of reduced bidding periods; -Negotiations to be held on price despite the procurement method ; and -Price adjustments to be acceptable during contract execution. 	<ul style="list-style-type: none"> - under Section 80 (1) of the PPDA Act, 2003, Open Domestic Bidding is the preferred method of procurement, however, in order to ensure competition where many providers are treated to equal terms, efficiency and value for money, the Entity was advised to use open bidding method and subsequently aim at entering into framework contracts with different suppliers of medical supplies and drugs for 2-3 years in accordance with PPDA Regulation 237; and -The Entity was advised that the applicable threshold for the different procurement methods shall remain applicable. -Bidding periods were reduced in order for the Entity to timely respond to the government referral hospital's needs - With regard to negotiations, the Entity was advised that where the lowest evaluated bid or proposal exceeds the budget, the Entity shall investigate the causes of the excessive cost and may negotiate with the lowest evaluated bidder in order to obtain the most satisfactory contract -Price adjustments may be included on condition it is part of the contract. Under PPDA Regulation 245(2) it is stated that where a price adjustment provision is included, the method of calculating adjustments and any restrictions or conditions on adjustments shall be clearly stated in the solicitation documents

No.	Entity	Proposed areas of Accreditation	Decision of the Authority
3	National Social Security Fund	Investment projects	<p>- The scope of the accreditation is to cover only the investments that fall under the categories of fixed income investments and equities. The procedures used to acquire these investments should be transparent and based on sound procurement practices and other applicable laws.</p> <p>-In order to promote linkages between the procurement structures and the investment structures, the Head 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.</p> <p>-All other investments that fall under the category of Real Estates are to strictly follow the PPDA Act. The argument advanced by your Entity that investment in real estate for purposes of gain through sale or disposal should be outside the ambit of the PPDA Act was not acceptable and such investments will require the use of fair, transparent and competitive methods.</p> <p>-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.</p> <p>-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 PPDA on these procurements and disposals.</p> <p>-Since the Entity stated that they did not utilize the earlier accreditation for investments under the categories of Fixed Income Investments and Equities, the accreditation granted was for a period of two years during which the Authority shall monitor the implementation of the alternative system and shall require changes to the system, extend the accreditation or withdraw the accreditation where appropriate.</p> <p>-NSSF was requested to submit to the Authority bi-annual reports on the procurement and disposal activities undertaken under the Investment Portfolio.</p>

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