



**PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY**
"Procurement That Delivers"

**PROCUREMENT AND DISPOSAL AUDIT REPORT FOR
FINANCIAL YEAR 2022/23**

BUSIA MUNICIPAL COUNCIL

MAY 2024

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ACRONYMS

AO	Accounting Officer
BEB	Best Evaluated Bidder
CC	Contracts Committee
EC	Evaluation Committee
ESHS	Environmental, Social, Health and Safety
FY	Financial Year
HC	Health Center
LG	Local Government
MC	Municipality
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
SRVCS	Services
SPLS	Supplies
TC	Town Council
UGX	Uganda Shillings
VAT	Value Added Tax

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Busia Municipal Council that covered a representative sample of 20 procurement transactions under the Financial Year 2022/23.

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of Busia Municipal Council's procurement system and processes with the provisions of the PPDA Act, 2003 and the Local Governments (PPDA) Regulations, 2006 and assess the level of procurement performance over the audit period.

From the findings of the procurement and disposal compliance audit exercise, the performance of Busia Municipal Council for the Financial Year 2022/23 was **Satisfactory** with overall weighted average risk rating of **27%** as detailed in chapter 3 of the report.

Despite the satisfactory performance, the following issues were noted:

1. The Entity's Procurement and Disposal Unit was understaffed with one member of staff in the Unit at a level of Procurement Officer contrary to the approved structure that requires both a Senior Procurement Officer and a Procurement Officer. This was contrary to Section 26 (1) (c) of the PPDA Act 2003;
2. There was no evidence in the Internal Audit reports to confirm that the Internal Auditor conducted thorough and systematic audits of the Entity's procurement structures, systems and processes. Emphasis was put on finance related matters contrary to Regulation 28 of the Local Governments (PPDA) Regulations 2006. This implies that the internal mechanism to detect, prevent and propose corrective action is not in-built in the processes of the Entity which hinders improvement;
3. The Entity did not implement 62.5% of the previous audit recommendations for the audit conducted in the Financial Year 2021-2022. Out of eight recommendations made, three (38%) were partially implemented, two (25%) were not implemented and three (38%) were implemented;
4. The Entity did not implement 6.6% of its procurement plan worth UGX. 499,308,496 thus denying service delivery to the intended beneficiaries.
5. There was poor market price assessment in two procurements worth UGX 318,530,758 resulting into a variance of UGX 41,209,088 between the estimated amount and the contract amount. Poor market price assessment results into failure to attain value for money due to exorbitant prices charged by contractors without any checks;
6. In seven procurements worth UGX. 197,792,882, the Entity received less than three bids in response to invitations to bid under both the selective bidding procurement method and open bidding, an indicator of lack of confidence by bidders in the Entity's procurement processes. This was contrary to Section 46 of the PPDA Act, 2003 which provides that all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money;
7. There were irregularities at evaluation such failure to adhere to set criteria in five procurement transactions worth UGX. 109,947,731 which was contrary to Regulation 73 (1) (2) and (3) of the Local Governments (PPDA) Regulations, 2006 that provides that detailed evaluation shall be conducted to compare the details of the received bids with the terms, conditions and criteria stated in the bidding documents. This led to award of contracts to non-compliant bidders;
8. The Contracts Committee approved poor quality solicitation documents in four procurements worth UGX 94,674,979, contrary to Regulation 48 of the Local Governments (PPDA) Regulations 2006. The approved document lacked specific and clear detailed technical and commercial evaluation criteria and in one instance lacked

- detailed Statements of Requirements necessary for the performance of the intended contract;
9. There was no evidence that the Entity commenced any disposal process in line with the recommendations of the Board of Survey for the Financial Year 2021-2022 that identified several assets to be disposed of contrary to Regulation 122-133 of the LG (PPDA) Regulations, 2006;
 10. In the procurement for construction of a new HC III in Busia MC Eastern Division, the progress reports were unilaterally approved by the Municipal Engineer without the involvement of other members on the contract management team including the Community Development Officer and Environmental Officer implying that ESHS issues may be overlooked during contract implementation; and
 11. The Authority conducted physical verification of 12 projects worth UGX 5,353,050,169 on 11th January 2024 and three projects worth UGX. 3,349,413,604 had issues for management's attention including delayed contract execution and project defects.

Key Recommendations made:

1. The Accounting Officer should:
 - i. Ensure that the Procurement and Disposal Unit is fully constituted and staffed at an appropriate level in accordance with Section 26 (1) (c) of the PPDA Act, 2003;
 - ii. Task the Head of the Procurement and Disposal Unit to always report on procurements conducted on a quarterly basis to the Internal Audit Department and likewise, task the Internal Audit Department to conduct comprehensive audits of the procurement function on a sample basis in line with Regulation 27 of the PPDA (PDE's) Regulations 2023;
 - iii. Come up with a strong mechanism and task force that will ensure that all audit recommendations are regularly monitored and implemented so as to improve the Entity's performance. This could include sharing them with Internal Audit, training, including them among the key performance indicators, and discussing them in top management meetings, among others;
 - iv. Accounting Officer along with Management should regularly carry out a review of the implementation of the procurement plan and update the procurement plan to exclude unimplemented procurements in accordance with Section 58 (4) of the PPDA Act, 2003 to ensure improved performance.
 - v. Ensure that thorough market assessment and adequate estimation of requirements is conducted at the budgeting stage to ensure that the budgeted funds sufficiently cover the procurements in accordance with Regulation 3 (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023;
 - vi. Address procurement irregularities such as unfairness at evaluation, poor quality bidding documents, delayed initiation among others that could be responsible for the low bidder participation leading to reduced competition in the Entity, thus affecting value for money;
 - vii. Ensure that assets of the Entity are reviewed and disposed of following the methods recommended under Part II of the PPDA (Disposal of Public Assets) Regulations, 2023; and
 - viii. Task the Municipal Engineer to ensure that the defects identified during physical verification are rectified and a status report provided to the Authority within three months of receipt of the report;
2. The Head Procurement and Disposal Unit should ensure that;
 - i. The solicitation documents prepared, define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity and have the most appropriate evaluation methodology and criteria in accordance with Section 71 (2) of the PPDA Act, 2003.

- ii. Evaluation Committees should ensure that evaluations are conducted according to the criteria set in the bidding document in accordance with Section 71 (3) of the PPDA Act, 2003.
- 3. The Contracts Committee should ensure that;
 - i. The bidding documents are scrutinized for quality before approval.
 - ii. The principles of fairness and transparency are observed in the evaluation process in accordance with Section 45 of the PPDA Act, 2003 before approving the evaluation reports.

Busia Municipal Council should implement the recommended action plan on pages 21 and 22.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Busia Municipal Council that covered a representative sample of 20 procurement transactions under the Financial Year 2022/23. The audit involved a review of the procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act 2003 and the Local Governments (PPDA) Regulations 2006.

1.2 Overall Objective

The overall objective of the audit was to assess and establish the degree of compliance of Busia Municipal Council's procurement system, process and disposal process with the provisions of the PPDA Act, 2003 and the Local Governments (PPDA) Regulations, 2006.

The specific objectives of the audit were to:

- i. Establish the level of compliance by the Entity with the general provisions of the PPDA Act, 2003 and the Local Governments (PPDA) Regulations 2006 with regard to the performance of the procurement structures and conduct of procurement processes;
- ii. Establish the level of compliance of the Entity's disposal process with the provisions of the PPDA Act, 2003 and the Local Governments (PPDA) Regulation 2006; and
- iii. Assess the level of efficiency and effectiveness in contract implementation including the application of environmental, social, health, and safety (ESHS) requirements in the procurement process.

1.3 Audit Scope

The audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation on sample basis. The procurement and Disposal audit covered a representative sample of 20 procurement transactions under the Financial Year 2022/23. The list of sampled transactions is contained in Annex 2. Table 1 below details the distribution of the transaction population and sample: -

Table 1: Distribution of the transaction population and sample

Procurement method	Popn Value (UGX)	Sample Value (UGX)	% Value	Popn no	Sample no	% no.
Selective bidding	285,875,186	274,575,186	96	12	11	92
Open bidding	6,775,923,444	5,256,735,283	78	52	10	19
Total	7,061,798,630	5,531,310,469	78	64	21	32

The above information was picked from the Entity's quarterly reports throughout the Financial Year under review.

1.4 Methodology

The auditors examined records and documents for each sampled procurement transaction and/or disposal and obtained relevant evidence to derive audit conclusions. This involved a review of the Entity's procurement and disposal planning, initiation, bidding, evaluation, contract placement and processes. At the end of the document review, physical verification was undertaken on selected projects to ascertain the level of contractual delivery and fitness for purpose.

During the audit, the auditors held interviews with the staff from the Procurement and Disposal Unit and User Departments that were necessary in obtaining crucial qualitative information about the internal control systems and processes in place.

A debrief meeting to clear all pending issues that arose during the audit was held with the Entity management and staff on 8th January 2024 before the auditors could embark on preparation of the management letter. The auditors prepared the management letter, which was sent to the Entity on 7th March 2024 with a request to submit a management response by 25th March 2024. The Management responses were submitted on 25th March 2024. An exit meeting was held with Entity on 7th May 2024.

On completion of data collection and before writing the report, the Regional Manager reviewed the working papers for completeness. The working papers contain detailed chronology of findings on each of the sampled transactions. The audit report presents the key findings and conclusions arising from the audit.

CHAPTER TWO: KEY FINDINGS AND RECOMMENDATIONS

2.1 Compliance by the entity with the general provisions of the PPDA Act, 2003 and the local governments (PPDA) regulations 2006 with regard to the performance of the procurement structures and conduct of the procurement process

2.1.1 Procurement structures

The key players in the procurement structure at Busia Municipal Council include the Town clerk as Accounting Officer, the Contracts Committee, the Procurement and Disposal Unit and the User Departments.

The Authority noted the following regarding the Entity's procurement structures:

i. Accounting Officer

Section 26 of the PPDA Act 2003 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. The Town clerk; Mr. Ronald Ross Baganzi was designated as the Accounting Officer of the Entity during the Financial Year 2022-2023.

ii. Composition and tenure of the Contracts Committee

During the year under review, the Entity's Contracts Committee was fully constituted and none of its members had reached the end of their term. The Contracts Committee membership for the Financial Year under review is detailed in Table 2 below:

Table 2: List of Contracts Committee Members

No	Name	Position	Date of Appointment	Title
1.	Mr. Julius Ogallo Nyerere	Chairperson	14 th December 2022	Principal Community Development Officer
2.	Mr. Aggrey Eyessu	Member	14 th December 2022	Senior Economic Planner
3.	Dr. Fortune Ayoma	Member	14 th December 2022	Medical Officer
4.	Mr. Christopher Burasu	Member	14 th December 2022	Market Master
5.	Mrs. Lilian Anyango	Member	14 th December 2022	Education Officer

iii. Staffing of the Procurement and Disposal Unit

The Authority noted that the Entity's Procurement and Disposal Unit was understaffed with one member of staff in the Unit at a level of Procurement Officer contrary to the approved structure that requires both a Senior Procurement Officer and a Procurement Officer. The details of the Procurement and Disposal Unit staff are shown in Table 3 below:

Table 3: Staff in the Procurement and Disposal Unit

S/no	Name	Job Title	Academic Qualification	Date of Appointment
1.	Mrs. Maliza Obale Nabwire	Procurement Officer	Bachelor of Procurement and Logistic Management	13 th April 2022

Implication

This may result into failure by the Procurement and Disposal Unit to fully implement its mandate.

Management Response

Management noted the observation.

Recommendation

The Accounting Officer should ensure that the Procurement and Disposal Unit is fully constituted and staffed at an appropriate level in accordance with Section 26 (1) (c) of the PPDA Act, 2003.

2.1.2 Failure by Internal Audit to audit the entire procurement function in the Financial Year under review

The Authority observed that as much as the Internal Audit Unit had prepared audit reports for the Financial Year under review, these were not comprehensive enough to cover the entire procurement process. There was no evidence in the reports to confirm that the Internal Auditor conducted thorough and systematic audits of the Entity's procurement structures, systems and processes. Emphasis was put on finance related matters.

Implication

The internal mechanism to detect, prevent and propose corrective action is not in-built in the processes of the Entity which hinders improvement.

Management Response

Management acknowledged the observation and commits to improve going forward. Management requests the Authority to build capacity and provide the required reporting format to the Internal Auditor.

Recommendations

The Authority noted the Entity's response and recommends that:

- The Accounting Officer should task the Head of the Procurement and Disposal Unit to always report on procurements conducted on a quarterly basis to the Internal Audit Department and likewise, task the Internal Audit Department to conduct comprehensive audits of the procurement function on a sample basis in line with Regulation 27 of the PPDA (PDEs) Regulation 2023.
- The Accounting Officer should consider engaging the Authority for a customized training for the Internal Audit Department.

2.1.3 Failure to implement 62.5 % of previous audit recommendations

It was noted that the Entity had been issued its previous audit report for the Financial Year 2021-2022 in February 2023. Out of eight recommendations made, three (37.5%) were partially implemented, two (25%) were not implemented and three (38%) were implemented. Details are provided in Table 4 below:

Table 4: Implementation of previous audit recommendations

No.	Recommended Action	Implementation Status
1.	The Accounting Officer with support from Internal Audit should come up with a strong mechanism that will ensure that all audit recommendations are regularly monitored and implemented so as to improve the Entity's performance. This could include sharing them with Internal Audit, training, including them among the key performance indicators, and discussing them in top management meetings, among others.	Partially implemented
2.	The Accounting Officer along with Management should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003.	Partially Implemented
3.	The Accounting Officer should ensure that the Internal Audit Department carries out comprehensive periodic reviews of the procurement and disposal processes and system in accordance with Regulation 28 of the Local Governments (PPDA) Regulations, 2006.	Not Implemented
4.	The Head Procurement and Disposal Unit should ensure that the solicitation documents prepared, define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity in accordance with Regulations 48 (2) and 48 (4) of the Local Governments (PPDA) Regulations.	Partially Implemented
5.	The Authority recommends that the Accounting Officer should follow up with the relevant Agencies and Ministries to transfer ownership of the assets to ensure that all identified assets for disposal are disposed in accordance with Regulations 122-133 of the Local Governments (PPDA) Regulations, 2006.	Not implemented

Implication

Failure to fully implement audit recommendations affects performance of the procurement function and is an indicator of a weak implementation mechanism by the Entity.

Management Response

Management acknowledged the observation and took note of the recommendations and stated that a task force was put in place to gradually implement the audit recommendations.

Recommendation

The Accounting Officer with support from Internal Audit should come up with a strong mechanism and task force that will ensure that all audit recommendations are regularly monitored and implemented so as to improve the Entity's performance. This could include sharing them with Internal Audit, training, including them among the key performance indicators, and discussing them in top management meetings, among others.

2.1.4 Non implementation of 6.6% of the procurement plan

The following table summarizes information about the procurement plan, budget, and utilization of funds for the Financial Year 2022/2023. The procurement plan implementation rate was 93.3% while the implementation variance was 6.6% worth UGX 499,308,496. The details are provided in Table 5 below:

Table 5: Analysis of implementation of the procurement plan

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	7,561,107,126
Procurement spend value inclusive of VAT (UGX)	7,061,798,630
Procurement plan Implementation Rate	93.3%
Budget variance (UGX)	499,308,496
Budget variance (%)	6.6%

Implication

Failure to fully implement the procurement plan denies delivery of services to the intended beneficiaries and also exposes the Entity to risks of budgetary cuts for subsequent periods due to non-performance thus failure to meet planned objectives.

Management Response

Management acknowledged the observations and stated that the difference in the planned value and spend value was as a result of unrealized local revenue from the local revenue collection facilities.

Recommendations

The Authority noted the Entity's response and recommends that the Accounting Officer along with Management should regularly carry out a review of the implementation of the procurement plan and update the procurement plan to exclude unimplemented procurements in accordance with Section 58 (4) of the PPDA Act, 2003 to ensure improved performance.

2.1.5 Poor market price

The Authority noted poor market price assessment in two procurements worth UGX 318,530,758 resulting into a variance of UGX 41,209,088 between the estimated amount and the contract amount. There was no evidence of market price reassessment or confirmation of additional funding before contract signature contrary to Regulation 87 (1) of the Local Governments (PPDA) Regulations 2006. The details are provided in Table 6 below:

Table 6: Procurements where poor market price assessment was noted:

No	Subject of Procurement	Contract Amount (UGX)	Estimated Amount (UGX)	Variance (UGX)
1.	Construction of a maternity ward extension for ground floor at Busia MC HC IV	279,902,615	242,321,670	37,580,945
2.	Construction of four stance water borne toilets at Busia Municipal Council Health Centre IV	38,628,143	35,000,000	3,628,143
Total		318,530,758	277,321,670	41,209,088

Implications

- Poor market price assessment results into failure to attain value for money due to exorbitant prices charged by contractors without any checks.
- This may also lead to creation of domestic arrears and affect implementation of other activities.

Management Response

Management acknowledged the recommendation and commits to improve. Going forward, User Departments shall be tasked to make thorough market assessment and adequate estimation of requirements during budgeting.

Recommendation

The Accounting Officer should ensure that thorough market assessment and adequate estimation of requirements is conducted at the budgeting stage to ensure that the budgeted funds sufficiently cover the procurements in accordance with Regulation 3 (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.6 Management of Force Account

The Authority noted that the Entity's Force Account work plan was worth UGX 545,436,000 but executed UGX. 473, 259, 506 equivalents to 86.8% of the work plan. The following irregularities were noted regarding the management of procurements under the Force Account Mechanism:

- There was no evidence that the Entity conducted an analysis to determine whether the estimated costs to be incurred under the Force Account Mechanism would be less than if the Entity used a contractor contrary to Regulation 3 of the PPDA (Force Account) Regulations 2014.
- There was no evidence that the Force Account Supervisor issued completion certificates.

Implication

The Entity may not have achieved value for money through the procurements implemented under the Force Account Mechanism.

Management Response

Management noted the observations and stated the following:

- *The total releases of money received under Uganda Road Fund (UGX. 473,259,506) can be traced from either GOU funding budget (URF) of 2022/2023 on IFMS or quarter 4 Financial and physical accountability report for the Financial Year 2022/2023 submitted to URF as attached.*
- *The actual URF 2022/2023 expenditure was UGX. 473,259,506 (86.8% of the Budget) leaving unspent balance of UGX 12,010 which was swept back.*
- *There was a shortfall in releases from Uganda Road Fund of UGX 72,189,000 against the budget of UGX, 545,436,000 which was beyond the entities control thus affecting planned activities.*

Recommendation

The Authority noted the Entity's response and recommends that the Accounting Officer should ensure that Force Account Mechanism is implemented in accordance with the PPDA (Force Account) Regulations 2014 and analysis to determine whether the estimated costs to be incurred under the Force Account Mechanism would be less than if the Entity used a contractor should be conducted in line with Regulation 3 of the PPDA (Force Account) Regulations 2014.

2.1.7 Failure to conduct due diligence on performance securities

The Entity did not conduct due diligence on the performance security submitted by the contractor referenced GU/046/HFB/2023 and dated 9th March 2023 and the advance payment guarantee referenced GU/041/HFB/2023 worth UGX 266,776,509 in the procurement for construction of a new HC III in Busia MC Eastern Division worth UGX. 889,255,031. This was contrary to the circular referenced FAD 154/308/01 from the Ministry of Finance Planning and Economic Development on conducting due diligence on the information submitted by bidders dated 7th August 2014.

Implication

This Entity risks relying on fraudulent documents thus exposing it to the risk of financial loss.

Management Response

Management acknowledged and took note of the anomaly and commits to improving going forward.

Recommendation

The Accounting Officer should ensure that due diligence is conducted on all the securities submitted by bidders in accordance with the circular referenced FAD 154/308/01 from the Ministry of Finance Planning and Economic Development on conducting due diligence on the information submitted by bidders dated 7th August 2014.

2.1.8 Low bidder participation

The audit revealed that in seven procurements worth UGX. 197,792,882, the Entity received less than three bids with an average of 1.7 bids per procurement in response to invitations to bid under both the selective bidding procurement method and open bidding, an indicator of lack of confidence by bidders in the Entity's procurement processes. This was contrary to Section 46 of

the PPDA Act, 2003 which provides that all procurement and disposal shall be conducted in a manner to maximize competition and achieve value for money. The procurements with low bidder participation are indicated in Table 7 below:

Table 7: Indicating procurements with low bidder participation

No	Procurement	Amount (UGX)	Firms invited	Bids received
1.	Supply and installation of conference public address system, laptop computers, colored printer and mobile tablets	41,326,800	3	1
2.	Construction of a perimeter wall fence at Busia MC Health Centre	39,225,679	4	2
3.	Construction of four stance water borne toilets at Busia Municipal Council Health Centre IV	38,628,143	3	1
4.	Renovation of two classroom block and emptying a five stance lined pit latrine at Arubaine Primary School	17,950,000	3	2
5.	Completion of office block and construction of Askali House at Eastern Division offices	16,112,960	3	2
6.	Management and collection of revenue from Busia MC markets	27,110,500	Advert	2
7.	Supply of conference tables, chairs and pondiums	17,438,800	4	2
Total		197,792,882	Average bids received 1.7	

Implications

- Inadequate competition inhibits achievement of value for money
- This could also be a sign of possible loss of confidence by bidders in the procurement processes of the Entity due to issues in the Entity such as failure by members of the Evaluation Committees to adhere to the set criteria thus failure to obtain competitive offers.

Management response

Management acknowledged the observation and stated that at least a minimum of three bidders were invited for each of the above procurements. The low bidder participation could be attributed to capacity gaps of the potential bidders failing to meet the requirements.

Recommendation

The Authority deemed the Entity's response unsatisfactory since the Entity has not addressed procurement irregularities that might be responsible for the loss in bidder confidence. The Accounting Officer should address procurement irregularities such as unfairness at evaluation, poor quality bidding documents, delayed initiation among others that could be responsible for the

low bidder participation leading to reduced competition in the Entity, thus affecting value for money.

2.1.9 Irregularities at bid evaluation

The Authority noted irregularities in the evaluation of five procurement transactions worth UGX. 109,947,731 which was contrary to Regulation 73 (1) (2) and (3) of the Local Governments (PPDA) Regulations, 2006 that provides that detailed evaluation shall be conducted to compare the details of the received bids with the terms, conditions and criteria stated in the bidding documents and that the detailed evaluation shall not be based on any terms, conditions or criteria that was not included in the bidding documents. The details are provided in Table 8 below:

Table 8: Procurements for which irregularities at evaluation were noted

No.	Subject of the procurement	Contracts Value (UGX)	Observation
1.	Supply of school desks, chairs, tables and timber (Mawero East 30, Busia Boader 36, Madibira 30, Buchicha 34, Busia 30)	17,000,000	The criteria required bidders to attach evidence of experience in supplies of a similar nature and size for each of the last two years. However, Nabahera Enterprises Limited, the Best Evaluated Bidder, submitted evidence in doing minor repairs in Buhehe Secondary School and Manjanji Secondary School which was not relevant experience.
2.	Construction of four stance water borne toilets at Busia Municipal Council Health Centre IV	38,628,143	The criteria required bidders to attach evidence of Authority to seek reference from the bidders' bankers. However, Ralph Constructors and Consultants Limited (Best Evaluated Bidder) did not comply with this requirement.
3.	Management of an abattoir	2,500,000	The Best Evaluated Bidder, Al Nations Livestock Traders Limited was not compliant with submission of the following requirements: <ul style="list-style-type: none"> • The key personnel didn't attach their CVs. • Did not attach audited books of account for 2019/2020 as required. • Did not attach evidence of authority to seek reference from the bidders' bank.
4.	Renovation of 10 stance lined pit latrine at Mawero East primary School	11,819,588	Egert Investments Ltd (BEB) did not attach evidence of possession of a foreman with a Diploma in civil engineering and at least two years' experience in similar works.

No.	Subject of the procurement	Contracts Value (UGX)	Observation
5.	Supply of fuel	40,000,000	The Best Evaluated Bidder, Cullian Company Limited was not compliant with submission of the following requirements: <ul style="list-style-type: none"> • Total monetary value of supplies performed for the last 2 years of at least UGX 15m each year. • Audited books of accounts for Financial Years 19/20 and 20/21. • Proposal for corporate social responsibility.
Total		109,947,731	

Implications

- This is an indicator that members of the Evaluation Committees lacked adequate capacity to review bids which could have compromised fairness and transparency in the evaluation process.
- This may lead to award of contracts to non-compliant bidders which could result in to substandard work and failure to attain value for money.

Management Response

Management acknowledged the observation and pledged to ensure that the User Departments are trained to ensure improved performance.

Recommendations

- Evaluation Committees should ensure that evaluations are conducted according to the criteria set in the bidding document in accordance with Section 71 (3) of the PPDA Act, 2003.
- The Contracts Committee should ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 45 of the PPDA Act, 2003 before approving the evaluation reports.

2.1.10 Delayed submissions to the Contracts Committee

Whereas confirmation of funding was done on 15th July 2022 in the procurement for renovation of a 2-classroom block at Buchicha Primary school worth UGX 28,538,657, submission to the Contracts Committee for approval of procurement method, solicitation document and bid notice was done 4 months later on 16th November 2022.

Implication

Inefficiency in the procurement process leads to delays in service delivery.

Management Response

Management acknowledged the anomaly and commits to improve going forward. Management further stated that the delays arose due to incomplete submissions by User departments

Recommendation

The Head, Procurement and Disposal Unit should ensure efficiency in submissions to the Contracts Committee for approval in accordance with Section 43(e) of the PPDA, Act.

2.1.11 Approval of poor-quality solicitation documents by the Contracts Committee

In four procurements worth UGX 94,674,979, the Contracts Committee approved poor quality solicitation documents contrary to Regulation 48 of the Local Governments (PPDA) Regulations 2006. The approved document lacked specific and clear detailed technical and commercial evaluation criteria and in one instance lacked detailed Statements of Requirements necessary for the performance of the intended contract. The details are provided in Table 9 below.

Table 9: Procurements where inadequate solicitation documents were prepared

No	Subject of Procurement	Contract amount (UGX)	Observation
1.	Renovation of 10 stance lined pit latrine at Madibira Primary School	10,900,000	Inadequate evaluation criteria. Bidders were required to submit evidence of working capital for the contract without indicating a clear criteria or cut off. E.g. average annual turnover.
2.	Construction of a perimeter wall fence at Busia MC Health Centre	39,225,679	Unclear Bills of Quantities. The audit noted a big disparity between Sinoc General Trading Limited's quotations of UGX. 69,099,533 and Buhunya International Consultants Limited's quotation of UGX. 37,277,297.4. However, the Entity did not seek for clarifications from the Bidders to establish the cause of the disparity. It should be noted that the project was phased, however, bidders were issued with the entire project BOQs implying that one bidder might have quoted for the entire project cost.
3.	Management and collection of revenue from Busia MC markets	27,110,500	Inadequate detailed technical evaluation criteria: Additionally, it required bidders to provide evidence of experience in revenue collection without indicating the magnitude of experience required.
4.	Supply of conference tables, chairs and podiums	17,438,800	Inadequate specification. There were no drawings provided to guide bidders.
	Total	94,674,979	

Implication

Inadequate solicitation documents mislead providers which results in to submission of non-responsive bids, cause challenges during evaluation and contract implementation, deter competition and may also lead to contracting of incompetent providers.

Management Response

Management acknowledged the anomalies for issues No. 1 and 4 and committed to improve going forward. However, whereas the Entity did not agree with issues No. 2 and 3, there was no documentary evidence provided to refute the issues.

Recommendations

- The Head Procurement and Disposal Unit should ensure that the solicitation documents prepared, define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity and have the most appropriate evaluation methodology and criteria in accordance with Section 71 (2) of the PPDA Act, 2003.
- The Contracts Committee should ensure that the bidding documents are scrutinized for quality before approval in line with Regulation 10 of the PPDA (PDEs) Regulations 2023.

2.2 COMPLIANCE OF THE ENTITY’S DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, 2003 AND LOCAL GOVERNMENTS (PPDA) REGULATION 2006

2.2.1 Failure to dispose obsolete items

The Authority reviewed the Entity’s board of survey report for the year ended 30th June 2023 and the following items were due for disposal. However, there was no evidence that the Entity commenced any disposal process contrary to Regulation 122-133 of the LG (PPDA) Regulations, 2006. The items due for disposal are listed in Table 10 below:

Table 10: Items due for disposal

No.	Item	Engraved code/Reg. No	Condition	Location	Recommendation
1.	Pickup Nissan	LG-0054-08	Grounded	D/TC	Should be boarded off
2.	Motorcycle Honda	LG-0049-08	Grounded	Administration	Should be boarded off
3.	Jiefang Lorry	LG00223-01	Grounded	Works	Should be boarded off
4.	Jiefang Lorry	LG0004-08	Grounded	Works	Should be boarded off
5.	Yamaha DT motorcycle	UG0284S	Grounded	Works	Should be boarded off
6.	Vegar power system generator		Bad	Works	Should be boarded off
7.	Stephill generator		Bad	Works	Should be boarded off
8.	Jialing motorcycle	UG3192M	Grounded	Health Inspector	Should be boarded off
9.	Yamaha motorcycle	LG 0024-08	Grounded	Health	Should be boarded off
10.	Honda motorcycle	UG 2467R	Grounded	Community	Should be boarded off
11.	Pickup Nissan	UG-0977R	Grounded	Mayor	Should be boarded off
12.	1 Bicycles		Bad	Western DIV	Should be boarded off
13.	School bus	UAG 467J	Grounded	Busia SS	Should be boarded off
14.	Honda Motorcycle	UG 3065R	Grounded	Audit	Should be boarded off

Implications

- Failure to dispose of assets whose use ceased inhibits achievement of value for money as funds are held up in assets and also lost through depreciation of these assets.
- This also exposes the assets to possible theft, destruction or vandalism.

Management Response

Management acknowledged and noted that the delay in the disposal of assets is as a result of failure to acquire ownership documents from the respective Agencies of Government. Management further stated that efforts are also being made to engage the services of a valuer to have these assets valued and cleared for disposal.

Recommendation

The Authority noted the Entity's response and recommends that the Accounting Officer should prioritize disposal of the Entity's Assets and ensure that all necessary approvals are obtained from third party Agencies such that the assets of the Entity are disposed of in line with Part II of the PPDA (Disposal of Public Assets) Regulations, 2023.

2.3 Efficiency and effectiveness in contract implementation including the application of environmental, social, health, and safety (ESHS) requirements in the procurement process

2.3.1 Non-involvement of some members of the contract management team

In the procurement for construction of new HC III in Busia MC Eastern Division worth UGX. 889,255,031, the progress reports were unilaterally approved by the Municipal Engineer without the involvement of other members on the contract management team including the Community Development Officer and Environmental Officer implying that ESHS issues may be overlooked during contract implementation.

Implication

Failure to put in place environment, social, health and safety mitigation measures puts the communities where the projects are located at risk of harmful effects of environmental degradation such as climate change, destruction of eco systems, air pollution and depletion of natural resources.

Management Response

Management took note of the anomaly and commits to improve going forward. The Municipal Engineer and Clerk of works shall be tasked to make a provision for signing in the progress reports for the Municipal Environmental Officer, a Municipal Health Officer and Community Development Officer since the officers also participate in joint monitoring.

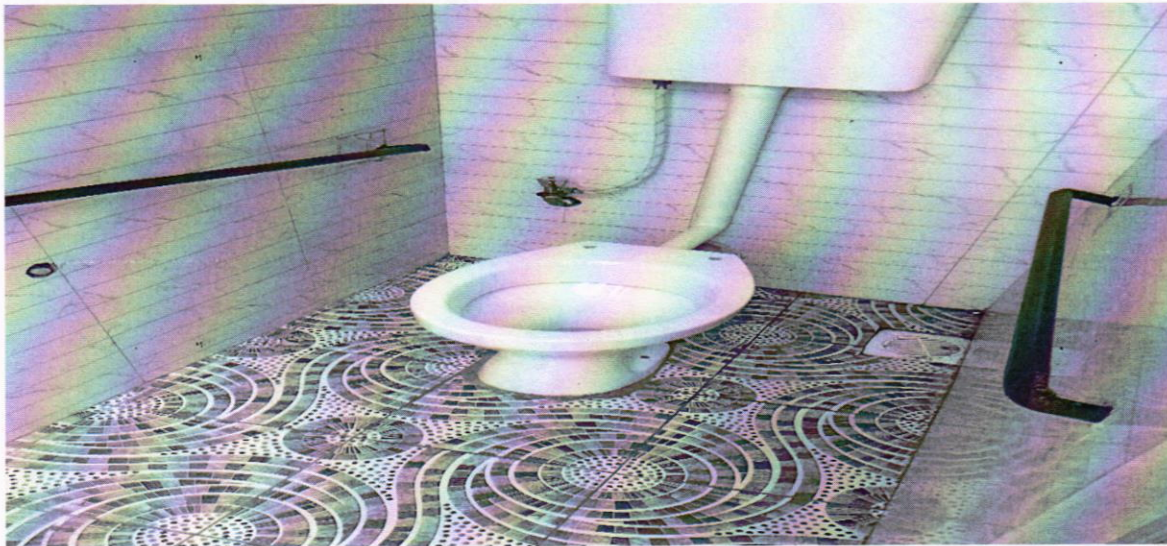
Recommendation

The Accounting Officer and the Head Procurement and Disposal Unit should ensure that the Municipal Environmental Officer, Municipal Health Officer, Community Development Officer and Labor Officer are involved in the entire procurement process right from planning and initiation, bid document preparation and contract management process so that the ESHS are embedded in the procurements right from the design to contract execution stage.

2.3.2 Failure to implement projects as per the specifications in the Bills of Quantities
The Authority conducted physical verification of 12 projects worth UGX 5,353,050,169 on 11th January 2024 and three projects worth UGX. 3,349,413,604 had minor defects for management attention as per table 11 below:

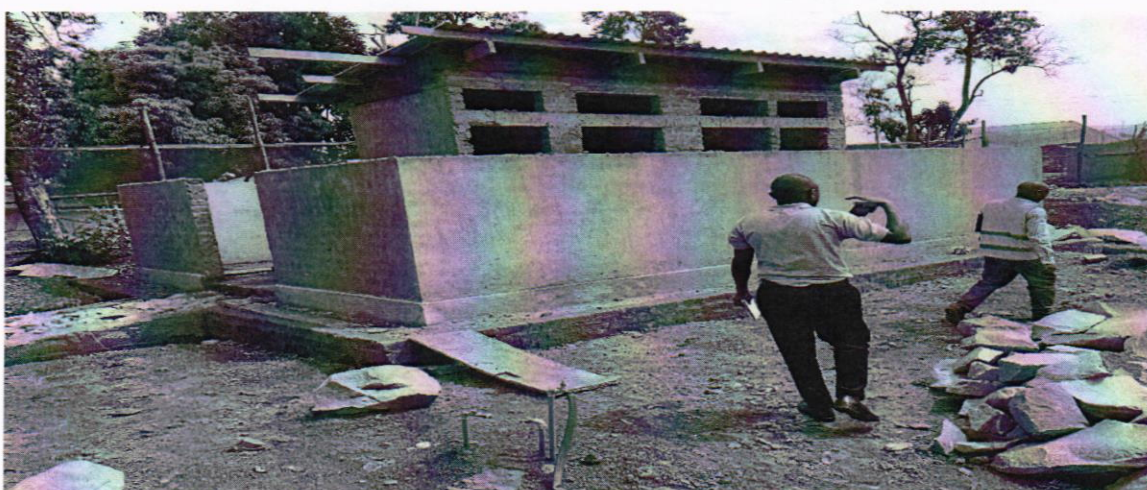
Table 11: Issues noted during physical verification

Contract name: Construction of 4 stance water borne toilet at Busia MC HCIV
Contract value: UGX 38,628,143
Contractor: Raph Constructors and consultations Ltd
Contractual completion date: 30th /06/2023
Physical progress: 100%



Captioned above is the construction of 4 stance water borne toilet at Busia MC HCIV
The toilet did not have a seat cover.

Contract name: Construction of maternity ward extension for ground floor at Busia HC II
Contract value: UGX 279,902,615
Contractor: Jotham Construction Limited
Contractual completion date: 24th October 2023
Status: 60% progress



Delayed completion of the project. Intended completion date was 24th October 2023, however by 11th January 2024 (time of physical verification) works had not yet been completed

The following had not yet been done:

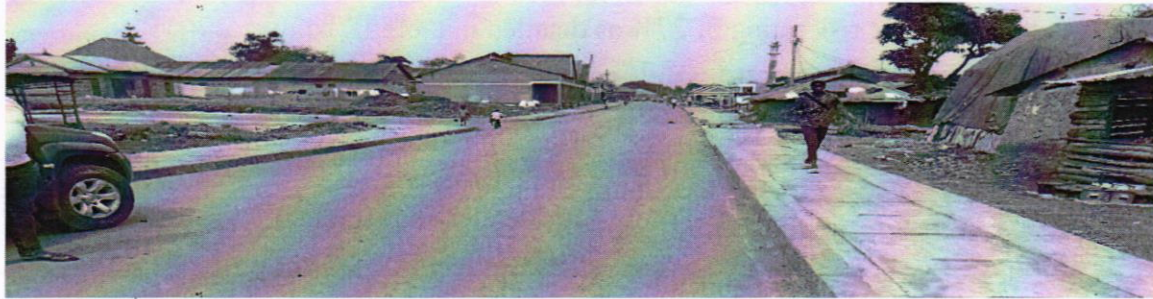
- Windows were not yet fixed.
- Installation of electricity
- Tree planting was not done.
- Plumbing works yet to be done.
- Finishes had not been done
- There was no sign post.

Contract name: Construction of works under USMID

Contract value: UGX. 3,030,882,846

Contractor: Dot services Ltd

Contractual completion date: 28th April 2023



The following issues were noted:

delayed completion: Original contract for the construction of USMID roads was extended to 28th April 2023 from 17th August 2022. However, as per IPC No.4 dated 16th March 2023 works were at 65%.

The following had not been done by the time of physical verification on 11th February 2022.

- Security lights not installed.
- Drainage not complete especially on Busia SS road and Ekaka road

Implication

- Irregularities at contract implementation compromise quality and the intended beneficiaries do not get the desired effects of the services delivered.
- Delayed contractual completion results into delayed service delivery and failure to attain value for money.

Management Response

Management acknowledged the observation and pledged to comply with the recommendation.

Recommendation

The Accounting Officer should task the Municipal Engineer to ensure that the above defects are rectified and status report on all these projects provided to the Authority within three months of receipt of this report.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

This section will present graphically the scores per area assessed under different audit objectives.

3.1 Overall Audit Conclusion

The performance of Busia Municipal Council for the Financial Year 2022/23 was Satisfactory with overall weighted average risk rating of 27% as detailed in table 12 below;

Table 12: Risk rating criteria

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

3.2 Entity's Performance

The risk rating was weighted to determine the overall risk level of the Entity. The weighting was derived using the average weighted index as shown in table 13 below:

Table 13: Risk Computation.

Risk Category	No.	No. %	Value (UGX)	% Value	Weights	Total weighted Average	
						By No.	By Value
High	0	0	0	0	0.6	0	0
Medium	9	45	463,582,025	29	0.3	13.5	9
Low	8	40	1,048,632,748	67	0.1	4	7
Satisfactory	3	15	62,634,559	4	0	0	0
Total	20	100	1,574,849,332	100	1	17.5	15

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{17.5 \times 100}{60} = 29\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{15 \times 100}{60} = 25\%$$

$$\text{Combined Weighted Average} = \frac{29+25}{2} = 27\%$$

Figure 1: Showing graphical representation of the Entity's risk assessment by value

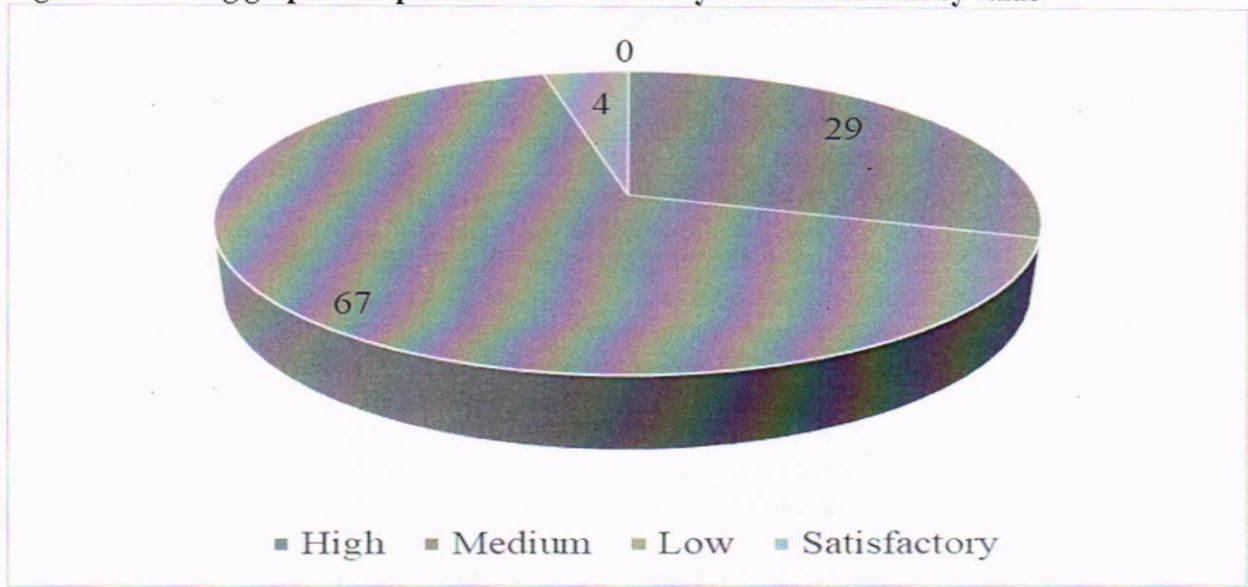
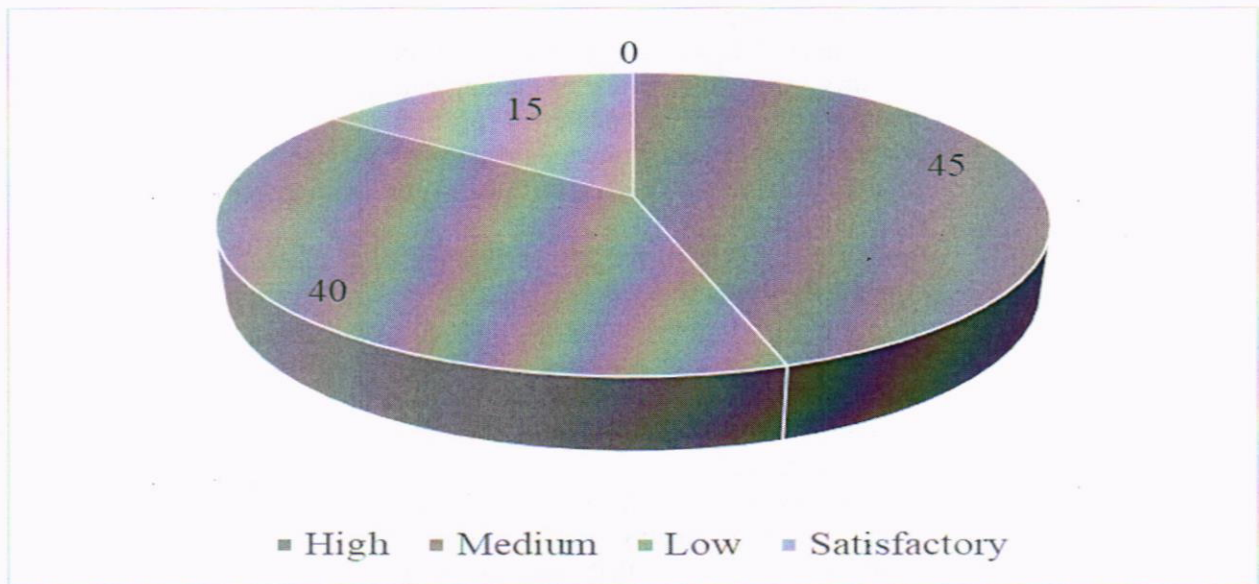


Figure 2: Showing graphical representation of the Entity's risk assessment by number



3.3 Recommended Action Plan

Busia Municipal Council should implement the following recommendations within the timeframe given in order to improve its performance in Procurement and Disposal as detailed in table 14 below;

Table 14: Recommended Action Plan

No	Recommendation	Target Date
1.	<p>The Accounting Officer should:</p> <ul style="list-style-type: none"> i. Ensure that the Procurement and Disposal Unit is fully constituted and staffed at an appropriate level in accordance with Section 26 (1) (c) of the PPDA Act, 2003; ii. Task the Head of the Procurement and Disposal Unit to always report on procurements conducted on a quarterly basis to the Internal Audit Department and likewise, task the Internal Audit Department to conduct comprehensive audits of the procurement function on a sample basis in line with Regulation 27 of the PPDA (PDE's) Regulations 2023; iii. Come up with a strong mechanism and task force that will ensure that all audit recommendations are regularly monitored and implemented so as to improve the Entity's performance. This could include sharing them with Internal Audit, training, including them among the key performance indicators, and discussing them in top management meetings, among others; iv. Accounting Officer along with Management should regularly carry out a review of the implementation of the procurement plan and update the procurement plan to exclude unimplemented procurements in accordance with Section 58 (4) of the PPDA Act, 2003 to ensure improved performance. v. Ensure that thorough market assessment and adequate estimation of requirements is conducted at the budgeting stage to ensure that the budgeted funds sufficiently cover the procurements in accordance with Regulation 3 (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023; vi. Address procurement irregularities such as unfairness at evaluation, poor quality bidding documents, delayed initiation among others that could be responsible for the low bidder participation leading to reduced competition in the Entity, thus affecting value for money; vii. Ensure that assets of the Entity are reviewed and disposed of following the methods recommended under Part II of the PPDA (Disposal of Public Assets) Regulations, 2023; and viii. Task the Municipal Engineer to ensure that the defects identified during physical verification are rectified and a status report provided to the Authority within three months of receipt of the report; 	September 2024

No	Recommendation	Target Date
2.	The Contracts Committee should ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 45 of the PPDA Act, 2003 before approving the evaluation reports.	September 2024
3.	Head Procurement and Disposal Unit should ensure that the Evaluation Committees conduct evaluation according to the criteria set in the bidding document in accordance with Section 71 (3) of the PPDA Act, 2003.	September 2024
4.	The Head Procurement and Disposal Unit should ensure that the solicitation documents prepared, define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity and have the most appropriate evaluation methodology and criteria in accordance with Section 71 (2) of the PPDA Act, 2003.	September 2024

Annex 1: Findings and rating on the individual contracts reviewed

S/No	MEDIUM CONTRACTS	REASONS FOR MEDIUM RISK
1.	<p>Reference No: BUMC776/SUPLS/22-23/0001</p> <p>Subject: Supply of school desks, chairs, tables and timber (Mawero East 30, Busia Boader 36, Madibira 30, Buchicha 34, Busia 30)</p> <p>Procurement method: Open national bidding</p> <p>Contractor: Nabahera Enterprises Ltd & Sunday Agencies Limited UGX 11,000,000</p> <p>Contract value: UGX 17,000,000</p> <p>Completion Date: 30th June 2023</p> <p>Status: Completed</p>	<p>The criteria required the bidders to attach evidence of experience in supplies of a similar nature and size for each of the last 2 years. However, Nabahera Enterprises Ltd (BEB) submitted evidence in doing minor repairs in Buhehe Secondary School and Manjanji Secondary School which was not relevant experience</p>
2.	<p>Reference No: Bumc/srvcs/22-23/00007.</p> <p>Subject: Collection of revenue from abattoir</p> <p>Procurement method: Open National Bidding</p> <p>Contractor: Al nations livestock traders Ltd</p> <p>Contract value: UGX 2,500,000</p> <p>Completion date: 30th June 2023</p>	<p>The Best Evaluated Bidder, Al Nations Livestock Traders Limited was not compliant with submission of the following requirements:</p> <ul style="list-style-type: none"> • The key personnel didn't attach their CVs. • Did not attach audited books of account for 2019/20202 as required. • Did not attach evidence of authority seeking reference from bidders' bank.
3.	<p>Reference No: BUMC776/WRKS/22-23/00003</p> <p>Subject: Construction of four stance water borne toilets at Busia Municipal Council Health Centre IV</p> <p>Procurement method: Selective bidding</p> <p>Contractor: Raph Constructors and Consultants</p> <p>Contract value: UGX 38,628,143</p> <p>Completion Date: 30th June 2023</p> <p>Status: Completed</p>	<ul style="list-style-type: none"> • Low bidder participation as only one bid was received out of 3 that were invited. • The criteria required the bidders to attach evidence of Authority to seek reference from the bidder's bankers. However, Raph constructors and consultants did not comply with this requirement. • There was a variance of UGX 3,628,143 between the estimated cost of UGX 35,000,000 and contract value of UGX 38,628,143.
4.	<p>Reference No: BUMC776/SUPLS/22-23/0001</p> <p>Subject: Supply of school desks, chairs, tables and timber (Mawero East 30, Busia Boader 36, Madibira 30, Buchicha 34, Busia 30)</p> <p>Procurement method: Open national bidding</p>	<p>Bidding document</p> <p>Inadequate solicitation document. Bidders were required to submit evidence of working capital for the contract without stating the specific amount for this contract</p> <p>Evaluation</p> <ul style="list-style-type: none"> • Nabahera Enterprises Ltd did not attach clear recent passport photos of Director

S/No	MEDIUM CONTRACTS	REASONS FOR MEDIUM RISK
	<p>Contractor: Sunday Agencies Limited</p> <p>Contract value: UGX 11,000,000</p>	<p>as required by the criteria set in the bidding documents.</p> <ul style="list-style-type: none"> The criteria required the bidders to attach evidence of experience in supplies of a similar nature and size for each of the last 2 years. However Nabahera Enterprises Ltd (BEB) submitted evidence in doing minor repairs in Buhehe Secondary School and Manjanji Secondary School.
5.	<p>Reference No: Bumc776/wrks/22-23/00002</p> <p>Subject: Construction of a perimeter wall fence at Busia MC Health Centre</p> <p>Procurement method: Selective bidding</p> <p>Contractor: Buhunya International Consultants Ltd</p> <p>Contract value: UGX 39,225,679</p> <p>Completion date: 30th June 2023</p> <p>Status: Completed</p>	<ul style="list-style-type: none"> Low bidder participation: Only two bids received from Buhunya International and Sinoc General Trading yet four were invited. Poor quality bills of quantities: The audit noted a big disparity between Sinoc General Trading Limited's quotation of UGX. 69,099,533 and Buhunya International Consultants Limited's quotation of UGX 37,277,297.4. However, the Entity did not seek for clarifications from the Bidders to establish the cause of the disparity. It should be noted that the project was phased, however, bidders were issued with the entire project BOQs implying that one bidder might have quoted for the entire project cost.
6.	<p>Reference No: BMC776/Wrks/22-23/00001</p> <p>Subject: Construction of a maternity ward extension for ground floor at Busia MC HCIV</p> <p>Procurement method: Open national bidding</p> <p>Contractor: Jotham Construction Ltd</p> <p>Contract value: UGX 279,902,615</p> <p>Completion date: 30th June 2023</p>	<p>Poor market price assessment: Whereas the estimated amount was UGX 242,321,670, the contract was signed at UGX 279,902,615. There was no evidence of market price reassessment.</p>
7.	<p>Reference No: BUMC776/SPLS/22-23/00009</p> <p>Subject: Supply of fuel</p> <p>Procurement method: Open National bidding</p> <p>Contractor: Cillian Company Ltd</p> <p>Contract value: 40,000,000</p>	<p>The Best Evaluated Bidder, Ms. Cullian Company Limited was not compliant on the following requirements:</p> <ul style="list-style-type: none"> Total monetary value of supplies performed for the last 2 years of at least UGX 15m each year. Audited books of accounts for 19/20 and 20/21. Proposal for corporate social responsibility.

S/No	MEDIUM CONTRACTS	REASONS FOR MEDIUM RISK
8.		•
9.	<p>Reference No: BUMC776/SUPLS/22-23/0001</p> <p>Subject: Supply of school desks, chairs, tables and timber (Mawero East 30, Busia Boader 36, Madibira 30, Buchicha 34, Busia 30)</p> <p>Procurement method: Open national bidding</p> <p>Contractor: Nabahera Enterprises Ltd & Sunday Agencies Limited UGX 11,000,000</p> <p>Contract value: UGX 17,000,000</p>	<ul style="list-style-type: none"> • Inadequate evaluation criteria. Bidders were required to submit evidence of working capital for the contract without indicating a clear criterion or cut off. E.g. average annual turnover. • The criteria required the bidders to attach evidence of experience in supplies of a similar nature and size for each of the last 2 years. However, Nabahera Enterprises Ltd (BEB) submitted evidence in doing minor repairs in Buhehe Secondary School and Manjanji Secondary School.

NO	LOW RISK CONTRACTS	REASONS FOR LOW RISK
1.	<p>Reference No: Bumc776/Supls/22-23/00008</p> <p>Subject: Renovation of 10 stance lined pit latrine at Mawero East Primary School</p> <p>Procurement method: Selective bidding</p> <p>Contractor: Egert Investments Ltd</p> <p>Contract value: UGX. 11,819,588</p> <p>Completion Date: 30th June 2023</p> <p>Status: Completed</p>	<p>The BEB was not compliant on the following criteria:</p> <p>Possession of a foreman with a Diploma in civil engineering and at least two years' experience</p>
2.	<p>Reference No: BMC776/WRKS/22-23/00005</p> <p>Subject: Renovation of a 2 classroom block at Buchicha Primary School</p> <p>Procurement method: Selective bidding</p> <p>Contractor: Sinoc General trading and contracting company</p> <p>Contract value: UGX 28,538,657</p> <p>Completion Date: 30th June 2023</p> <p>Status: Completed</p>	<p>Whereas confirmation of funding was done on 15th July 2022, submission to the Contracts Committee for approval of procurement method, solicitation document and bid notice was done 4 months later on 16th November 2022.</p>
3.	<p>Reference No: BUMC776/WRKS/2223/000007</p> <p>Subject: Renovation of 10 stance lined pit latrine at Madibira Primary School</p> <p>Procurement method: Selective bidding</p> <p>Contractor: Nassi Construction Ltd</p>	<p>Inadequate evaluation criteria. Bidders were required to submit evidence of working capital for the contract without indicating a clear criteria or cut off. E.g. average annual turnover.</p>

NO	LOW RISK CONTRACTS	REASONS FOR LOW RISK
	Contract value: UGX 10,900,000 Completion date: 30 th June 2023 Status: Completed	
4.	Reference No: BMC776/Supls/22-23/00001 Subject: Supply of conference table chairs and podiums Procurement method: Selective bidding Contractor: Rugani Logistics Ltd Contract value: UGX. 17,438,800 Status: completed	Bidding <ul style="list-style-type: none"> • Low bidder participation. Only 2 bids received yet 4 were invited. Bidding document <ul style="list-style-type: none"> • Inadequate specification. • No drawings were provided to guide bidders.
5.	Reference No: BUMC776/SPLS/22-23/00009 Subject: Construction of new HC III in Busia MC Procurement method: Open National bidding Contractor: Bold Edge Joint Venture Contract value: UGX 889,225,031 Completion date: 24 th October 2023 Status: Ongoing	<ul style="list-style-type: none"> • No evidence that due diligence was conducted on the performance security submitted by the contractor referenced GU/046/HFB/2023 and dated 9th March 2023 and the advance payment guarantee referenced GU/041/HFB/2023 worth UGX 266,776,509 • Progress reports dated: 13th June 2023, 31st April 2023, 13th August 2023, 13th December 2023, 31st April 2023 and 13th June 2023 were all unilaterally signed off by the Municipal Engineer without involvement of other Entity personnel on the contract management team such as the Community Development Officer, Environmental Officer among others implying that Environmental, Social, Health and Safety requirements may be overlooked.
6.	Reference No: Bumc776/Supls/22-23/00001 Subject: Supply and installation of conference public address system, laptop computers, colored printer and mobile tablets Procurement method: Selective bidding Contractor: Rugani Logistics Ltd Contract value: UGX 41,326,800	Low bidder participation as only one bid was received out of 3 that were invited.
7.	Reference No: BUM776/Wrks/22-23/0006 Subject: Renovation of two classroom block and emptying a five stance pit latrine at Arubaine Primary School Procurement method: Selective bidding	<ul style="list-style-type: none"> • Low bidder participation as only one bid was received out of the three that were invited. • Inadequate solicitation document. The document did not state the environmental, social, health safety

NO	LOW RISK CONTRACTS	REASONS FOR LOW RISK
	Contractor: Sisocana Holdings Ltd Contract value: UGX 17,950,000 Completion Date: 30 th June 2023 Status: Completed	guard inclusion such as planting of trees and grass. <ul style="list-style-type: none"> The criteria required bidders to attach evidence of working capital for this contract without stating the exact amount of working capital needed for completing the project.
8.	Reference No: BMC776/SRVCS/22-23/00004 Subject: Management and collection of revenue from Busia MC markets Procurement method: Open bidding Contractor: Busia market vendors and traders Association Contract value: UGX 27,110,500 per month	<ul style="list-style-type: none"> Low bidder participation. Only two bids received Additionally, it required bidders to provide evidence of experience in revenue collection without indicating the magnitude of experience required.
9.	Reference No: BUMC776/Wrks/22-23/00004 Subject: Completion of office block and construction of Askali House at Eastern Division offices Procurement method: Selective bidding Contractor: Buhunya International Consultants Ltd Contract value: UGX 16,112,960 Completion date: 30 th June 2023 Status: Completed	Bidding Low bidder participation as only two bids were received out of the three that were invited.

No	SATISFACTORY CONTRACTS	REASONS FOR SATISFACTORY
1.	Reference No: BUMC776/SRVCS/22-23/00004/ Subject: Management and collection of revenue from property rates Procurement method: Open National bidding Contractor: Raph Constructors and Consultants Ltd Contract value: 10% commission	No exceptions
2.	Reference No: BUMC776/WRKS/22-23/00004 Subject: Construction of a five stance pit latrine at Busia Border P/S Procurement method: Selective bidding Contractor: Nassi Construction Ltd Contract value: UGX 22,929,559 Completion date: 30 th June 2023 Status: Completed	

3.	<p>Reference No: BUMC776/SPLS/2223/00003</p> <p>Subject: Supply and installation of one double arm solar street light at Eastern Division</p> <p>Procurement method: Selective bidding</p> <p>Contractor: Benalf Engineering Services</p> <p>Contract value: UGX 9,185,120</p>	
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PROCUREMENTS FOR FY 2020-2021

1.	<p>Reference: BUMC776/Wrks/2020-2021/00002</p> <p>Subject of Procurement: Construction works under USMID</p> <p>Subject of Procurement: Open National bidding</p> <p>Contractor: Ms. Dott Services</p> <p>Contract Amount: 3,956,461,137</p>	<p>Delayed completion: Original contract for the construction of USMID roads was extended to 28th April 2023 from 17th August 2022. However, as per IPC No.4 dated 16th March 2023 works were at 65%.</p>
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Annex 2: Sample list and rating per case

No.	Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk rating
1.	BUMC776/Wrks/2022-2023/00001	Construction of maternity ward extension for ground Floor at Busia MC	Open National bidding	Ms. Jotham Construction Limited	279,902,615	Medium
2.	BUMC776/Wrks/2022-2023/00004	Construction of new HC III in Sofia Eastern Division	Open National bidding	Ms. Rak Bold Joint Venture	889,255,031	Low
3.	BUMC776/Srvcs/2022-2023/00004	Collection of revenue from market(Excluding rent from stalls and lock-up)	Open National bidding	Ms. Busia Municipal Market Vendors and Traders Association Ltd	27,110,500	Low
4.	BUMC776/Srvcs/2022-2023/00004	Collection of revenue from property rates	Open National bidding	Ms. Raph Constructors and Consultants Ltd	10,000,000	Satisfactory
5.	BUMC776/Supls/2022-2023/00009	Supply of fuel	Open National bidding	Ms. Cullian Company	40,000,000	Medium
6.	BUMC776/Wrks/2022-2023/00002	Construction of 4 stance water borne toilet at Busia MC HCIV	Selective bidding	Ms. Raph Constructors and Consultants Ltd	38,628,143	Medium
7.	BUMC776/Wrks/2022-2023/00003	Constriction of perimeter wall fence(Phase one) at Busia MC HCIV	Selective bidding	Ms. Buhunya International Consultants Limited	39,225,679	Medium
8.	BUMC776/Supls/2022-2023/0000	Supply and installation of one double arm solar street light and supply of solar light materials	Selective bidding	Ms. Benalfa Engineering Services Ltd	29,705,000	Satisfactory
9.	BUMC776/Supls/2022-2023/00009	Supply of fuel for routine maintenance of roads in Eastern	Open National bidding	Ms. Cullian Company Ltd	22,776,000	Medium
10.	BUMC776/Wrks/2022-2023/00004	Construction of five stance pit latrine at Busia Border P/S	Selective bidding	Ms. Nassi Construction Ltd	22,929,559	Satisfactory

No.	Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk rating
11.	BUMC776/Wrks/2022-2023/00007	Renovation of 10 stance lined pit latrine at Madibira P/S	Selective bidding	Ms. Nassi Construction Ltd	10,900,000	Low
12.	BUMC776/Wrks/2022-2023/00008	Renovation of 10 stance lined pit latrine at Mawero East P/S	Selective bidding	Ms. Egert Investments Ltd	11,819,588	Medium
13.	BUMC776/Wrks/2022-2023/00005	Renovation of two classroom block at Buchicha P/S	Selective bidding	Ms. Sinoc General Trading Constructing Company	28,538,657	Low
14.	BUMC776/Wrks/2022-2023/00004	Renovation of two classroom and emptying of a five stance pit latrine at Arubaine Primary School	Selective bidding	Ms. Sisocana Holdings Ltd	17,950,000	Low
15.	BUMC776/Supls/2022-2023/00001	Supply of school desks	Open National bidding	Ms. Nabahera Enterprises	17,000,000	Medium
16.	BUMC776/Supls/2022-2023/00001	Supply of school desks	Open National bidding	Ms. Sunday Agencies	11,730,000	Medium
17.	BUMC776/Supls/2022-2023/00001	Supply and installation of public address system, laptops, coloured printer and mobile gadgets	Selective bidding	Ms. Rugani Logistics Ltd	41,326,800	Low
18.	BUMC776/Wrks/2223/00004	Completion of office block and construction of Askali House at Eastern Division offices	Selective bidding	Buhunya International Consultants Ltd	16,112,960	Low
19.	BUMC/SRVCS/22-23/00007.	Collection of revenue from abattoir	Open Bidding	AI nations livestock traders Ltd	2,500,000	Medium
20.	BUMC776/Supls/2022-2023/00001	Supply of conference table chairs and podiums	Selective bidding	Ms. Rugani Logistics Ltd	17,438,800	Low

PROCUREMENTS CONDUCTED IN FY 2020-2021						
	BUJMC776/Wrks/2020-2021/00002	Construction of works under USMID	Open National bidding	Ms. Dott Services	3,956,461,137	Low
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