



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

GULU CITY COUNCIL

APRIL 2024

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ACRONYMS

AO	Accounting Officer
BEB	Best Evaluated Bidder
FY	Financial Year
LTD	Limited
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a procurement and disposal audit of Gulu City Council that covered a sample of 19 procurement transactions under Financial Year 2022/2023.

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

From the findings of the procurement audit exercise, the performance of Gulu City Council for the Financial Year 2022/2023 was **moderately satisfactory** with an overall weighted average risk rating of 57%. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of this audit report.

The following key exceptions were noted:

1. Out of 1,904 solar street lights installed between the period 2013 to 2023, a total of 746 lights (39.2%) were faulty/non-functional and needed repair/regular maintenance along the different roads and locations within Gulu City Council. This implies that the Entity did not conduct a thorough market assessment to establish the nature of solar street lights to be procured taking into consideration their sustainability;
2. Failure to fully implement the previous audit recommendations for Financial Year 2021/2022. Out of the 20 recommendations made, 18 recommendations representing 90% were not implemented and 2 representing 10% were partially implemented. This affects the performance of the procurement function and is an indicator of a weak implementation mechanism by the Entity which undermines the achievement of value for money;
3. Issuance of poor-quality bidding documents with inadequate instructions to the bidders in nine sampled procurements worth UGX 859,099,460. This leaves doubt and assumptions to the bidder on the requirements of the Entity hence hindering the preparation of responsive bids and exposes the Entity to the risk of potential disagreements and conflict during contract implementation;
4. Delays were noted in ten procurement transactions worth UGX 2,199,409,634 such as delays to initiate procurements, prepare the bidding documents, invite bidders and submission of the procurements to Contracts Committee for approval which in turn created lengthy lead times which consequently impeded timely service delivery;
5. Anomalies were noted at contracting such as change of contract terms, signing contracts based on expired bids, irregular application of Solicitor General's advice and signing of the contract before the expiry of the Notice of Best Evaluated Bidder (NOBEB) in 6 procurements worth UGX 1,264,700,850;
6. Irregularities during bidding such as failure to conduct pre-bid meetings, retrospective approvals in three procurements worth UGX 185,119,850. Such irregularities potentially discourage competition and lead to award of contracts to non-responsive bidders;
7. Irregularities at evaluation such as passing non-compliant bidders, bid tampering, suspected forgery of the audited books of accounts, failure to communicate arithmetic corrections to the bidders and failure to evaluate criteria provided for in the bidding document in nine procurements worth UGX 1,386,898,332 which was contrary to Regulation 73 (1) (2) and (3) of the Local Governments (PPDA) Regulations, 2006. This exposes the Entity to the risk of award of contracts to non-compliant bidders and failure to attain value for money;
8. Anomalies in contract management. The Authority found anomalies in contract management such as failure by the contract supervisors to prepare contract management

reports and failure by contractors to adhere to their contractual obligations in seven procurements worth UGX 1,885,808,930. This casts doubt on the effectiveness of the Entity in supervision of contracts and contravened Regulation 119 of the Local Governments (PPDA) Regulations, 2006;

In summary, the Authority noted that irregularities during bidding, irregularities at evaluation, delays in the procurement process and anomalies at contract management largely affected the Entity's performance.

In light of the above findings, the Authority recommends the following measures:

1. The Accounting Officer should:
 - i) Ensure that the Entity puts in place an operational and maintenance plan for the solar street lights which should inform budgeting and subsequently soliciting for funds for repair and maintenance of lights along the different roads and at various locations within Gulu City;
 - ii) Ensure that a strong mechanism is put in place to implement recommendations made by the Authority so as to improve the Entity's performance and any challenges in implementing of recommendations should be brought to the Authority's attention;
 - iii) Prevail over contract managers to ensure that all contract management records are kept and archived as required in accordance with Regulation 52 (3)(a) (vii) of the PPDA(Contracts) Regulations, 2023 for easy access by the Procurement and Disposal Unit and other stakeholders to enhance effective contract monitoring;
 - iv) Task the Head Procurement and Disposal Unit, and contract managers to avoid delays in the procurement process by ensuring that all procurements are conducted in a manner that promotes economy, efficiency, and value for money in accordance with Section 48 of the PPDA Act, 2003; and
 - v) Task the Head Procurement and Disposal Unit to desist from making changes to contract terms at contract signing, and where need arises, negotiate before contract signing or seek Contracts Committee approval for contract amendments with sufficient justification after contract signing in accordance with Regulation 54 (6) (b) of the PPDA(Contracts) Regulations, 2023.
2. The Head Procurement and Disposal Unit should:
 - i) Ensure that the prepared bidding documents have the most appropriate evaluation methodology and criterion in accordance with Regulation 42 (b) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations,2023;
 - ii) Ensure that potential bidders are given sufficient notice of the pre-bid meetings to offer reasonable opportunity for the bidders to attend in accordance with Regulation (60) (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023; and
 - iii) Ensure that the Evaluation Committee members strictly adhere to the evaluation criteria specified in the bidding documents during the evaluation of bids in accordance with Regulation 5 (1) and (2) of the PPDA(Evaluation) Regulations, 2023 and should also ensure that technical guidance is always provided to Evaluation Committees in the conduct of their duties.
3. The Contracts Committee should scrutinize all sections of the bidding documents for completeness and appropriateness before approving them for issue in accordance with Section 28 (1) (e) of the PPDA Act, 2003.

4. User Departments should:

- i) Prevail over contract managers to ensure that each provider meets all performance or delivery obligations as per the terms and conditions of a contract, in accordance with Regulation 52 (3) (a) (i) of the PPDA (Contracts) Regulations, 2023;
- ii) Prevail over contract supervisors to avail contract management records to the Procurement and Disposal Unit for monitoring purposes and maintenance on the respective procurement action files; and
- iii) Prevail over contract supervisors to appraise the performance of the providers and report on the performance of the providers to the Procurement and Disposal Unit in accordance with Regulation 52 (2) (f) of the PPDA (Contracts) Regulations, 2023.

Gulu City Council should implement the recommended action plan on **pages 53-54** of this report.

1 CHAPTER 1: INTRODUCTION

1.1 Structure of the Entity

According to Section 26 of the PPDA Act, 2003 which gives the Accounting Officer the overall responsibility for the successful execution of the procurement and disposal process in the Procuring and Disposing Entity. Section 26 (1) (a) and (c) specifically gives the responsibility to the Accounting Officer to cause the establishment of a Procurement and Disposal Unit and Contracts Committee staffed at an appropriate level. The Accounting Officer of Gulu City Council during the Financial Year under review was Mr. Godfrey B. Kisekka who was later replaced by Mr. Innocent Ahimbisibwe in November 2023. The Contracts Committee and composition of the Procurement and Disposal Unit are detailed in **Annex D**.

1.2 Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out the procurement and disposal audit of Gulu City Council that covered a sample of 19 procurement transactions under Financial Year 2022/2023. The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of Gulu City Council's procurement system and processes with the provisions of the PPDA Act, 2003 and PPDA Regulations, 2006 and assess the level of procurement performance over the audit period.

1.3 Objective of the audit

The primary objective of the audit exercise was to provide assurance on full and correct application of the PPDA Act, Regulations and Guidelines by Gulu City Council.

The specific objectives were to:

1. Establish the level of compliance of the Entity with the general provisions of the PPDA Act, 2003, Regulations, 2006 and Guidelines with regard to the performance of the procurement structures and conduct of procurement processes;
2. Establish the level of compliance of the Entity's disposal process with the provisions of the PPDA Act, 2003 and Regulations, 2006; and
3. Assess the level of achievement of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement process.

1.4 Scope of the audit Scope

The audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation on sample basis. The audit covered a sample of 19 procurement transactions conducted in Financial Year 2022/23 and a follow up of two USMID projects for (FY 2019/2020 and FY 2021/2022). The list of sampled transactions is contained in **Annex A**

The distribution of the transaction population and sample is as shown in Table 1 below:

Table 1: Analysis of population and sample selected for audit of FY 2022/2023

Procurement Method	Population Value (UGX)	Sample Value (UGX)	% by value	Population No.	Sample No.	% by No.
Open Domestic Bidding	71,023,700,850	70,218,222,157	98	18	11	61.1
Selective Bidding	415,821,378	335,254,313	81	13	8	62
Total	71,439,522,228	70,553,476,470	98	31	19	61.2

1.5 Procurement and Disposal Audit Methodology

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

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

A debrief meeting to discuss the preliminary findings that arose during the audit was held with the Entity management and staff on **10th November 2023** before the auditors could embark on preparation of the management letter. The management letter was sent to the Entity on **15th January 2024** with a requirement to submit a management response by **22nd January 2024**, which was submitted on **31st January 2023**. The exit meeting was held on **31st January 2024** at PPDA Northern Regional Office in Gulu District.

This report presents the key findings and conclusions arising from the procurement and disposal audit exercise.

CHAPTER 2: AUDIT FINDINGS, IMPLICATIONS AND RECOMMENDATIONS

2.1 COMPLIANCE OF THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, 2003 AND REGULATIONS, 2006 WITH REGARD TO THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND CONDUCT OF PROCUREMENT PROCESSES

2.1.1 Procurement plan implementation

The Authority found that the Entity's procurement plan implementation rate for FY2022/2023 was 83% with a variance of UGX 267,736,629 as summarized in Table 2 below:

Table 2: Analysis of procurement spend for FY 2022/2023

Total procurement plan value inclusive of VAT (UGX)	1,571,590,629
Total procurement spend value inclusive of VAT (UGX)	1,303,854,000
Procurement plan implementation rate (%)	83%
Implementation variance (UGX)	267,736,629

NB: This information is based on the Entity's procurement plan and quarterly reports submitted to the Authority.

Implication

The Entity failed to procure items worth UGX 267,736,629 hence hindering effective service delivery.

Management Response

Failure to fully implement the procurement plan is noted by the entity, however this has been due to shortfalls in funding.

Recommendation

The Accounting Officer 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 to ensure the Entity's improved performance in Financial Year 2023/2024.

2.1.2 Failure to fully implement the previous audit recommendations for Financial Year 2021/2022

The previous audit recommendations for the Financial Year 2021/2022 were not fully implemented.

The Authority noted that out of the 20 recommendations made from the previous audit for the Financial Year 2021/2022, 18 recommendations representing 90% were not implemented, and 2 representing 10% were partially implemented as detailed in Table 3 below:

Table 3: Implementation of previous audit recommendations

Responsible Party	Recommendation	Status of implementation
Accounting Officer	<ul style="list-style-type: none">The Accounting Officer 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 to ensure improved performance.	Partially implemented

Responsible Party	Recommendation	Status of implementation
	<ul style="list-style-type: none"> • The Accounting Officer should ensure that a strong mechanism is put in place to implement recommendations made by the Authority so as to improve the Entity's performance. • The Accounting Officer should task the Head Procurement and Disposal Unit, and the Contract Supervisors to avoid delays in the procurement process so that the Entity achieves efficiency and value for money in accordance with Section 48 of the PPDA Act, 2003. • The Accounting Officer should desist from signing contracts with unauthorised representatives of contractors, and where the contractors change representation, request for the respective Powers of Attorney before signing the contracts. • The Accounting Officer should task the Procurement and Disposal Unit to desist from making changes to the contract terms at contract signing, and where need arises, hold negotiations before contract signing or seek Contracts Committee approval for contract amendments with sufficient justification after contract signing in accordance with Regulation 120 (10) of the Local Governments (PPDA) Regulations, 2006. • The Accounting Officer should prevail over contract supervisors to ensure that reports on contract implementation are prepared and forwarded to the Procurement and Disposal Unit in accordance with Regulation 119 (10) (f) of the Local Governments (PPDA) Regulations, 2006. • The Accounting officer should instruct the contractor China Railway Seventh Group Co. Ltd to have all its engineers who are implementing the project registered or acquire temporary registration by the Uganda Engineers Registration Board as the full registration process is being finalized. 	Not implemented
Procurement and Disposal Unit	<ul style="list-style-type: none"> • The Procurement and Disposal Unit should ensure that pre-bid meetings are conducted whenever they are required or scheduled. In 	Not implemented

Responsible Party	Recommendation	Status of implementation
	<p>circumstances where bidders do not turn up for pre-bid meetings, the Entity should record it.</p> <ul style="list-style-type: none"> • The Head Procurement and Disposal Unit should set the most appropriate evaluation criteria that suits the purpose of the procurement in accordance with Regulation 48(4) of the Local Governments (PPDA) Regulations, 2006. • All procurement and disposal transactions should be conducted in a manner that promotes transparency, accountability, and fairness in accordance with Section 45 of the PPDA Act, 2003. 	
Contracts Committee	<ul style="list-style-type: none"> • The Contracts Committee should reject solicitation documents that do not define 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 Regulation 48(2) of the Local Governments (PPDA) Regulations, 2006. • The Contracts Committee and Head Procurement and Disposal Unit should quality-assure all contract documents before the contracts are signed. 	Not implemented
Evaluation Committee	<ul style="list-style-type: none"> • The Evaluation Committees should evaluate the bids following the criteria set in the bidding document and waive any non-material deviations following Regulation 75 (4) of the Local Governments (PPDA) Regulations, 2006. • The Evaluation Committees should be vigilant while reviewing the information submitted by the bidders for conformity with the set criteria before passing bidders in accordance with Section 71 (3) of the PPDA Act, 2003. • The Evaluation Committee should strictly adhere to the criteria set out in the solicitation document in accordance with Regulation 48 (4) of the Local Governments (PPDA) Regulations, 2006. 	Not implemented
User Departments	<ul style="list-style-type: none"> • User Departments should desist from using brand names to ensure achievement of 	Partially implemented

Responsible Party	Recommendation	Status of implementation
	<p>competition in accordance with Regulation 48 (8) of the Local Governments (PPDA) Regulations, 2006 which states that the statement of requirements in the bid documents shall not be issued with reference to a particular trademark, brand name, patent, design, type, specific origin, producer, manufacturer, catalogue or numbered item.</p>	
	<ul style="list-style-type: none"> • Contract supervisors should strictly supervise contracted firms to fulfil all contractual obligations specified within the terms and conditions. in accordance with Regulation 119 (9) of the Local Governments (PPDA) Regulations, 2006. • The contract supervisors should submit regular progress/contract management reports to the Procurement and Disposal Unit as required under Regulation 119 (10) (f) of the Local Governments (PPDA) Regulations, 2006. • Heads of User Departments should ensure that contract supervisors avail contract management records to the Procurement and Disposal Unit for monitoring purposes and maintenance on the respective procurement action files. 	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 has noted this for consideration and will ensure that all the Authority's recommendations are implemented to improve on the entity's performance.

Recommendation

The Accounting Officer should spearhead the implementation of all recommendations from the Authority in order to improve the Entity's performance. In addition, any challenges in implementation of recommendations should be brought to the Authority's attention.

2.1.3 Unrealistic timelines in the procurement plan

The Authority found that the procurement process stage dates in the procurement plan did not take into consideration the lead times under the various methods of procurement irrespective of whether the category of procurement was works, supplies or services.

It was noted that all works, services or supplies with different procurement methods all had the same dates for each procurement process stage, which was contrary to Regulation (62) 4 (d) of the Local Governments (PPDA) Regulations, 2006 which provides for “a plan of the likely method of procurement for each requirement and the likely time required for each stage in the procurement cycle.” as detailed in Table 4 below:

Table 4: Unrealistic dates in the procurement plan

Bid invitation date	7 th October 2022
Bid closing/opening date	11 th November 2022
Approval of Evaluation Report	21 st November 2022
Notification of award	22 nd November 2022
Contract Signing	7 th December 2022
Completion Date	30 th June 2023

Implication

Unrealistic procurement lead times/ dates in the procurement plan hinder orderly execution of annual procurement activities and expose the Entity to the risk of delayed service delivery brought about as a result of using inappropriate procurement methods with longer lead times where alternative appropriate methods could have been used.

Management response

The Procurement and Disposal Unit has taken note that all works, services or supplies with different procurement methods had unrealistic timelines. This will be corrected in this FY 2023/2024 procurement plan and subsequent plans.

Recommendation

The Procurement and Disposal Unit should while preparing the procurement plan take into consideration the procurement lead times under the various methods of procurement and include realistic time schedules for the procurement requirements in accordance with Regulation 6 (d) of the PPDA (Procurement Planning) Regulations, 2023.

2.1.4 Delays at different stages of the procurement process

Section 48 of the PPDA Act, 2003 provides that “all procurement and disposal shall be conducted in a manner which promotes economy, efficiency and value for money.”

The Authority found that ten procurement transactions worth UGX 2,199,409,634 had delays at the different procurement stages as detailed in Table 5 below:

Table 5: Unnecessary delays at different stages of the procurement process

No.	Subject of procurement	Amount (UGX)	PPDA Finding
1.	Construction of a two unit staff house at Lapeta HC II	102,430,100	• Delay to initiate the procurement; whereas the procurement was planned to be initiated on 7 th October

No.	Subject of procurement	Amount (UGX)	PPDA Finding
			<p>2022, it was initiated on 19th January 2023.</p> <ul style="list-style-type: none"> • Delay to invite bidders; the Contracts Committee approved the bidding document, and the shortlist on 6th January 2023, however, bidders were invited on 21st February 2023.
2.	Provision of security services	24,000,000	<ul style="list-style-type: none"> • Delay by the Procurement and Disposal Unit (PDU) to submit the procurement to Contracts Committee for approval; the Accounting Officer confirmed the availability of funding on 10th July 2022, however, PDU submitted LG PP Form 2 and 5 to Contracts Committee on 18th July 2022.
3.	Street parking/vehicles/produce loading and offloading Laroo Pece Division	849,600,000	<ul style="list-style-type: none"> • Delay to prepare the bidding document; the Accounting Officer confirmed funding on 10th June 2022, however, the PDU submitted LG PP Form 2 for approval of the procurement method and bidding document on 17th July 2022.
4.	Street parking/vehicles/produce loading and offloading Bardege Layibi Division	676,706,400	<ul style="list-style-type: none"> • Delay to prepare the bidding document; the Accounting Officer confirmed funding on 10th June 2022, however, the PDU submitted LG PP Form 2 for approval of the procurement method and bidding document on 17th July 2022.
5	Supply of road materials	125,000,000	<ul style="list-style-type: none"> • Delay to prepare the bidding document; the Accounting Officer confirmed funding on 10th June 2022, however, the PDU submitted LG PP Form 2 for approval of the procurement method and

No.	Subject of procurement	Amount (UGX)	PPDA Finding
			bidding document on 18 th July 2022.
6.	Supply of fuel, oil, and lubricants	250,000,000	<ul style="list-style-type: none"> • Delay to prepare the bidding document; the Accounting Officer confirmed funding on 10th June 2022, however, the PDU submitted LG PP Form 2 for approval of the procurement method and bidding document on 18th July 2022.
7.	Supply of three motor cycles	44,615,930	<ul style="list-style-type: none"> • Delayed initiation of procurement; according to the procurement plan, the procurement was supposed to be initiated on 7th October 2022, however, it was initiated on 6th December 2022 hence a delay of 43 days.
8.	Renovation of OPD at Laroo HCIII, Staff house at Unyama HCII	24,382,680	<ul style="list-style-type: none"> • Delayed initiation of procurement; according to the procurement plan, the procurement was supposed to be initiated on 7th October 2022, however, according to Form 1, the procurement was initiated on 27th March 2023 hence a delay of 118 days.
9.	Renovation of OPD at Unyama HCII	22,693,524	<ul style="list-style-type: none"> • Delayed initiation of procurement; according to the procurement plan, the procurement was supposed to be initiated on 7th October 2022, however, according to Form 1, the procurement was initiated on 25th November 2022 hence a delay of 36 days.
10.	Construction of one block of Girl's dormitory at Mary Immaculate Primary School	79,981,000	<ul style="list-style-type: none"> • Delayed initiation of the procurement; whereas the planned bid invitation date according to the procurement plan was 7th October 2022, the procurement was initiated

No.	Subject of procurement	Amount (UGX)	PPDA Finding
			on 6 th December 2022 hence a delay of 43 days.
Total		2,199,409,634	

Implication

Delays in the procurement process create lengthy lead times which consequently impede timely service delivery.

Management Response

- *Delays to initiate procurement for Construction of a two-unit staff house at Lapeta HCII is noted. However, this was caused by necessary stakeholder approvals and delayed transfer of funds.*
- *Delay to invite bidders for Construction of a two-unit staff house at Lapeta HCII is noted. However, this was caused by management of the schools who delayed to resolve boundary issues on where to locate the structure. This will be avoided next time.*
- *Delay by the PDU to submit the procurement for provision of security services to the Contracts Committee for approval is noted. However, this was due to others commitments of some members of the contracts committee, those available could not form quorum.*
- *Delay to prepare the bidding document for Street parking/vehicles/produce loading and offloading Laroo Pece Division and Bardege Layibi Division, road materials, fuel and lubricants is noted. The delay was intended to seek other stakeholder's approval prior to the contracts committee. This will be avoided in the subsequent Contracts Committee approvals.*
- *Delayed initiation of procurements for motorcycles, renovation of OPD at Laroo HCIII and Unyama HC II, construction of staff house at Unyama HCII and one block of Girl's dormitory at Mary Immaculate Primary School noted. The delays were due to delayed funding and stakeholder approvals after receipt of funds.*

Recommendation

The Accounting Officer should ensure that all procurements are conducted in a manner that promotes economy, efficiency, and value for money in accordance with Section 48 of the PPDA Act, 2003.

2.1.5 Blank funds availability section

The Authority found that in all sampled procurements worth UGX 2,635,184,035, the Vote No, programme, sub-programme, item and balance remaining in the fund's availability section of the Form I were left blank.

Implication

Failure to indicate the funds available may result in an Entity committing to conducting procurements with unavailable funds which may strain other budget lines.

Management Response

All sampled procurements worth UGX 2,635,184,035, with the Vote No, program, sub-program, item and balance remaining in the fund's availability section of the Form I left blank, are noted. This is currently being addressed by the sector accountants and department heads.

Recommendation

The Head Procurement and Disposal Unit should ensure that User Departments initiate procurement requirements in line with their approved user plans in accordance with Section 34 (2) of the PPDA Act,2003.

2.1.6 Inadequate bidding documents

The Authority observed that the Entity issued poor quality bidding documents that had inadequate instructions to the bidders in nine sampled procurements worth UGX 859,099,460. Despite Contracts Committee approving the bidding documents, it was evident that the quality of bidding documents prior to approval was inadequate. The procurements are indicated in Table 6 below:

Table 6: Procurements with inadequate bidding documents

No	Subject	Amount (UGX)	Findings
1.	Renovation of one block of three classroom at Christ the King Demonstration	58,689,750	<ul style="list-style-type: none">• Unclear evaluation criteria. The bidding document required bidders to submit evidence of fulfilment of obligations to pay taxes and NSSF, however, the period was not specific.• Failure to state the minimum academic qualifications for the required personnel. <p>The bidding document required a Project Manager with 3 years and 3 years General work experience and experience in similar works respectively, Site Engineer with 5 years and 3 years General work experience and experience in similar works respectively, Foreman with 3 years and 3 years General work experience and experience in similar works respectively, Environmental Officer with 3 years and 2 years General work experience and experience in similar works respectively, Social Development Officer with 3 years and 2 years General work experience and experience in similar works respectively, however, the minimum academic qualifications for these personnel were not stated.</p> <p><u>Management Response</u></p> <ul style="list-style-type: none">• <i>The Entity acknowledges this; the periods will be clearly specified in all subsequent bidding documents.</i>• <i>This is noted, we shall ensure that for all subsequent bidding documents, the minimum academic qualifications are clearly spelt out.</i>
2.	Construction of two unit staff house at Lapeta HC II	102,430,100	<ul style="list-style-type: none">• Unclear evaluation criteria. The bidding document required bidders to submit evidence of fulfilment of obligations to pay taxes and NSSF, however, the required period was not stated.

No	Subject	Amount (UGX)	Findings
			<ul style="list-style-type: none"> • Failure to state the minimum academic qualifications for the required personnel. The bidding document required a Project Manager with 3 years and 3 years General work experience and experience in similar works respectively, Site Engineer with 5 years and 3 years General work experience and experience in similar works respectively, Foreman with 3 years and 3 years General work experience and experience in similar works respectively, Environmental Officer with 3 years and 2 years General work experience and experience in similar works respectively, Social Development Officer with 3 years and 2 years General work experience and experience in similar works respectively, however the minimum academic qualifications for these personnel was not stated. • GCC 61.1 stated that performance security shall not be applicable however, the importance of a performance security is to protect the Entity against non-performance by the contractor. • GCC 61.1 stated that an ESHS performance security shall not be applicable however, the importance of an ESHS performance security is to protect the Entity against non-compliance of the contractor to ESHS measures. <p>Management Response</p> <ul style="list-style-type: none"> • <i>This is noted we shall ensure that for all subsequent bidding documents, the required period is clearly stated.</i> • <i>This is noted we shall ensure that for all subsequent bidding documents, the minimum academic qualifications are clearly spelt out.</i> • <i>This is noted we will ensure that for all subsequent open bidding documents, a performance security shall apply.</i> • <i>This is noted we will ensure that for all subsequent open bidding documents, an ESHS performance security shall apply.</i>
3.	Supply of office stationery	150,000,000	<ul style="list-style-type: none"> • Contradicting evaluation criteria. Part 1 of the bidding document under documents evidencing eligibility required bidders to submit a general registered power of attorney, however, ITB 20.2 required registered

No	Subject	Amount (UGX)	Findings
			<p>specific powers of attorney for this procurement.</p> <p><u>Management response</u></p> <ul style="list-style-type: none"> <i>This is noted, we will ensure that such inconsistencies regarding powers of attorney are avoided in all subsequent bidding documents.</i>
4.	Provision of security services	24,000,000	<ul style="list-style-type: none"> Contradicting evaluation criteria. Part 1 of the bidding document under documents evidencing eligibility required bidders to submit a general registered power of attorney, however, ITB 20.2 required registered specific powers of attorney for this procurement. Inappropriate/inadequate requirements in the issued bidding documents. The specifications required services of a private security firm to provide “9 armed guards” at 4 premises, however, the Entity did not specify what it required the security personnel to have, for example, was each person required to have a gun, pistol, baton, etc. and what equipment was required for effective monitoring and communication. Failure to indicate the correct unit of measure in the bidding document. Whereas the procurement was for provision of security services, the Entity indicated Shillings as the unit of measure. <p><u>Management response</u></p> <ul style="list-style-type: none"> <i>This is noted, we will ensure that such inconsistencies regarding powers of attorney are avoided in all subsequent bidding documents.</i> <i>This is noted, we liaise with user departments and properly check all statement of requirements to mitigate potential conflicts.</i> <i>This is noted, the PDU shall be more vigilant to avoid such errors in subsequent bidding documents.</i>
5.	Supply of fuel, oil and lubricants	250,000,000	<ul style="list-style-type: none"> Contradicting evaluation criteria. Part 1 of the bidding document under documents evidencing eligibility required bidders to submit a general registered power of attorney, however, ITB 20.2 required registered

No	Subject	Amount (UGX)	Findings						
			<p>specific powers of attorney for this procurement.</p> <ul style="list-style-type: none"> • Incomplete conditions of contract <p>The Authority noted that some of the contract terms and conditions were left open ended/blank as indicated below:</p> <table border="1" data-bbox="799 450 1347 1111"> <thead> <tr> <th data-bbox="804 456 922 488">GCC</th> <th data-bbox="922 456 1342 488">Requirement</th> </tr> </thead> <tbody> <tr> <td data-bbox="804 488 922 555">GCC 26.2</td> <td data-bbox="922 488 1342 555">The location for conducting inspections and tests shall be:</td> </tr> <tr> <td data-bbox="804 555 922 1104">GCC 27.1</td> <td data-bbox="922 555 1342 1104"> <ul style="list-style-type: none"> ➤ Liquidated damages ----- apply if the provider fails to deliver any or all of the supplies specified in any call off order within the response time specified in the SORs. ➤ The liquidated damages shall be: -----% value of the call off order per week. <p>the maximum amount of liquidated damages shall be:------% of the value of the call off order.</p> </td> </tr> </tbody> </table> <p><u>Management Response</u> <i>This is noted, we promise to improve on the quality of bidding documents by avoiding such errors and or omissions.</i></p>	GCC	Requirement	GCC 26.2	The location for conducting inspections and tests shall be:	GCC 27.1	<ul style="list-style-type: none"> ➤ Liquidated damages ----- apply if the provider fails to deliver any or all of the supplies specified in any call off order within the response time specified in the SORs. ➤ The liquidated damages shall be: -----% value of the call off order per week. <p>the maximum amount of liquidated damages shall be:------% of the value of the call off order.</p>
GCC	Requirement								
GCC 26.2	The location for conducting inspections and tests shall be:								
GCC 27.1	<ul style="list-style-type: none"> ➤ Liquidated damages ----- apply if the provider fails to deliver any or all of the supplies specified in any call off order within the response time specified in the SORs. ➤ The liquidated damages shall be: -----% value of the call off order per week. <p>the maximum amount of liquidated damages shall be:------% of the value of the call off order.</p>								
6.	Supply of road materials	125,000,000	<ul style="list-style-type: none"> • Contradicting evaluation criteria. Part 1 of the bidding document under documents evidencing eligibility required bidders to submit a general registered power of attorney, however, ITB 20.2 required registered specific powers of attorney for this procurement. • Incomplete/unclear requirement. Part 1 of the bidding document under documents evidencing eligibility required bidders to submit a valid certificate of registration or equivalent for 2021-2022. This was not clear on which certificate to be submitted. <p><u>Management Response</u> <i>This is noted, we promise to be more vigilant in order to avoid such errors, omissions and</i></p>						

No	Subject	Amount (UGX)	Findings
			<i>inconsistencies so as to improve the quality of bidding documents.</i>
7.	Renovation of OPD at Laroo HCIII, Staff house at Unyama HCII	24,382,680	<ul style="list-style-type: none"> Inconsistencies in the documents evidencing eligibility. <p>The Audit noted that the requirement in the bidding document under eligibility was a valid trading license for the year 2022, on the contrary, the requirement evaluated under the preliminary eligibility in the Evaluation report was a valid trading license for 2023 which was inconsistent.</p> <p><u>Management Response</u> <i>We promise to avoid such inconsistencies and improve on the quality of bidding documents.</i></p>
8.	Supply of three motor cycles	44,615,930	<ul style="list-style-type: none"> Inconsistent evaluation criteria contrary to Regulation 48 of the Local Governments (PPDA) Regulations, 2006. It was noted that the requirement for submission of a registered Power of Attorney was evaluated in the Evaluation Report under the preliminary eligibility criteria however, this criterion was not stated in the bidding document. <p><u>Management Response</u> <i>This is noted for further improvement.</i></p>
9.	Construction of one block of Girl's dormitory at Mary Immaculate Primary School	79,981,000	<ul style="list-style-type: none"> Inconsistencies in the request for clarification dates, <p>Section 2 Bid Data Sheet ITB 12, stated that 'The procuring and Disposing Entity will respond to any request for clarification provided that such request is received not later than 7th February 2023, whereas the Best Evaluated Bidder (BEB)'s bid in ITB 12 stated 24th February 2023.</p> <p><u>Management Response</u> <i>This is noted for further improvement.</i></p>
Total		859,099,460	

Implication

This implies that the bidders were not given adequate guidance to prepare responsive bids. Subsequently, the Evaluation Committee did not have clear evaluation criteria to guide them during evaluation which may lead to awarding of contracts to providers in an unfair manner.

Recommendations

1. The Head Procurement and Disposal Unit should ensure that the prepared bidding documents have the most appropriate evaluation methodology and criterion in accordance

with Regulation 42 (b) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2. The Contracts Committee should ensure that the bidding documents are scrutinized for quality before approval.

2.1.7 Irregularities during bidding

This was observed in three procurements worth UGX 185,119,850 as detailed in Table 7 below:

Table 7: Procurements with irregularities during bidding

No.	Subject of Procurement	Irregularities noted	Management Response
1.	Renovation of one block of three classroom at Christ the King Demonstration worth UGX 58,689,750	<ul style="list-style-type: none"> • Pre-bid meeting was not held yet the ITB 9.3 of the bidding document stated that a pre-bid meeting shall be held on 4th February 2022. 	<ul style="list-style-type: none"> • <i>The Entity acknowledges the finding, however, no bidder turned up for the pre-bid meeting.</i> <p>Authority's comment The Authority has taken note however, there is need to enlighten all bidders doing business with the Entity on the importance of pre-bid meetings.</p>
2.	Construction of two unit staff house at Lapeta HC II worth UGX 102,430,100	<ul style="list-style-type: none"> • Pre-bid meeting and a site visit were not held yet the ITB 9.3 of the bidding document stated that a pre-bid meeting or a site visit shall be held on 2nd Feb 2023. • Retrospective approvals. Whereas the procurement was initiated on 19th January 2023, the PDU had already submitted to the Contracts Committee (C.C) the procurement method, proposed Evaluation Committee and the bidding document for approval on 6th January 2023 and CC approved on that same day of the submission. 	<ul style="list-style-type: none"> • <i>The bidders did not turn up despite the invitations for pre-bid meetings and site visits.</i> <p>Authority's comment The Authority took note however, there is need to enlighten all bidders doing business with the Entity on the importance of pre-bid meetings.</p> <ul style="list-style-type: none"> • <i>It is true the LG PP Form 1 was dated after the CC approval. This is regrettable, but we shall ensure that such mistakes are not repeated.</i>

No.	Subject of Procurement	Irregularities noted	Management Response
		<ul style="list-style-type: none"> Quality of the bidding document. <p>Whereas the bidders were invited on 21st February 2023, the bidding document issued indicated issue date of 27th January 2023 with a bid closing date of 17th February 2023.</p>	<ul style="list-style-type: none"> <i>The poor quality of the invitation letter without the bid invitation deadline is noted. However, the deadline was clearly stated in the bidding document.</i>
3.	Provision of security services worth UGX 24,000,000	<ul style="list-style-type: none"> Bid opening was managed and witnessed by only one person Mr. Obita Godfrey the Head PDU. 	<ul style="list-style-type: none"> <i>This concern is noted. However, the bid opening was witnessed by a member of the contracts committee and representatives of bidders, including the manager for Stonewall security services. However, the member of the Contracts Committee did not sign LG PP Form 10.</i> <p>Authority's comment The Authority took note of the Entity's response however, there was no evidence provided to this effect.</p>

Implication

Lack of transparency in the procurements undertaken potentially discourages competition and may lead to award of contracts to non-responsive bidders.

Recommendations

1. The Procurement and Disposal Unit should ensure that potential bidders are given sufficient notice of the pre-bid meetings to offer reasonable opportunity for the bidders to attend in accordance with Regulation (60) (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
2. The Head Procurement and Disposal Unit should ensure that all procurement and disposal shall be conducted in a manner which promotes transparency, accountability and fairness in accordance with Section 45 of the PPDA Act, 2003.

2.1.8 Low bidder participation

The Authority found that in four procurements worth UGX 251,409,710, there was a low bidder responsive rate contrary to Section 43 (c) of the PPDA Act, 2003 which requires receipt of at least three bids. The Entity received an average of 1.2 bids in procurements indicated in Table 8 below:

Table 8: Procurements with low bidder participation

No.	Subject of Procurement	No of bidders invited	No of bids received
1.	Supply of three motor cycles by CFAO Motors Uganda Limited worth UGX 44,615,930	3	1
2.	Renovation of OPD at Laroo HCIII, Staff house at Unyama HCII by Odensbricks Company-SMC Ltd worth UGX 24,382,680	5	1
3.	Construction of one block of Girl's dormitory at Mary Immaculate Primary School by Regent Technical Services Ltd worth UGX: 79,981,000	5	1
4.	Construction of two-unit staff house at Lapeta HC II by Pathway Technical Services Ltd worth UGX 102,430,100	5	2
		AVERAGE BIDS RECEIVED	1.2

Implications

- The Entity may miss out on the benefits of maximum competition leading to costly procurements and deterrence of achievement of value for money.
- There is a possibility that bidders have lost confidence in the procurement processes of the Entity.

Management Response

An investigation will be instituted by the Accounting Officer to find out the root cause of low bidder response rate and address it.

Recommendations

1. The Accounting Officer should institute an investigation to establish the reasons behind low bidder turn up and also come up with measures to attract a higher number of bidders.
2. The Accounting Officer should organize a bidder conference to engage potential bidders and provide reassurance to existing bidders that procurement processes are conducted in a fair, transparent, and competitive manner in accordance with Section 45 and 46 of the PPDA Act,2003.

2.1.9 Irregularities in evaluation of bids

The Authority found irregularities in nine procurements worth UGX 1,386,898,332 as indicated in the Table 9 below:

Table 9: Procurements with irregularities at evaluation of bids

No	Subject of procurement	Findings												
1.	Renovation of one block of three classroom at Christ the King Demonstration worth UGX: 58,689,750	<ul style="list-style-type: none"> • Passing of a non-compliant bidder Whereas the Entity required a general experience of 5 years and a specific experience of 3 years, Dedol Logistics Company Ltd the best evaluated bidder had at the time of bid submission existed for 2 years since its incorporation. The company was incorporated on 27th July 2020 and got its TIN number on 1st March 2023, therefore by the time of bid closing date of 10th January 2023 the company did not have general experience of 5 years. • Suspected bid tampering. The Entity issued the invitation to bidders on 21st December 2022 with the closing date of 10th January 2023 at 11:00 am. However, the best evaluated bidder Dedol Logistics Company Ltd submitted a bid with a bank statement from KCB Bank that was issued on 10th January 2023 at 13:38 PM. This was after the bids had been opened at 11:30am. • Suspected forgery of experience. Dedol Logistics Company Ltd the best evaluated bidder submitted the past experience from 2013 before the company existed. <table border="1" data-bbox="699 1182 1362 1881"> <thead> <tr> <th>Project Title</th> <th>Contract Amount (UGX)</th> <th>Client</th> <th>Completion Date</th> </tr> </thead> <tbody> <tr> <td>Construction of Perimeter wall Fence at St. Mary's College Lâcoor</td> <td>98,295,463</td> <td>Invisible Children Ugândâ</td> <td>4th August 2013</td> </tr> <tr> <td>Construction of perimeter wall fence, Gate installation, installation outer stand with basement aggregate casted and installation of Eighteen</td> <td>48,000,000</td> <td>Komakech Roy</td> <td>June 2017</td> </tr> </tbody> </table>	Project Title	Contract Amount (UGX)	Client	Completion Date	Construction of Perimeter wall Fence at St. Mary's College Lâcoor	98,295,463	Invisible Children Ugândâ	4 th August 2013	Construction of perimeter wall fence, Gate installation, installation outer stand with basement aggregate casted and installation of Eighteen	48,000,000	Komakech Roy	June 2017
Project Title	Contract Amount (UGX)	Client	Completion Date											
Construction of Perimeter wall Fence at St. Mary's College Lâcoor	98,295,463	Invisible Children Ugândâ	4 th August 2013											
Construction of perimeter wall fence, Gate installation, installation outer stand with basement aggregate casted and installation of Eighteen	48,000,000	Komakech Roy	June 2017											

No	Subject of procurement	Findings				
		<table border="1" data-bbox="223 1836 885 2016"> <tr> <td data-bbox="710 1892 885 2016">tiding windows and Eight lid steel and Fourteen</td> <td data-bbox="534 1836 710 1892">Total</td> <td data-bbox="391 1836 534 1892">146,295,463</td> <td data-bbox="223 1836 391 1892"></td> </tr> </table> <ul style="list-style-type: none"> • Failure by Dedol Logistics Company Ltd to submit a lease agreement of the items required; much as the bidder provided a list of 13 hired equipment, there was no proof to that effect. • Failure to participate in evaluation; Dr. Daniel Okello did not participate in evaluation despite being on the approved committee. • Failure to evaluate criteria provided for in the bidding document as detailed below; <ol style="list-style-type: none"> i. minimum average annual turnover of UGX 80,000,000 within the last 3 years ii. cash flow requirement of UGX 100,000,000 for 2 years iii. non-performance of a contract did not occur within the last 5 years. <p style="text-align: center;">Management Response</p> <ul style="list-style-type: none"> • It is true that the best evaluated bidder, Dedol Logistics Co Ltd did not have the required experience, but was awarded a contract. • Only two bids were received for this procurement and the second bid Flossaid Consult & Engineering Co. Ltd failed at the preliminary stage of evaluation for not signing the bid submission sheet. In this case the evaluation committee had no option but to just be fair to consider partial responsiveness. Dedol technical services Ltd was passed despite not having the required experience as this was just renovation works, in order to avoid cancellation of the procurement process. • It is also true that Dedol Logistics Limited submitted the bank statement later after bid closing. However, during bid closing, the bidder openly announced that he had sent his agent to the bank for a bank statement, and requested to submit it later. This was openly accepted in the presence of other bidder's representatives present at the bid opening. • On suspected forgery of experience by Dedol Company Ltd, the evaluation committee chair wrote a formal letter dated 13th January 2023 requesting for clarification which was adequately provided by the bidder prior to conclusion of the exercise. 	tiding windows and Eight lid steel and Fourteen	Total	146,295,463	
tiding windows and Eight lid steel and Fourteen	Total	146,295,463				

No	Subject of procurement	Findings
		<ul style="list-style-type: none"> <i>It is true that Dedol Logistics Company Ltd did not submit a lease agreement of the items required, but only provided a list of 13 hired equipment. However, the committee relied only on the list of tools and equipment submitted in the bid which included a concrete mixer, which was requested for in the bidding document.</i>
2.	Construction of two-unit staff house at Lapeta HC II worth UGX 102,430,100	<ul style="list-style-type: none"> Failure to conduct Post qualification; post qualification was a requirement in the bidding document on the lowest best evaluated bidder however, it was not conducted. The following criteria were provided for in the bidding document however, they were not evaluated. These include; <ul style="list-style-type: none"> i. Minimum average annual turnover of UGX 80,000,000 within the last 3 years ii. Cash flow requirement of UGX 100,000,000 for 2 years iii. Non-performance of a contract did not occur within the last 5 years. <p><u>Management Response</u></p> <ul style="list-style-type: none"> <i>It is true that post qualification which was a requirement in the bidding document on the best evaluated bidder was not conducted. We shall ensure that in the subsequent procurements, whenever stated in the bidding document, it is conducted accordingly.</i> <i>It is true that the criteria stated above were provided for in the bidding document and were not evaluated. We shall ensure that in all subsequent procurements, all the stated criteria are evaluated.</i>
3.	Provision of security services worth UGX 24,000,000	<ul style="list-style-type: none"> Passing of a non-compliant bidder; Stonewall Security Services (U) Limited the best evaluated did not offer any bid validity period. The bidder indicated 120 days/weeks/months, therefore it was not clear whether it was 120 days, weeks, or months. Unspecified quotation; Stonewall Security Services (U) Limited the best evaluated bidder did not specify whether the UGX 460,000 per guard was for a month, quarter or per annum. Stonewall Security Services (U) Limited the best evaluated bidder did not fill the part 2 of the statement of requirements for technical specifications offered. It was not clear where the amount offered was for a guard with a gun, a baton, bow and arrow, dogs or pistol. Stonewall Security Services (U) Limited the best evaluated bidder should have been eliminated at the preliminary evaluation stage for submitting a general

No	Subject of procurement	Findings
		<p>specific power of attorney that was registered in 2015 which was not specific to this procurement and yet ITB 20.2 required the bidders to submit the specific powers of attorney registered with URSB indicating the procurement item clearly.</p> <ul style="list-style-type: none"> • Irregular recommendation of award of the contract; the Evaluation Committee irregularly recommended Stonewall Security Services (U) Limited for provision of a security guard at UGX 460,000 per armed guard per night. This was irregular since the bidder did not indicate that the UGX 460,000 quoted price was per night. More so, other bidders failed at the financial stage for quoting a high price were as follows: <ul style="list-style-type: none"> ○ Rock Security Group Ltd- UGX 500,000 per month per guard ○ Magnum Security LTD-UGX 550,000 per month per guard <p><u>Management response</u></p> <ul style="list-style-type: none"> • <i>Irregular award of contract to Stonewall Security services (U) Ltd is noted. However, all other bidders did not present specific powers of attorney registered with URSB indicating the procurement item clearly ITB 20.2.</i> • <i>A close scrutiny of the bid submitted by Stonewall Security Services (U) Limited revealed that they did not quote for UGX 460,000 per armed guard per night as per the management letter. The error was in the Contracts Committee minutes which was corrected in the contract agreement.</i> <p><u>Authority's comment</u></p> <p>The Authority took note of the management response however, the specific Powers of Attorney registered with URSB clearly indicating the procurement item was a requirement that was set in the bidding document under ITB 20.2 by the Entity for all bidders to adhere to.</p>
4.	Street parking/vehicles/produce loading and offloading Laroo Pece Division worth UGX 849,600,000	<ul style="list-style-type: none"> • Passing of a non-compliant bidder; Punena General Traders the best evaluated bidder did not submit the bank statement of April 2022 as was required.
5.	Supply of road materials worth UGX 125,000,000	<ul style="list-style-type: none"> • Passing of a non-compliant bidder; ITB 20.2 required bidders to submit a registered specific power of attorney for this procurement, however, the best evaluated bidder ESFED Limited was passed with a general power of attorney.

No	Subject of procurement	Findings
6.	Renovation of OPD at Oitino HCII worth UGX 22,835,500	<p>• Failure by Dolo Technical Services Limited the best evaluated bidder to state/indicate any delivery period. The Authority found that Dolo Technical Services Limited left the delivery period section blank.</p> <p>Management Response</p> <ul style="list-style-type: none"> • It is true that ITB 20.2 required bidders to submit a registered specific power of attorney for this procurement, and the best evaluated bidder ESFED Limited was passed with a general power of attorney. The reason for passing them was that, in the bidding document (Documents evidencing eligibility) the requirement was a power of attorney which contradicted ITB 20.2, so the committee could not eliminate the bidders for submitting a general Power of Attorney. Going forward, we will ensure that such inconsistencies are avoided in other subsequent procurements. • Failure by Dolo Technical Services Limited the best evaluated bidder to comply with the delivery period offered is noted. The contract supervisors will strive to ensure that suppliers strictly comply with delivery terms of the contract. • Passing of non-compliant bidders, ESFED Limited, Dolo Technical Services Limited and Topstar Co. Limited contrary to ITB 20.2 which required specific powers of attorney is noted. This was caused by inconsistencies in the bidding documents, which we promise to avoid in all subsequent procurements.
6.	Renovation of OPD at Oitino HCII worth UGX 22,835,500	<p>Passing of a non-compliant bidder; the best evaluated bidder, Jokello Holdings Ltd did not submit a bank statement for November and December, 2022 as was required in Part 2, financial requirements evidencing eligibility but was found compliant and passed to the next stage.</p> <p>Management Response</p> <p>It is true Jokello Holdings Ltd did not submit a bank statement for November and December, despite our request for a bank statement for the last three months October, November December 2022. However, the bidder submitted a bank statement which was printed earlier on 7/11/2022 ending October 2022. The committee treated it as partially responsive in the spirit of fairness.</p> <p>Authority's comment</p>

No	Subject of procurement	Findings
		<p>The Authority took note of the management response however, Evaluation Committees should not deviate from the criteria set by the Entity in the bidding document.</p>
7.	<p>Construction of one block of Girl's dormitory at Mary Immaculate Primary School worth UGX: 79,981,000</p>	<p>Passing of a non-compliant bidder; Section 3 Evaluation Methodology and Criteria, (C.) The detailed Evaluation Criteria, Personnel and Equipment required that the Site Engineer should have General Work Experience of 5years, and 3 years' experience in similar works. However, the Site Engineer's experience was totalling to 11months.</p> <p><u>Management Response</u></p> <p><i>It true that the Engineer's total experience as a site Engineer only totalled to 11 months, contrary to Section 3 Evaluation Methodology and Criteria (C) which required the site Engineer to have a General Work Experience of 5years, and 3 years' experience in similar works as a site Engineer.</i></p> <p><i>However, the evaluation committee declared the bid partially responsive (in the spirit of fairness) as the site Engineer, Nyeko Geoffrey was implied to be experienced in construction work having presented an academic transcript registered in 2012 as a Civil Engineer.</i></p> <p><i>Additionally, only one bid was received for this procurement despite cancellation of the procurement by the Accounting Officer due to low bidder response and later re- inviting bidders.</i></p>
8.	<p>Supply of three motor cycles worth UGX 44,615,930</p>	<ul style="list-style-type: none"> • GCC 16.1 stated that "The structure of payments shall be: full payment following delivery of the supplies and submission of an invoice" however, CFAO Motors Uganda Limited indicated that 100% payment should be made upon contract signing against an advance payment guarantee before delivery. • CFAO Motors Uganda Limited submitted conditional offers and the Evaluation Committee deemed it compliant. GCC 28.3 stated that the period of the warranty shall be twelve months, however, CFAO Motors Uganda Limited indicated that the period of the warranty shall be twelve months or 6,000 kms whichever comes first. <p><u>Management Response</u></p> <ul style="list-style-type: none"> • <i>It's true on the Supply of three motor cycles, CFAO Motors Uganda Ltd submitted a conditional offer requiring 100% payment to be made upon contract signing against an advance payment guarantee</i>

No	Subject of procurement	Findings
		<p><i>before delivery, which was contrary to our requirement in the bid under GCC 16.1. However, we accepted their payment terms after realising that it was their company policy and it was manageable by the entity.</i></p> <p><i>In addition, CFAO Motors Uganda Limited also submitted a conditional offer contrary to GCC 28.3 which required a warranty period of 12 months. This indicated that their period of the warranty shall be twelve months or 6,000 kms whichever comes first. Their offer was accepted when the committee realised that it was an equally good offer, with 6,000 km (Approx. 16.4 km per day) seen as a better offer compared to the 12 months.</i></p>
9.	Construction of one block of two classroom at Kweyo Primary School worth UGX 79,746,052	<ul style="list-style-type: none"> • Failure by the Entity to quality assure the sums in the Best Evaluated Bidder's bid. <p>Review of the best evaluated bidder's Bills of Quantities indicate that the bid price was UGX 76,888,092. However, the Evaluation Committee did not point out where the error came from for the bid price to change from UGX 76,888,092 to UGX 79,746,052. Despite notifying Load Engineering Ltd on 12th January 2023 and an acceptance received by the Entity on 13th January 2023. Further analysis indicated that the corrected bid price should have been UGX 65,511,400.</p> <p><u>Management Response</u></p> <ul style="list-style-type: none"> • <i>Failure by the Entity to quality assure the sums in the Best Evaluated Bidder's bid for construction works at Kweyo Primary School is noted.</i> <p><i>However, the contract is an admeasurement contract where payments are based on actual volume of works executed and not the contract sum. It is true that the evaluation committee noted errors in the bills of quantities. The bills of quantities need to be jointly verified and also include the VAT Component of 18% to the total.</i></p> <p>Authority's comment</p> <p>The Authority appreciates the Entity's response, however the response given does not address the issue raised.</p>

Implications

- Passing non-compliant bidders contravenes the principles of fairness and accountability in the evaluation of bids.
- This may lead to awarding of contracts to bidders without capacity to undertake the works hence exposing the Entity to a risk of failure to deliver as planned, loss of money in shoddy works and loss of time due to repetitive processes.

Recommendations

1. The Head, Procurement and Disposal Unit should ensure that the Evaluation Committee members strictly adhere to the evaluation criteria specified in the bidding documents during the evaluation of bids in accordance with Regulation 5 (1) and (2) of the PPDA(Evaluation) Regulations, 2023.
2. The Head, Procurement and Disposal Unit should also ensure that technical guidance is always provided to Evaluation Committees in the conduct of their duties.

2.1.10 Evaluation of bids by persons that had not been approved by the Contracts Committee

The Authority found that in four procurements worth UGX 226,164,572, there were persons who participated in the evaluation of bids without approval being granted by the Contracts Committee as indicated in Table 10 below:

Table 10: Approved Evaluation Committee members verses those that evaluated

No.	Subject of Procurement	EC members approved by CC	EC members that evaluated bids	Issues Noted
1.	Construction of one block of Girl's dormitory at Mary Immaculate Primary School worth UGX: 79,981,000	1. Mr. Richard Irwenyo 2. Eng. Christo Omara Balmoyi 3. Mr. Benson Odaki 4. Mr. Edmond Opio	1. Mr. Edmond Opio 2. Ms. Lilly Alice Awor 3. Eng. Christo Balmoyi 4. Mr. Benson Odaki	Ms. Lilly Alice Awor took part in the evaluation and signed the Evaluation Report on 8 th March 2023 but was not approved by Contracts Committee.
2.	Provision of security services worth UGX 24,000,000	1. Mr. Denis Okwera 2. Mr. Edmond Opio 3. Mr. Andrew Ajore	1. Mr. Denis Okwera 2. Mr. Edmond Opio 3. Mr. Andrew Ajore 4. Ms. Lilly Awor	Participation of Ms. Lilly Awor in evaluation process yet she was not on the approved Evaluation Committee.
3.	Construction of one block of two classroom at Kweyo Primary School worth UGX 79,746,052	1. Eng. Christo Omara 2. Mr. Richard Irwenyo 3. Mr. Benson Odaki 4. Mr. Edmond Opio	1. Eng. Christo Balmoyi Omara 2. Dr. Daniel Okello 3. Mr. Benson Odaki 4. Mr. Edmond Opio	Dr. Daniel Okello replaced Mr. Richard Irwenyo yet not approved by Contracts Committee and also did not sign the Evaluation Report.
4.	Supply of school desks to Pakwelo and Kweyo Primary School worth UGX 42,437,520	1. Eng. Christo Balmoyi Omara 2. Mr. Richard Irwenyo 3. Mr. Benson Odaki	1. Dr. Daniel Okello 2. Eng. Christo Balmoyi Omara 3. Mr. Edmond Opio	Dr. Daniel Okello participated in the Evaluation process and yet he was not approved by Contracts Committee.

No.	Subject of Procurement	EC members approved by CC	EC members that evaluated bids	Issues Noted
		4. Mr. Edmond Opio	4. Mr. Benson Odaki 5.	whereas Mr. Richard Irwenyo did not participate in Evaluation process.

Implications

- The entity runs a risk of evaluation by members who do not have appropriate skills and experience relating to the nature of procurements being handled. This could be the reason why the Entity has irregularities noted during evaluation processes.
- The entity is at risk of evaluation by members with a conflict of interest which could expose the entity to fraudulent practices in the evaluation process.

Management Response

This is noted, Ms. Lilly Awor and Dr. Daniel Okello were adopted as representatives of the user department, but we forgot to update the Contracts Committee minutes. Mr. Richard Irwenyo was unable to attend the evaluation exercise due to his busy schedules. We promise to avoid such mistakes in all subsequent procurements.

Recommendations

1. Evaluation Committees should be constituted as per members approved by the Contracts Committee in accordance with Section 28(b) of the PPDA Act, 2003.
2. The Contracts committee should be vigilant in exercising their oversight function and reject evaluation reports submitted by members that were not initially approved by Contracts Committee.

2.1.11 Anomalies at Contracting

The Authority found various anomalies at the contracting stage in six procurements worth UGX 1,264,700,850 as detailed in the Table 11 below:

Table 11: Procurements with anomalies during the contracting process

No.	Subject of procurement	PPDA Findings						
1.	Construction of one block of Girl's dormitory at Mary Immaculate Primary School worth UGX: 79,981,000	<p>Change of Conditions of Contract at the time of contract signature This is illustrated below:</p> <table border="1"> <thead> <tr> <th>Issued bidding document</th> <th>Signed contract</th> </tr> </thead> <tbody> <tr> <td>GCC 44.1, the defects liability period is 180 days</td> <td>GCC 35.1 stated 60 days as the defect's liability period.</td> </tr> <tr> <td>GCC 22 stated that 'the intended completion date for the whole of the works shall be 120 days after site possession date which was 30th March 2023</td> <td>GCC 17.1 stated that 'the intended completion date for the whole of the works shall be 30th June 2023 which makes it 61 days from the date of site possession.</td> </tr> </tbody> </table>	Issued bidding document	Signed contract	GCC 44.1, the defects liability period is 180 days	GCC 35.1 stated 60 days as the defect's liability period.	GCC 22 stated that 'the intended completion date for the whole of the works shall be 120 days after site possession date which was 30 th March 2023	GCC 17.1 stated that 'the intended completion date for the whole of the works shall be 30 th June 2023 which makes it 61 days from the date of site possession.
Issued bidding document	Signed contract							
GCC 44.1, the defects liability period is 180 days	GCC 35.1 stated 60 days as the defect's liability period.							
GCC 22 stated that 'the intended completion date for the whole of the works shall be 120 days after site possession date which was 30 th March 2023	GCC 17.1 stated that 'the intended completion date for the whole of the works shall be 30 th June 2023 which makes it 61 days from the date of site possession.							

No	Subject of procurement	PPDA Findings
		<p><u>Management Response</u> <i>The Entity acknowledges the Authority's finding and will address the issue in the subsequent procurements.</i></p>
2.	Construction of two-unit staff house at Lapeta HC II worth UGX 102,430,100	<ul style="list-style-type: none"> • Irregular change of defects liability period terms from that in stated in the bidding document; GCC 44.1 of the SCC of the bidding document provided a defects liability period of 180 days however GCC 35.1 of the SCC attached to the contract stated that the defects liability period is 60 days. • GCC 22.1 of the SCC in the bidding document stated that the intended completion date for the whole of the works shall be 120 days after site possession date however GCC 17.1 of the SCC in the signed contract stated that the intended completion date for the whole of the works shall be 30th June 2023. The site possession date was 30th March 2023 which meant the contract duration was less than the duration of 120 days that was stated in the bidding document. This was unfair to the contractor whose work plan was for a period of four months. • Irregular change of the GCC and SCC at contract signing. The GCC and SCC in the bidding document were for Local Government bidding document for works under open bidding issued by PPDA in September 2020, however at contract signing the Entity used the GCC and SCC for Local Governments standard bidding document for works issued by PPDA in 2009. • SCC 29 of the bidding document provided for ESHS management strategies and implementation plans, however this requirement was not provided in the SCC attached to the signed contract. <p><u>Management Response</u> <i>The inconsistencies are noted; we shall make sure these mistakes are not repeated in all subsequent contract agreements. The root cause of the problem has been identified and will mitigated.</i></p>
3.	Provision of security services worth UGX 24,000,000	<ul style="list-style-type: none"> • Irregularities at contract ward; the Contracts Committee meeting minutes of 15th August 2022 indicated that the Contracts Committee awarded the contract for provision of security services to Stonewall Security Services (U) Limited at UGX 460,000 per armed guard per night per month. This decision was not clear on whether the price was per night or per month since it captured two periods. • Signing the contract at a value higher than the planned value. The planned value was UGX 24,000,000;

No	Subject of procurement	PPDA Findings
		<p>however, the contract was signed at a price of UGX 41,400,000.</p> <p>Management Response</p> <ul style="list-style-type: none"> <i>The ambiguous statement (per guard per night per month) in the NOBEB is noted. We shall endeavor to properly structure our statements. This was meant to mean per night armed guard, per month. However, this was better stated in the Contract Agreement as UGX 460,000 per armed guard, per month.</i> <i>Signing the contract at UGX 4,140,000 monthly, a higher value than the planned (budgeted) annual value of UGX 24,000,000 is noted. The extra funding was meant to come from the City Division Account.</i>
4.	Street parking/vehicles/produce loading and offloading Laroo Pece Division worth UGX 849,600,000	<ul style="list-style-type: none"> <i>Irregular application/implementation of Solicitor General's (SG) advice; on 12th September 2022, the Entity wrote to SG for contract clearance and on 22nd November 2022 SG guided the Entity to remove/delete GCC 22.2 since the provision as stated was inappropriate because the collected revenue/monies are to be paid into the consolidated fund which does not attract taxes. Whereas the Entity deleted GCC 22.2 at contract signing as guided by Solicitor General, it signed the contract at UGX 23,600,000 per month with VAT inclusive instead of UGX 20,000,000.</i> <i>Signing the contract with someone who had no Powers of Attorney. Whereas it was Mr. Onekalit Vincent with the Powers of Attorney and also signed the bid for Punena General Traders, the contract was signed by Mr. Gama Walter.</i> <p>Management Response</p> <ul style="list-style-type: none"> <i>Their total bid price was UGX 23,600,000 taxes exclusive. However, we erred by stating that this sum is VAT inclusive. We shall be more vigilant in all subsequent contract agreements to avoid such inconsistencies.</i> <i>The Entity acknowledges the finding and pledges that going forward, contracts will only be signed by persons with authorized powers of attorney.</i>
5.	Renovation of one block of three classroom at Christ the King Demonstration worth UGX 58,689,750	<ul style="list-style-type: none"> <i>Changing the procurement reference number at contract signing; whereas the procurement reference number was Gulu603/Wrks/2022-2023/00001, the contract signed had Gulu603/Wrks/2022-2023/00002.</i> <p>Management Response <i>This is noted</i></p>

No .	Subject of procurement	PPDA Findings
6.	Supply of office stationery worth UGX 150,000,000	<p>Failure to sign the contract with all the best evaluated bidders; whereas the Contracts Committee awarded the contract to two suppliers; the Entity signed the contract with one firm i.e. Prime Trade Link. The Entity did not sign the contract with Good Lord Computer Centre.</p> <p><u>Management Response</u> <i>This is noted, extra duty of care will be exercised to ensure that all contracts awarded are signed.</i></p>

Implications

- Signing a contract with an unauthorized representative renders the contract void and not legally binding and enforceable on parties to the contract.
- Irregularities in the signed contracts exposes the Entity to the risk of contract disputes between the Entity and the contractors.

Recommendations

1. The Accounting Officer should desist from signing contracts with unauthorized representatives of contractors, and where the contractors change representation, request for the respective Powers of Attorney before signing the contracts.
2. The Accounting Officer should task the Procurement and Disposal Unit to desist from making changes to the contract terms at contract signing, and where need arises, negotiate before contract signing or seek Contracts Committee approval for contract amendments with sufficient justification after contract signing in accordance with Regulation 54 (6) (b) of the PPDA(Contracts) Regulations, 2023.
3. The Contracts Committee and Head Procurement and Disposal Unit should quality assure all contract documents before the contracts are signed.

2.2 COMPLIANCE OF THE ENTITY'S DISPOSAL PROCESS WITH THE PROVISIONS OF THE PPDA ACT, 2003 AND REGULATIONS, 2006

2.2.1 Failure by the Entity to dispose of unserviceable assets

The Authority found that the Entity did not dispose of assets in the FY 2022/2023. Some of the assets due for disposal at the City yard are indicated in Table 12 below:

Table 12: Obsolete assets due for disposal





Implication

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

Management Response

A letter has been drafted by the Head Procurement and Disposal Unit to the Chief Government Valuer to come and assess the assets due for disposal at the Entity.

Recommendation

The Accounting Officer should dispose of all obsolete assets to avoid further depreciation and attain value for money in accordance with 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

2.3.1 Anomalies noted at contract management

The Authority found anomalies in contract management in the following seven procurements worth UGX 1,885,808,930 which casted doubt on effectiveness of the Entity in supervision of contracts and contravened Regulation 119 of the Local Governments (PPDA) Regulations, 2006 as detailed in Table 13 below:

Table 13: Procurements with anomalies at contract management

No.	Subject of Procurement	Contract Amount (UGX)	Findings																					
1.	Renovation of one block of three classroom at Christ the King Demonstration	58,689,750	<p>GCC 36.1 required the contractor to submit a program for the works within one week of delivery of contract signature however, there was no evidence that this was done by the contractor.</p> <p><u>Management Response</u> <i>No management response</i></p>																					
2.	Construction of two-unit staff house at Lapeta HC II	102,430,100	<ul style="list-style-type: none"> GCC 27.1 required the contractor to submit a program for the works within 5 days of delivery of the letter of acceptance however, there is no evidence that this was done by the contractor No payment records. <p><u>Management Response</u> <i>No management response</i></p>																					
3.	Supply of office stationery	150,000,000	<ul style="list-style-type: none"> Mismanagement of the framework contract. <p>Items not on the framework contract</p> <table border="1"> <thead> <tr> <th>Description of supplies</th> <th>Quantity</th> <th>Amount (UGX)</th> </tr> </thead> <tbody> <tr> <td>Original HP INK Printer 130 black</td> <td>1 PC</td> <td>230,000</td> </tr> <tr> <td>Original HP INK Printer 134 coloured</td> <td>1 PC</td> <td>230,000</td> </tr> <tr> <td>White wash</td> <td>4 pcs</td> <td>12,000</td> </tr> <tr> <td>Highlighter</td> <td>4 pcs</td> <td>32,000</td> </tr> <tr> <td>Ring binder</td> <td>2 boxes</td> <td>14,000</td> </tr> <tr> <td>Total</td> <td></td> <td>518,000</td> </tr> </tbody> </table> <p><u>Management Response</u> <i>No management response</i></p>	Description of supplies	Quantity	Amount (UGX)	Original HP INK Printer 130 black	1 PC	230,000	Original HP INK Printer 134 coloured	1 PC	230,000	White wash	4 pcs	12,000	Highlighter	4 pcs	32,000	Ring binder	2 boxes	14,000	Total		518,000
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Total		518,000																						
4.	Renovation of OPD at Laroo HCIII, Staff house at Unyama HCII	24,382,680	<p>Unjustified payment of Contingencies amounting to UGX 1,161,080</p> <p><u>Management Response</u> <i>No management response</i></p>																					
5.	Provision of security services	24,000,000	<ul style="list-style-type: none"> Failure by the contract manager to draft a contract management plan. 																					

No.	Subject of Procurement	Contract Amount (UGX)	Findings																		
6.	Street parking/vehicles/produce loading and offloading Laroo Pecen Division	849,600,000	<p>Management Response</p> <p>The contractor still has payment arrears not paid by <i>Gulu City Council</i>.</p> <ul style="list-style-type: none"> • Failure by the contract manager to prepare contract management reports. • Irregularities at contract implementation and payment. GCC 8.1 indicated that the period within which the services shall have commenced is 1st September 2022, and GCC 18.1 indicated a contract completion date of 30th June 2023, however the Authority noted that the service provider invoiced as follows: <ul style="list-style-type: none"> a) Invoice no.18930 dated 15th September 2022- UGX 19,200,000. b) Invoice no. 18931 dated 15th September 2022- UGX 15,659,000. c) Invoice no. 18961 dated 15th September 2022- UGX 6,520,000. • No payment vouchers for the entire contract. 																		
			<p>• Failure by the contract manager to prepare contract management reports.</p> <p>• Missing payments. The Authority found that some months were not yet paid and some had partial payments as indicated below.</p> <table border="1" data-bbox="367 582 734 1075"> <thead> <tr> <th>Month</th> <th>Payment (23,600,000 per month)</th> <th>Contractual payment</th> </tr> </thead> <tbody> <tr> <td>July 2023</td> <td>Paid only UGX 11,600,000</td> <td>1st July 2023</td> </tr> <tr> <td>August 2023</td> <td>Paid only UGX 10,000,000</td> <td>1st August 2023</td> </tr> <tr> <td>September 2023</td> <td>Not paid</td> <td>1st September 2023</td> </tr> <tr> <td>October 2023</td> <td>Not paid</td> <td>1st October 2023</td> </tr> <tr> <td>November 2023</td> <td>Not paid</td> <td>1st November 2023</td> </tr> </tbody> </table> <p>This is against GCC 24.3 of the contract which stated that "payment shall be made monthly on the first day of each month using PRN generated with IRAS application"</p> <p>Management Response</p> <p>Copies of some contract management reports are here attached.</p>	Month	Payment (23,600,000 per month)	Contractual payment	July 2023	Paid only UGX 11,600,000	1 st July 2023	August 2023	Paid only UGX 10,000,000	1 st August 2023	September 2023	Not paid	1 st September 2023	October 2023	Not paid	1 st October 2023	November 2023	Not paid	1 st November 2023
Month	Payment (23,600,000 per month)	Contractual payment																			
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November 2023	Not paid	1 st November 2023																			

No.	Subject of Procurement	Contract Amount (UGX)	Findings																																																				
			<p>Authority's Comment The Authority took note of the Entity's response however, it was observed that the specific payment records in question were not provided as stated in the management response.</p>																																																				
7.	Street parking/vehicles/produce loading and offloading Bardege Layibi Division	676,706,400	<ul style="list-style-type: none"> Failure by the contract manager to prepare contract management reports. Missing payments. The Authority found that some months were not yet paid and some had partial payments as indicated below. <table border="1"> <thead> <tr> <th>Month</th> <th>Monthly pay (UGX)</th> <th>Paid</th> <th>Arrears</th> </tr> </thead> <tbody> <tr> <td>Jan 2023</td> <td>18,797,400</td> <td>18,797,400</td> <td>0</td> </tr> <tr> <td>Feb 2023</td> <td>18,797,400</td> <td>0</td> <td>18,797,400</td> </tr> <tr> <td>March 2023</td> <td>18,797,400</td> <td>18,797,400</td> <td>0</td> </tr> <tr> <td>April 2023</td> <td>18,797,400</td> <td>0</td> <td>18,797,400</td> </tr> <tr> <td>May 2023</td> <td>18,797,400</td> <td>0</td> <td>18,797,400</td> </tr> <tr> <td>June 2023</td> <td>18,797,400</td> <td>18,797,400</td> <td>0</td> </tr> <tr> <td>July 2023</td> <td>18,797,400</td> <td>13,000,000</td> <td>5,797,000</td> </tr> <tr> <td>August 2023</td> <td>18,797,400</td> <td>0</td> <td>18,797,400</td> </tr> <tr> <td>September 2023</td> <td>18,797,400</td> <td>0</td> <td>18,797,400</td> </tr> <tr> <td>October 2023</td> <td>18,797,400</td> <td>0</td> <td>18,797,400</td> </tr> <tr> <td>November 2023</td> <td>18,797,400</td> <td>0</td> <td>18,797,400</td> </tr> <tr> <td>TOTAL</td> <td></td> <td></td> <td>137,378,800</td> </tr> </tbody> </table> <p>This was against GCC 24.3 of the contract which stated that <i>"payment shall be made monthly on the first day of each month using PRN generated with IRAS application"</i></p> <ul style="list-style-type: none"> Failure to recommend the company to PPDA for blacklisting; the Authority found that Waromo Cony Investment Ltd signed a contract to collect revenue for the period of 36 months, however it was noted that the company failed to remit all revenues as per the contract. Notably, the company had been collecting revenue until when its contract was terminated on 13th October 2023. 	Month	Monthly pay (UGX)	Paid	Arrears	Jan 2023	18,797,400	18,797,400	0	Feb 2023	18,797,400	0	18,797,400	March 2023	18,797,400	18,797,400	0	April 2023	18,797,400	0	18,797,400	May 2023	18,797,400	0	18,797,400	June 2023	18,797,400	18,797,400	0	July 2023	18,797,400	13,000,000	5,797,000	August 2023	18,797,400	0	18,797,400	September 2023	18,797,400	0	18,797,400	October 2023	18,797,400	0	18,797,400	November 2023	18,797,400	0	18,797,400	TOTAL			137,378,800
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TOTAL			137,378,800																																																				

No.	Subject of Procurement	Contract Amount (UGX)	Findings
			<ul style="list-style-type: none"> • Management Response <i>Copies of some contract management reports are here attached.</i> <p>Authority's comment The Authority noted the Entity's response however, copies of the missing payment records highlighted above were not availed as part of the documents as stated in the management response.</p>
Total		1,885,808,930	

Implication

Ineffective contract monitoring and supervision, potentially results in increased risk of contract non-performance by a provider.

Recommendations

1. Contract managers should strictly supervise contracted firms to ensure fulfillment of all contractual obligations specified within the terms and conditions of the contract in accordance with Regulation (52) (1) (b) of the PPDA(Contracts) Regulations, 2023.
2. The Accounting Officer should prevail over contract managers to ensure that all contract management records are kept and archived as required in accordance with Regulation 52 (3)(a) (vii) of the PPDA(Contracts) Regulations, 2023 for easy access by the Procurement and Disposal Unit to enhance effective contract monitoring.

2.3.2 Payment of the contractor without deducting withholding tax

The Authority found that in the procurement for Supply of road materials worth UGX 125,000,000. Dolo Technical Services limited was fully paid UGX 8,360,000 Voucher no. 2168251 without deducting 6% withholding tax.

Implication

The Entity is at risk of having to pay the withholding tax at a later date as a result of such errors.

Management Response

No management response

Recommendation

The Accounting Officer should ensure that all payments are double checked to ensure that all tax deductions are made before payments are effected.

2.3.3 Failure to provide accountability for fuel consumed by private vehicles.

The Authority found that there were different call off orders on file and corresponding payments worth UGX 1,776,000. However, there was no evidence to account for the fuel consumed and paid for. The consumption records from Nile Energy Ltd for the different private vehicles are detailed in Table 14 below:

Table 14: Call off orders and corresponding payments without accountability

No.	Date	Vehicle No	Litres	Amount	Service Provider
1.	24/1/2023	UBE 433S	65	338,000	Nile Energy Ltd
2.	27/1/2023	UAS 255L	60	312,000	Nile Energy Ltd
3.	30/1/2023	UAJ 926	30	159,000	Nile Energy Ltd
4.	30/1/2023	UBA 595V	30	156,000	Nile Energy Ltd
5.	1/2/2023	UBH 192T	10	52,000	Nile Energy Ltd
6.	2/2/2023	UAN 104R	5	26,000	Nile Energy Ltd
7.	4/2/2023	UAS 153L	30	159,000	Nile Energy Ltd
8.	9/2/2023	UAU 344V	15	78,000	Nile Energy Ltd
9.	18/2/2023	UAJ 926X	20	106,000	Nile Energy Ltd
10.	20/2/2023	UBL 767R	25	130,000	Nile Energy Ltd
11	23/2/2023	UAU 534P	5	260,000	Nile Energy Ltd
Total				1,776,000	

Implications

- The Entity runs a risk of nugatory expenditure which undermines the principle of accountability and achieving value for money for the Entity.
- Missing accountability affects the audit trail and undermines the principles of accountability and transparency.

Management Response

No management response

Recommendations

1. The contract manager should provide accountability for the above listed call off orders and corresponding payments.
2. The Accounting Officer should, prior to approving proceeding payments, task the user departments to adhere to accountability reporting procedures.

2.3.5 Incomplete procurement files

In the following seven procurement action files reviewed worth UGX 1,863,924,020, there were missing records relating to the procurements contrary to Regulation 46 of the Local Governments (PPDA) Regulations, 2006 as detailed in Table 15 below:

Table 15: Missing contract management records

No.	Subject of Procurement	Contract Amount (UGX)	Missing Documents
1.	Construction of two-unit staff house at Lapeta HC II	102,430,100	<ul style="list-style-type: none"> • No evidence of commissioning and handover of the facility • No payment records.
2.	Provision of security services	24,000,000	<ul style="list-style-type: none"> • No payment vouchers for the entire contract.

No.	Subject of Procurement	Contract Amount (UGX)	Missing Documents
			<ul style="list-style-type: none"> • No contract management reports. • No draft contract management plan.
3.	Street parking/vehicles/produce loading and offloading Laroo Pece Division	849,600,000	<ul style="list-style-type: none"> • No contract management reports. • Missing payments
4.	Street parking/vehicles/produce loading and offloading Bardege Layibi Division	676,706,400	<ul style="list-style-type: none"> • No contract management reports. • Missing payments
5.	Supply of road materials	125,000,000	<ul style="list-style-type: none"> • No contract management reports
6.	Supply of school desks to Pakwelo and Kweyo Primary School	42,437,520	<ul style="list-style-type: none"> • No contract management records (Delivery notes)
7.	Collection of revenues from animals slaughtering fees Laroo Pece Division	43,750,000	<ul style="list-style-type: none"> • No payment records on file for 3months
	TOTAL	1,863,924,020	

Implication

Failure to maintain contract management records hinders accountability and service delivery cannot be tracked.

Management Response

No management response

Recommendations

1. The Accounting Officer should prevail over contract managers to ensure that all contract management records are kept and archived as required in accordance with Regulation 52 (3) (a) (vii) for easy access by the Procurement and Disposal Unit and other stakeholders.
2. Heads of User Departments should ensure that contract managers avail contract management records to the Procurement and Disposal Unit for monitoring purposes and maintenance on the respective procurement action files.

2.4 FINDINGS ON THE CONSTRUCTION WORKS FOR SELECTED INFRASTRUCTURE SUB PROJECTS IN CLUSTER II, GULU CITY COUNCIL UNDER USMID

The Government of Uganda, through MLHUD is implementing the USMID-AF Program funded by the World Bank-IDA. The program is designed to enhance institutional performance of several cities/municipalities with an aim of improving urban service delivery. It contributes to the Second National Development Plan in which infrastructure is identified as one of the complementary sectors for growth.

The Authority reviewed two USMID contracts whose time, physical and financial progress are detailed in Tables 16 and 17 below:

Table 16: Upgrading to Class II standard paved road with an Asphaltic Concrete wearing course surface in Gulu City by China Railway 18th Bureau Group Company Limited

Contract Title	Upgrading to Class II standard paved road with an Asphaltic Concrete wearing course surface in Gulu City under USMID-AF of the following selected roads; Procurement reference: Gulu, Kitgum/wrks/USMID-AF/2020-2021/00001
Contract Scope	1.Vincent Opio and Oola Lubara road(2.540km) 2.Pope John Paul Road(1.540km) 3.Nelson Mandela Road (1.680km) 4.Onono Road(1.014km) 5.Lakana Odongkara Road(0.583km) 6.Francis Barabanawe Road(0.431km) Total:7.788km
Name of Contractor	M/s China Railway 18 th Bureau Group Company Limited
Method of procurement	Open bidding
Type of Contract	Admeasurement
Contract Price (UGX)	42,877,450,337
Contract Signing date	16 th June 2021
Contract Start date	23 rd July 2021
Original Contract end date	24 th September 2022
Defects Liability Period	365 days
Date of submission of ES Performance Security and Performance Security	
Project Manager	Trio Consultants Ltd with ICS Engineering & Environment Ltd
Progress as at 20 th December 2023	Time progress-100% Physical progress-100% Financial progress-90%

Table 17: Upgrading to Class II standard paved road with an Asphaltic Concrete wearing course surface in Gulu City by China Railway Seventh Group CO. Ltd (CRSG)

Contract Title	Upgrading to Class II standard paved road with an Asphaltic Concrete wearing course surface in Gulu City under USMID-AF of the following selected roads;
Contract Scope	1.Alur Road(0.893km) 2.Okello Okeno Road(0.844km) 3.Queen Elizabeth Road(0.722km) 4.Eden Road(1.429km) 5.Samuel Doe Road(0.946km) Total:4.834km)

Name of Contractor	M/s China Railway Seventh Group CO. Ltd (CRSG)
Method of procurement	Open bidding
Type of Contract	Admeasurement Contract
Contract Price(UGX)	25,040,842,098
Contract Signing date	16 th December 2021
Site hand over date	13 th January 2022
Contract Start date	25 th January 2022
Original Contract end date	24 th April 2022
Defects Liability Period	365 days
Date of submission of ES Performance Security and Performance Security	22 nd January 2022
Project Manager	Segamu 14 Consults Ltd in sub consultancy with Hersun Consults Ltd
Progress as at 20 th December 2023	Time progress- 100% Physical progress- 86% Financial progress- 73.1%

2.4.1 STATUS OF SOLAR STREET LIGHTS IN GULU CITY FOR THE MONTH OF NOVEMBER 2023

The Authority found that in Gulu City, a total of 1,904 street lights were installed in a phased manner as detailed below;

- i) In phase one FY 2013/2014, 189 solar street lights installed along the different roads, only 6 accounting for **3%** were functional at the time of the audit in November 2023 whereas 183 solar street lights accounting for **97%** were faulty.
- ii) In FY 2016/2017, 64 solar street lights installed along UNDRA road, 50 solar street lights accounting for **78%** were functional at the time of the audit in November 2023 whereas 14 accounting for **22%** were faulty.
- iii) In FY 2017/2018, 547 solar street lights installed along the different roads, only 62 accounting for **11%** were functional at the time of the audit in November 2023 and 485 solar street lights accounting for **89%** were faulty.
- iv) In FY 2019/2020, 457 solar street lights installed along the different locations and roads, 413 accounting for **90%** were functional at the time of the audit in November 2023 and 44 accounting for **10%** were faulty.
- v) In FY 2022/2023, out of the 547 solar street lights installed along the different roads, all the 547 were fully functional.

In conclusion out of the **1,904** solar street lights installed along the different roads and locations in Gulu City Council, a total of **1,158** accounting for **61%** are fully functional, whereas **746** solar street lights accounting for **39%** are faulty as indicated in Table 18 below:

Table 18: Status of solar street lights in Gulu City for the month of November 2023.

Financial year	Location	No. of lamps installed	Functional street lights	Faulty street lights
2013/2014	DBC	35	-	35
2016/2017	UNDRA	64	50	14
2017/2018	Kampala road	100	80	20
	Total	199	130	69
2013/2014(Phase one)				
1.	Ring road	84	4	80
2.	Alokolum road	32	-	32
3.	Acholi lane	16	-	16
4.	Cemetery road	11	-	11
5.	Labor line road	11	2	9
	Total	154	6	148
2017/2018(Phase two)				
1.	Walter Opwonya road	25	19	6
2.	Commercial road	13	-	13
3.	Pece school road	12	-	12
4.	Phillip tanner road	8	-	8
5.	Crane avenue road	7	-	7
6.	Adonga road	13	-	13
7.	Muroni rd	29	19	10
8.	Odur min odyek	12	-	12
9.	Salvatore rd	25	-	25
10.	Kabalega rd	5	-	5
11.	Lango rd	5	-	5
12.	Nyerere rd	37	-	37
13.	Timothy rd	10	-	10
14.	Odida rd	10	-	10
15.	Dr. Onekalit rd	10	-	10
16.	Pece stadium	11	-	11
17.	Peter paul opok	38	5	33
18.	Golf course rd	21	-	21
19.	Lasto Oketch	19	-	19
20.	Lumumba avenue	15	4	11
21.	Laroo rd	86	8	78
22.	Sir Samuel Baker	55	3	52
23.	Brother Reuben rd	29	1	28
24.	Hassan Mitchel rd	22	3	19
25.	Alex Ojera rd	19	-	19

Financial year	Location	No.of lamps installed	Functional street lights	Faulty street lights
26.	Tank rd	11	-	11
	Total	547	62	485
2019/2020(phase three)				
1.	Moroto rd	98	80	18
2.	Labwo rd	10	10	-
3.	Kweyo rd	07	7	-
4.	Awich rd	10	10	-
5.	Olya rd	06	6	-
6.	Andrea/Gul Av.	59	50	9
7.	Lagara rd	10	10	-
8.	Coronation road	07	7	-
9.	Jomo Kenyatta rd	15	12	3
10.	Kitgum rd	61	55	6
11.	Awere rd	07	7	-
12.	Bank Lane	15	10	5
13.	Queen Avenue	10	9	1
14.	Market Street	08	8	-
15.	Dr.Couty Lucil	14	14	-
16.	Lumumba Link	5	4	1
17.	Acholi rd	48	48	-
18.	Roundabout (1)	4	4	-
19.	Roundabout (2)	4	4	-
20.	Princess rd	4	4	-
21.	Council yard	1	1	-
22.	CPS Gulu	2	2	-
23.	Air field rd	8	8	-
24.	Lacor center	15	15	-
25.	Unyama center	16	15	1
26.	Alike rd	10	10	-
27.	Ibrahim rd	3	3	-
	Total	457	413	44
2022/2023(phase four)				
1.	Logistics hub rd	73	73	-
2.	Pope John Paul rd	104	104	-
3.	Vincent Opio rd	164	164	-
4.	Onono road	67	67	-
5.	Francis Barabanawe	25	25	-
6.	Nelson Mandela rd	62	62	-
7.	Lakana Odongkara	35	35	-

Financial year	Location	No.of lamps installed	Functional street lights	Faulty street lights
8.	Dr.Mathew Lukwiya	17	17	
	Total	547	547	-
	Grand Total	1,904	1,158	746

Implication

This implies that the Entity did not conduct a thorough market assessment to establish the nature of solar street lights to be procured taking into consideration their sustainability.

Management Response

Every financial year there is a plan for street light maintenance and the procurement process is ongoing.

Recommendation

The Accounting Officer should ensure that the Entity puts in place an operational and maintenance plan for the solar street lights which should inform budgeting and subsequently soliciting for funds for repair and maintenance of lights along the different roads and at various locations within Gulu City.

2.4.2 Failure by the Entity to implement the Authority's recommendation

The previous audit for Financial Year 2021/22 noted that, whereas during the pre-bid meeting, it was clarified that registration of Engineers from other countries shall not be recognized and advised all bidders to formalize the registration within Uganda with the Uganda Engineers Registration Board (ERB), and the Authority found that the best evaluated bidder China Railway Seventh Group Co. Ltd did not have any registered Engineer and it was recommended for an award by the Evaluation Committee on condition that it will have all its Engineers registered with ERB.

Based on the above finding, the Authority recommended that the Accounting officer instructs the contractor China Railway Seventh Group Co. Ltd to have all its Engineers who are implementing the project registered or acquire temporary registration from Uganda Engineers Registration Board as full registration process is being finalized, however there was no proof of registration of the following key personnel as detailed in Table 19 below:

Table 19: China Railway Seventh Group Co. Limited's Key Personnel that were not registered by Engineers Registration Board

No.	Name and Position of Personnel	Required Minimum Qualifications	EC Remarks
	Project Manager / Construction Manager Li Wanghong, Wang Kaige and Liang Huipu	Minimum Bachelors Science Degree in Civil Engineering/ equivalent, Registered Engineer by ERB with minimum 15 years of total experience and at least 10 years in road	Met the Requirement: However, the Engineer is Not registered with ERB and thus recommended to register with ERB

No.	Name and Position of Personnel	Required Minimum Qualifications	EC Remarks
		construction project management.	
1.	Site Engineers Li Qi, Wang Shengii and Wang Peiyu	Minimum Bachelors Science Degree in Civil Engineering/ or equivalent, Registered Engineer by ERB with expertise in urban roads construction with at least 7 years' experience.	Met the Requirement: However, the Engineer is Not registered with ERB and thus recommended to register with ERB
2.	Materials Engineer	Minimum Bachelors Science Degree in Civil Engineering/equivalent, Registered Engineer by ERB with at least 5 years' experience.	Met the Requirement: However, the Engineer is Not registered with ERB and thus recommended to register with ERB
3.	Electrical Engineer Li Lei, Zhou Tieling, Wang Yong	Minimum Bachelors Science Degree in Electrical Engineering/equivalent, Registered Engineer by ERB with at least 3 years' experience.	Met the Requirement: However, the Engineer is Not registered with ERB and thus recommended to register with ERB
4.	Mechanical Engineer / Sanitary Engineer Gu Zhengshual, Han Lingju and Song Hanjun	Minimum Bachelors Science Degree in Mechanical Engineering/Sanitary Engineering/equivalent, Registered Engineer by ERB with at least 3 years' experience.	Met the Requirement: However, the Engineer is Not registered with ERB and thus recommended to register with ERB
5.	Land Surveyors Gao Linghan and Jiao Longlong	Bachelor's Degree in Surveying/ Geodesy, Registered Surveyor/equivalent with at least 3 years of experience in engineering survey.	Not Registered with the Institute of Surveyors.

Implication

This implies that contracts were implemented by firms that lacked all the requirements for executing contracts with the Government of Uganda.

Management Response:

It is true, the contractor has not yet complied with our directive. A letter was written to this effect on 20th March 2023.

Recommendation






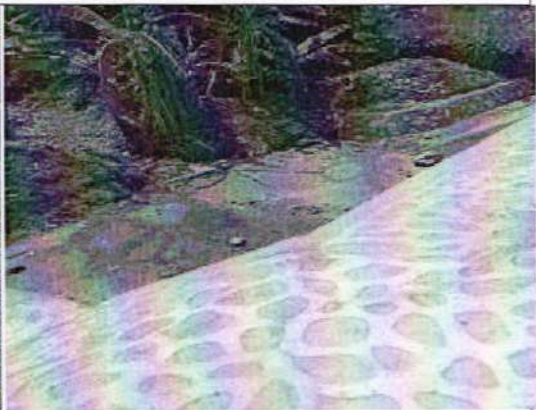
The Accounting Officer should follow up with the contractor China Railway Seventh Group Co. Ltd to have all its Engineers who are implementing the project registered or acquire

temporary registration from Uganda Engineers Registration Board as the full registration process is being finalized as recommended by the Authority.

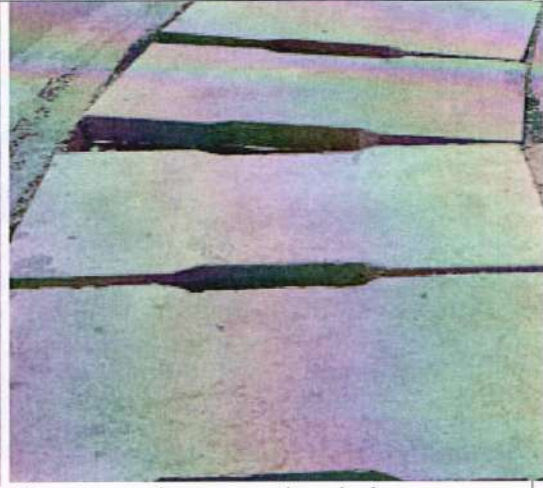
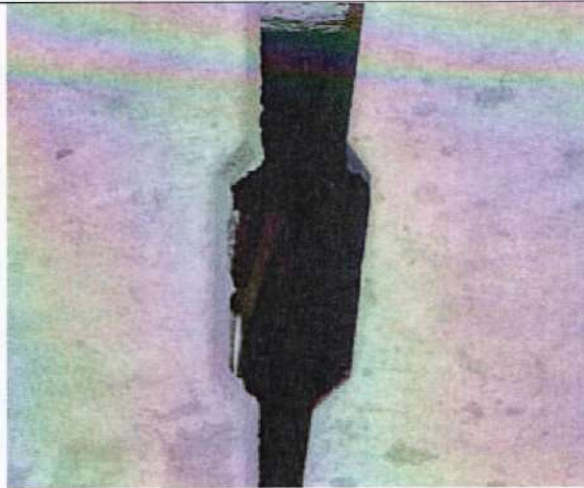
2.4.3 Physical verification of USMID road works

Table 20 below shows the physical progress of USMID roads as at November 2023:

Table 20: Physical verification pictures of USMID roads

	
	
<p>Road works on Pope John Paul road 1.540km The excavated soil was stockpiled in some people's compounds.</p>	<p>Road works on Vincent Opio & Oola Lubara road 2.540km Access roads were not worked on and the soil has covered tarmac surfaces</p>
	
<p>Okello Okeno road 0.837km Pending works;</p>	<p>Pending works; Drainage works</p>

Ancillary road works including street lighting, tree planting, road marking and road signage. Above road marking has been done, street lights are being fixed)

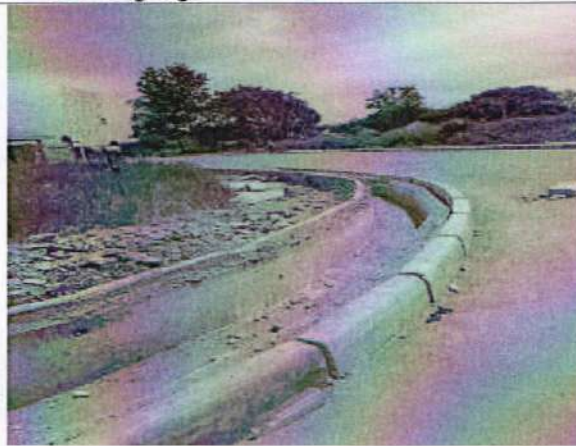


Alur Road 0.893km

Pending works;

- Complete drainage works
- Asphalt concrete wearing surface
- Ancillary road works including street lighting, tree planting, road marking and road signage

The space between the drainage cover slabs is too wide and can cause accidents to pedestrians.

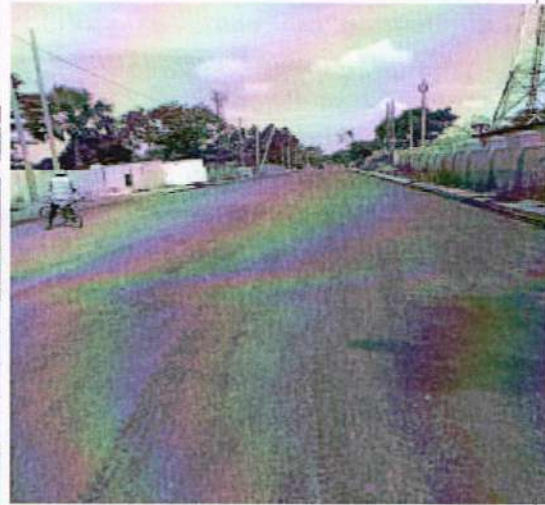


Contractor's personnel not wearing Personal Protective Equipment (PPEs)

Incomplete works on Eden Road (1.429km)

Pending works:

Ancillary road works including street lighting, tree planting, road marking, and road signage



Samuel Doe Road 0.946km

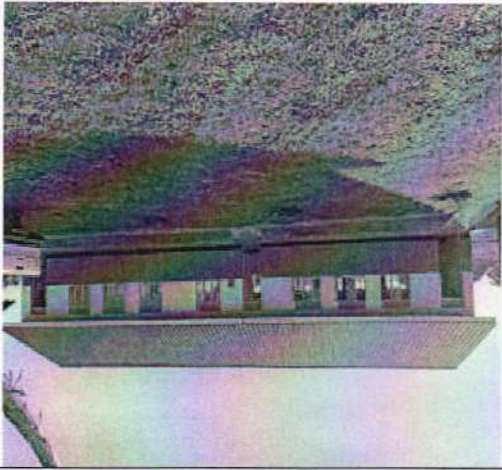
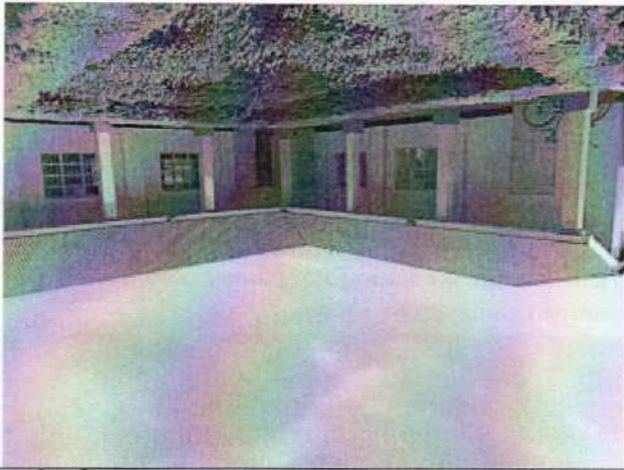


Pending works;

- Drainage works
- Ancillary road works including street lighting, tree planting, road marking and road signage.

Project Affected Persons have difficulty accessing their homes i.e. graded sections near the homes were too deep.

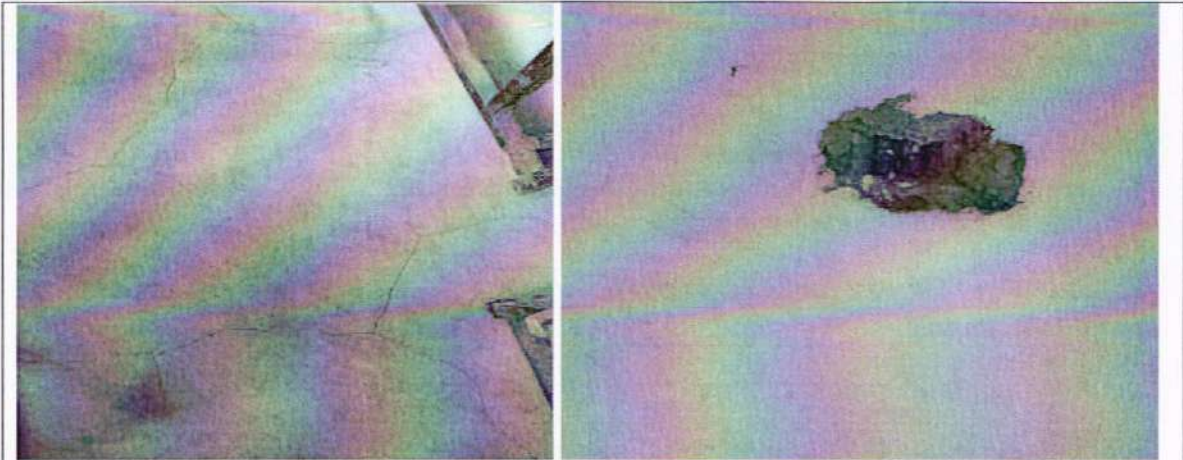


 <p>No tress planted</p>	 <p>Renovation of one block of three classroom at Christ the King Demonstration Primary School.</p> <p>Construction of classroom block at Kweyo Primary School</p>
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2.4.4 Physical verification of other audited projects

Recommendation
 The Entity should expedite the fixing of snags on all the roads within the extended contractual period

- Management Response**
- There are two contractors involved with USMID road construction in Gulu City. These are the responses to the issues raised on each of the projects/contracts:
 - M/s China Railway 18th Bureau Group Company Limited, constructed 6 roads with 2 additional roads.
 - The contract has been substantially completed and handed over to the city. However, snags have been identified and communicated to the contractor.
 - Captured in the snag lists are all the issues raised in the management letter such as access roads, wide slab gaps and among other issues.
 - Reminder letters have been sent to the contractor and the Entity is awaiting their response.
 - Other methods to ensure compliance from the contractor shall be deployed to ensure all these issues are addressed.
 - M/s China Railway Seventh Group CO. Ltd is constructing five roads with additional two roads added in December 2023.
 - Contract time extension of five additional months has been added to the contractor thereby putting the project end date at 24th April 2024. Therefore, this project is still an ongoing work in progress.
 - As per the issues raised above, most of them has been addressed, such as access roads, slab gaps have largely been fixed. Site clearance as a whole shall be handled once excavation for duct works and construction of pedestrian walkways are completed.
 - Some other work components, such as the solar street light installation are in progress too as seen on Alur road.



Cracks on the floor of the classroom block The roof was leaking

Management response

It is true, the structure developed some cracks on the floor after completion and other minor defects during defect liability period (DLP). The contractor has been notified about the defects and is expected to remedy them during the defect's liability period as per the contract.

Recommendation

The contract manager should task the contractor, Load Engineering Ltd to correct all defects identified by the Authority before the expiry of the defect's liability period.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

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

3.1 Overall Audit Conclusion

The performance of Gulu City for the Financial Year 2022/23 was **moderately satisfactory** with an overall weighted average risk rating of **57%**.

Table 21: The risk rating is as follows:

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

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

Table 22: Summary of performance of Gulu City Council

Risk Rating	No.	% No.	Value (UGX)	% Value	Weight	Total Weighted Score	
						By No.	By Value
High Risk	7	37	2,086,426,250	2.96	0.6	22.2	1.8
Medium Risk	8	42	68,337,908,437	96.86	0.3	12.7	29.1
Low Risk	4	21	129,141,783	0.18	0.1	2.1	0.01
Total	19	100	70,553,476,470	100	1	37	30.91

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{37 \times 100}{60} = 62\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{30.91 \times 100}{60} = 52\%$$

$$\text{Combined Weighted Average} = \frac{62+52}{2} = 57\%$$

Figure 1: Risk rating by Number

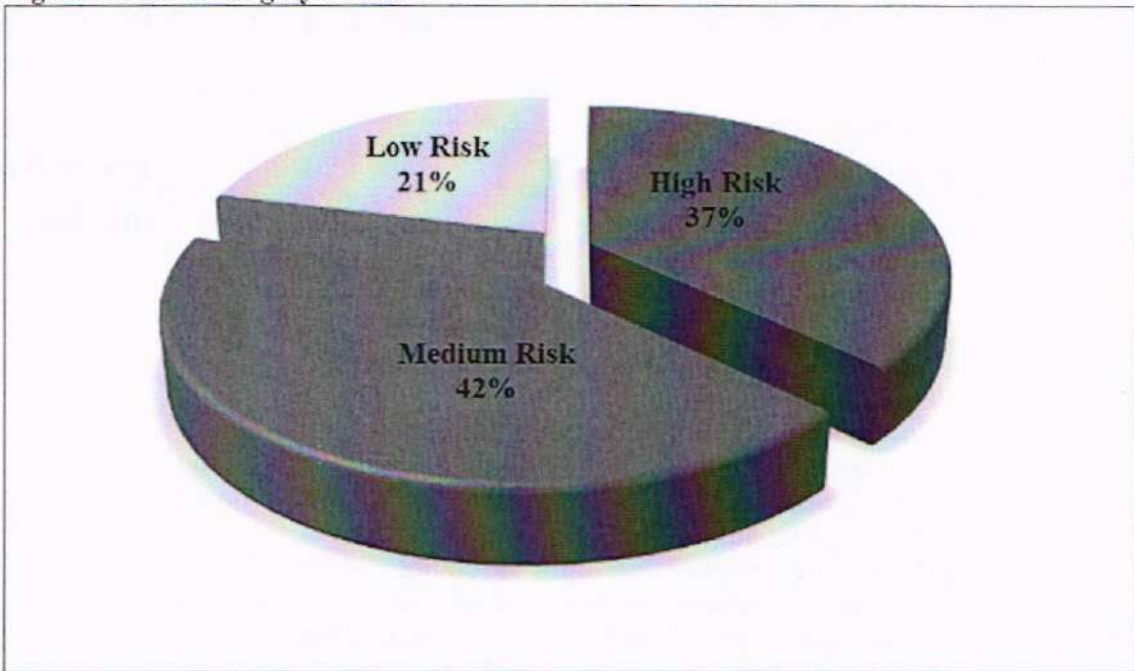
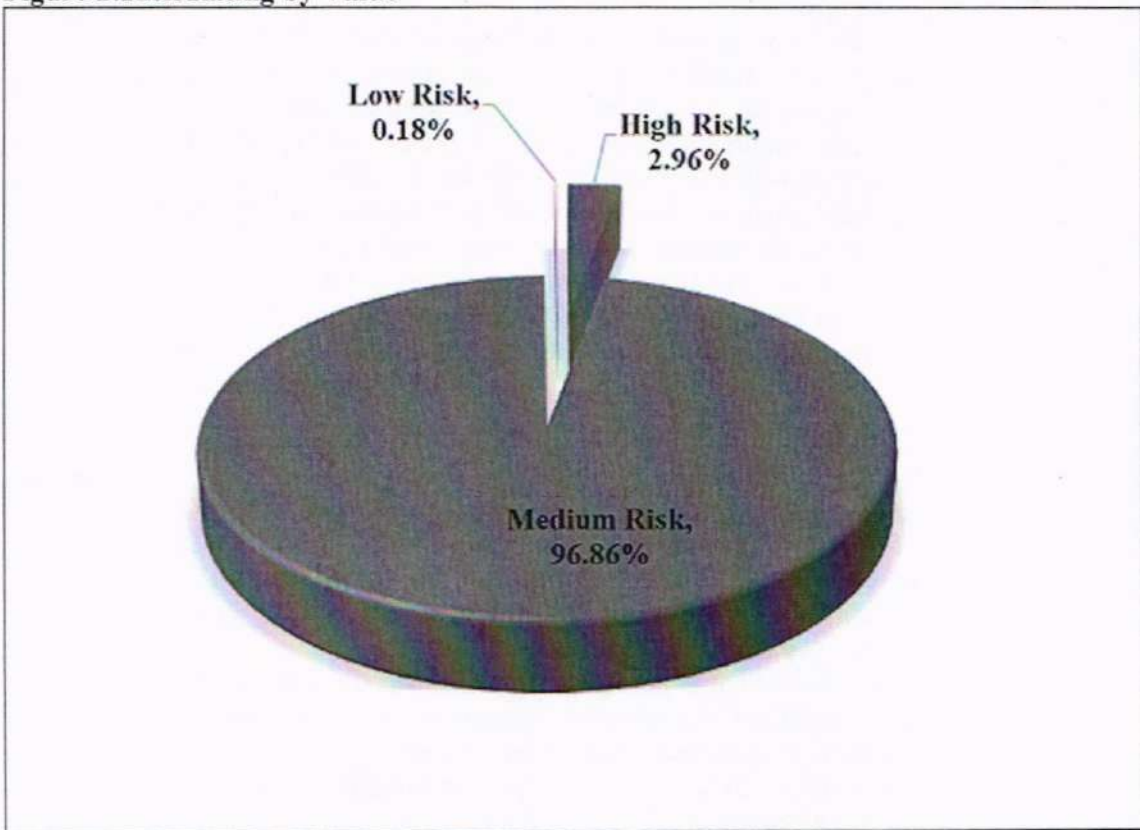


Figure 2: Risk Rating by Value



3.2 Recommended Action Plan

Gulu City Council should with immediate effect implement the following recommendations in order to improve its performance in accordance with Section 9 (1) (a) of the PPDA Act, 2003.

Table 23: Recommended Action Plan

No.	Recommended Action	Time Frame
1.	<p>The Accounting Officer should;</p> <ul style="list-style-type: none"> i) Ensure that the Entity puts in place an operational and maintenance plan for the solar street lights which should inform budgeting and subsequently soliciting for funds for repair and maintenance of lights along the different roads and at various locations within Gulu City. ii) Ensure that a strong mechanism is put in place to implement recommendations made by the Authority so as to improve the Entity's performance and impractical recommendations should be brought to the Authority's attention. iii) Prevail over contract managers to ensure that all contract management records are kept and archived as required in accordance with Regulation 52 (3)(a) (vii) of the PPDA(Contracts) Regulations, 2023 for easy access by the Procurement and Disposal Unit to enhance effective contract monitoring. iv) Task the Head Procurement and Disposal Unit, and contract managers to avoid delays in the procurement process by ensuring that all procurements are conducted in a manner that promotes economy, efficiency, and value for money in accordance with Section 48 of the PPDA Act, 2003. v) Task the Procurement and Disposal Unit to desist from making changes to the contract terms at contract signing, and where need arises, negotiate before contract signing and seek Contracts Committee approval for contract amendments with sufficient justification after contract signing in accordance with Regulation 54 (6) (b) of the PPDA(Contracts) Regulations,2023. 	Immediate
2.	<p>The Head Procurement and Disposal Unit should;</p> <ul style="list-style-type: none"> i) Ensure that the prepared bidding documents have the most appropriate evaluation methodology and criterion in accordance with Regulation 42 (b) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations,2023. ii) Ensure that potential bidders are given sufficient notice of the pre-bid meetings to offer reasonable opportunity for the bidders to attend in accordance with Section (60) (3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. iii) Ensure that the Evaluation Committee members strictly adhere to the evaluation criteria specified in the bidding documents 	Immediate

No.	Recommended Action	Time Frame
	during the evaluation of bids in accordance with Regulation 5 (1) and (2) of the PPDA(Evaluation) Regulations, 2023 and should also ensure that technical guidance is always provided to Evaluation Committees in the conduct of their duties.	
3.	<p>User Departments should;</p> <p>i) Prevail over contract managers to ensure that each provider meets all performance or delivery obligations as per the terms and conditions of a contract, in accordance with Regulation 52 (3) (a) (i) of the PPDA (Contracts) Regulations, 2023.</p> <p>ii) Prevail over contract supervisors to avail contract management records to the Procurement and Disposal Unit for monitoring purposes and maintenance on the respective procurement action files.</p> <p>iii) Prevail over contract supervisors to appraise the performance of the providers and report on the performance of the providers to the Procurement and Disposal Unit in accordance with Regulation 52 (2) (f) of the PPDA (Contracts) Regulations, 2023.</p>	Immediate
4.	The Contracts Committee should scrutinize all sections of the bidding documents for completeness and appropriateness before approving them for issue in accordance with Section 28 (1) (e) of the PPDA Act, 2003.	Immediate

Annex A: Findings and rating on the individual contracts reviewed

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	<p>Renovation of one block of three classroom at Christ the King Demonstration Gulu603/Wrks/2022-2023/00001 Open Domestic Bidding Dedol Logistics Ltd UGX: 58,689,750</p>	<ul style="list-style-type: none"> • Vote No., programme, sub-programme, item and balance remaining in the funds availability section of the Form 1 were left blank • Unclear evaluation criteria. The bidding document required bidders to submit evidence of fulfilment of obligations to pay taxes and NSSF, however period was not specific. • GCC 61.1 stated that performance security shall not be applicable however the importance of a performance security is to protect the Entity against non-performance by the contractor • ITB 20.1 stated that a bid security shall not be required however, the importance of a bid security is to protect the Entity against unserious bidders. • Failure to evaluate criteria provided for in the bidding document • Failure by the best evaluated bidder Dedol Logistics Ltd to specify the date of bid validity period. The bidder indicated 120 days. • Bid tampering. The Entity issued the invitation to bidders on 21st December 2022 with the closing date of 10th January 2023 at 11:00am. However, the best evaluated bidder Dedol Logistics Company Ltd submitted a bid with a bank statement from KCB Bank that was issued on 10th January 2023 at 13:38 PM. This was after the bids were opened at 11:30am. • Passing of a non-compliant bidder. Whereas the Entity required a general experience of 5 years and a specific experience of 3 years, Dedol Logistics Company Ltd the best evaluated bidder had existed for 2 years ever since it was incorporated by the time of submission. The company was incorporated on 27th July 2020 and got its TIN number on 1st March 2023, therefore by the time of bid closing date of 10th January 2023 the

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
		<p>company did not have general experience of 5 years.</p> <ul style="list-style-type: none"> • Failure by Dedol Logistics Company Ltd to submit lease agreement of the items required. Much as the bidder provided a list of 13 hired equipment, there was no proof to that effect. • Failure by Dr. Daniel Okello to participate in evaluation yet he was on the approved committee.
2.	<p>Street parking/vehicles/produce loading and offloading Laroo Pece Division Open Domestic Bidding Punena General Traders UGX 849,600,000</p>	<ul style="list-style-type: none"> • Vote No., programme, sub-programme, item and balance remaining in the funds availability section of the Form 1 were left blank • Delay to prepare the bidding document. The Accounting Officer confirmed funding on 10th June 2022, however the PDU submitted LG PP Form 2 for approval of the procurement method and bidding document on 17th July 2022. • Punena General Traders the best evaluated bidder did not submit the bank statement of April 2022 as it was requested. • Delay to sign the contract. Whereas the Notice of the Best Evaluated Bidder (NOBEB) expired on 26th August 2022, the contract was signed on 25th November 2022. • Failure by the contract manager to prepare contract management reports. • Missing payments. The Authority noted that some months were not yet paid and some had partial payments.
3.	<p>Street parking/vehicles/produce loading and offloading Bardege Layibi Division Method: Open Domestic Bidding Provider: Waromo Cony Investment Ltd UGX: 676,706,400</p>	<ul style="list-style-type: none"> • Vote No., programme, sub-programme, item and balance remaining in the funds availability section of the Form 1 were left blank • Delay to prepare the bidding document. The Accounting Officer confirmed funding on 10th June 2022, however the PDU submitted LG PP Form 2 for approval of the procurement method and bidding document on 17th July 2022. • Failure to specify the bid validity period in the bidding document. ITB 18.1 required a bid validity period of 120 working days.

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
		<ul style="list-style-type: none"> • Failure to provide for a margin of preference. ITB 38.1 stated that a margin of preference shall not apply. ITB 33.1 stated that the margin of preference shall not apply • Passing of non-compliant bidder. Waromo Cony Investment Ltd the best evaluated bidder offered a bid validity period of 120 calendar days instead of the required 120 working days. • Delay to sign the contract. Whereas NOBEB expired on 26th August 2022, the contract was signed on 2nd January 2023. • Failure by the contract manager to prepare contract management reports. • Missing payments. The Authority noted that some months were not yet paid and some had partial payments.
4.	<p>Supply of road materials Open National Bidding Dolo Technical Services Ltd ESFED Ltd Brottos (U) Ltd UGX 125,000,000</p>	<ul style="list-style-type: none"> • Vote No., programme, sub-programme, item and balance remaining in the funds availability section of the Form 1 were left blank • Failure to specify the bid validity period in the bidding document. ITB 18.1 required a bid validity period of 120 working days. • Delay to prepare the bidding document. The Accounting Officer confirmed funding on 10th June 2022, however the PDU submitted LG PP Form 2 for approval of the procurement method and bidding document on 18th July 2022. • Failure to provide for a margin of preference. ITB 38.1 stated that a margin of preference shall not apply. ITB 33.1 stated that the margin of preference shall not apply • Failure by Dolo Technical Services Limited the best evaluated bidder to comply with the delivery period offered. • Passing of a non-compliant bidder. ITB 20.2 required bidders to submit a registered specific power of attorney for this procurement, however, the best evaluated bidders Dolo Technical Services Limited and Topstar Co. Limited were passed with a general powers of attorney.

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
		<ul style="list-style-type: none"> • Paying of the contractor without deducting withholding tax. Voucher no. 2168251 worth UGX 8,360,000 was paid fully to Dolo Technical Services limited without deducting the 6% WHT. • No contract management reports on file
5.	Supply of fuel, oil and lubricants Open National Bidding Nile Energy Ltd UGX 250,000,000	<ul style="list-style-type: none"> • Failure to account for fuel consumed by private vehicles • Vote No., programme, sub-programme, item and balance remaining in the funds availability section of the Form 1 were left blank • Failure to specify the bid validity period in the bidding document. ITB 18.1 required a bid validity period of 120 working days. • Delay to prepare the bidding document. The Accounting Officer confirmed funding on 10th June 2022, however the PDU submitted LG PP Form 2 for approval of the procurement method and bidding document on 18th July 2022. • Incomplete conditions of contract
6.	Provision of security services Open National Bidding Stonewall Security Services (U) Ltd UGX 24,000,000	<ul style="list-style-type: none"> • Delay by PDU to submit the procurement to Contracts Committee for approval. The Accounting Officer confirmed availability of funding on 10th July 2022, however PDU submitted LG PP Form 2 and 5 to Contracts Committee on 18th July 2022. • Contradicting evaluation criteria. • Inappropriate/inadequate requirements in the issued bidding documents. • Failure to indicate the correct unit of measure in the bidding document. • Bid opening was managed by only one person. Bid opening was only witnessed by Mr. Godfrey Obita the Head PDU. • Passing of a non-compliant bidder. • Unspecified quotation. Stonewall Security Services (U) Limited the best evaluated bidder did not specify whether the UGX 460,000 per guard was for a month, quarter or per annum. • Potential leakage of information to bidders. • Stonewall Security Services (U) Limited the best evaluated bidder

No.	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
		<p>submitted a bid that was not signed by the appointed individuals.</p> <ul style="list-style-type: none"> • Irregular recommendation of award of the contract. • Failure by the contract manager to draft a contract management plan. • Failure by the contract manager to prepare contract management reports. • Irregularities at contract implementation and payment • No payment vouchers for the entire contract.
7.	<p>Construction of two unit staff house at Lapeta HC II Selective Bidding Pathway Technical Services Ltd UGX 102,430,100</p>	<ul style="list-style-type: none"> • Unclear evaluation criteria. The bidding document required bidders to submit evidence of fulfilment of obligations to pay taxes and NSSF, however the required period was not stated. • Failure to state the minimum academic qualifications for the required personnel. • Pre-bid meeting and a site visit were not held yet the ITB 9.3 of the bidding document stated that pre-bid meeting or a site visit shall be held on 2nd Feb 2023. • Use of inappropriate procurement method. Whereas the procurement market price at initiation was UGX 104,000,000, PDU recommended the use of selective bidding method instead of Open bidding • Passing of a non-compliant bidder • Irregular change of defects liability period terms from that in stated in the bidding document. • Irregular change of the GCC and SCC at contract signing • No evidence on file on whether Environmental and Social post construction activities including but not limited to decommissioning and landscaping was done by the Contractor. • No evidence of commissioning and handover of the facility. • No payment records. • No completion certificate on file

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	Construction of one block of Girl's dormitory at Mary Immaculate Primary School Gulu603/Wrks/2022-2023/00007 Selective Bidding Regent Technical Services Ltd UGX: 79,981,000	<ul style="list-style-type: none"> • Delayed initiation of the procurement • Low bidder participation • Inconsistencies in the bidding document • Inconsistencies in the defects liability period • Inconsistencies in the intended completion date. • Irregularities at Evaluation. • Inconsistent members of the Evaluation Committee
2.	Construction of one block of one block of two classroom with an office at Kweyo P/s Gulu603/Wrks/2022-2023/00002 Open Domestic Bidding Load Engineering Ltd UGX 79,746,052	<ul style="list-style-type: none"> • Vote No., programme, sub-programme, item and balance remaining in the funds availability section of the Form 1 were left blank • Failure to specify the bid validity period • Display of the Notice of the Best Evaluated Bidder for a period 45 days and not 10 working days from 19/01/2023 to 06/03/2023. • Signing of contract before the expiry of the Notice of the Notice of the Best Evaluated Bidder, Contract was signed on 10/02/2023 before expiry of the display period, of 6th March, 2023.
3.	Supply of school desks to Pakwelo P/s and Kweyo P/s Gulu603/Supls/2022-2023/00001 Open domestic Bidding Jonako Investments Ltd UGX:42,437,520	<ul style="list-style-type: none"> • Vote No., programme, sub-programme, item and balance remaining in the funds availability section of the Form 1 were left blank • Failure to specify the bid validity period • Delayed payments • Display of the Notice of the Best Evaluated Bidder for a period 45 days and not 10 working days from 19/01/2023 to 06/03/2023. • No contract management reports
4.	Supply of office stationery Open Domestic Bidding Prime Trade Link UGX:150,000,000	<ul style="list-style-type: none"> • Contradicting evaluation criteria. Part 1 of the bidding document under document evidencing eligibility required bidder to submit a general registered powers of attorney, however ITB 20.2 required registered specific powers of attorney for this procurement. • Failure to sign the contract with all the best evaluated bidders. Whereas the Contracts Committee awarded the

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
		contract to 2 suppliers, the Entity signed the contract with one firm. The Entity did not sign the contract with Good Lord Computer Centre
5.	Supply of three motor cycles Gulu603/Supls/2022-2023/00002 Selective Bidding CFAO Motors Uganda Limited UGX 44,615,930	<ul style="list-style-type: none"> • Delayed initiation of procurement • Low bidder participation • Issuance of poorly drafted solicitation document with inadequate requirements. • Inconsistent evaluation criteria.
6.	Renovation of OPD at Oitino HCII Selective Bidding Gulu603/Wrks/2022-2023/00003 Jokello Holdings Ltd UGX:22,835,500	<ul style="list-style-type: none"> • Passing of a non-compliant bidder • Display of the Notice of the Best Evaluated Bidder(NOBE) for a period of more than 45 days and not the required 10 working days i.e. from 19/01/2023 to 06/03/2023.
7.	Upgrading to Class II standard paved road with an Asphaltic Concrete wearing course surface in Gulu City under USMID-AF of the following selected roads; Vincent Opio and Oola Lubara road, Pope John Paul Road, Nelson Mandela Road, Onono Road, Lakana Odongkara Road, Francis Barabanawe Road Total:7.788km Open bidding M/s China Railway 18 th Bureau Group Company Limited UGX 42,877,450,337	<ul style="list-style-type: none"> • Access roads were not worked on and the soil has covered tarmac surfaces. • The space between the drainage cover slabs is too wide and may cause accidents to pedestrians. • Project Affected Persons have difficulty accessing their homes i.e. graded sections near the homes were too deep
8.	Upgrading to Class II standard paved road with an Asphaltic Concrete wearing course surface in Gulu City under USMID-AF of the following selected roads; Alur Road, Okello Okeno Road, Queen Elizabeth Road, Eden Road, Samuel Doe Road.Total:4.834km) Open bidding M/s China Railway Seventh Group CO. Ltd (CRSG) UGX 25,040,842,098	<ul style="list-style-type: none"> • Project Affected Persons have difficulty accessing their homes i.e. graded sections near the homes were too deep and vehicles cannot access some homes. • The space between the drainage cover slabs is too wide and can cause accidents to pedestrians. • Very weak drainage covers. The iron bars used are very weak and have already been damaged by the heavy trucks. • Failure by the Contractor to have its Engineers registered with the Uganda Engineers Registration Board (ERB)

NO.	LOW RISK CONTRACTS	REASONS FOR LOW RISK
1.	Renovation of OPD at Laroo HCIII, Staff house at Unyama HCII Gulu603/Wrks/2022-2023/00013 Selective bidding Odensbricks Company-SMC Ltd UGX 24,382,680	<ul style="list-style-type: none"> • Delayed initiation of procurement • Low bidder participation • Failure to specify exact date that bids would expire • Inconsistencies in the documents evidencing eligibility • Failure by the Contract Supervisor to prepare a contract Management plan.
2.	Collection of revenues from animals slaughtering fees Laroo Pece Division Gulu603/srvc/2022-2023/00013 Open Domestic Bidding Waneno Anyim Laliya Agonga butchery Ass. UGX:43,750,000	<ul style="list-style-type: none"> • Failure to specify the bid validity period in the bidding document. ITB 18.1 required a bid validity period of 120 days.
3.	Construction of incinerator shade, main gate, waiting shade, gate's man house and fencing Aywee HCIII Gulu603/Wrks/2022-2023/00010 Selective Bidding Lagere Engineering (U) Ltd UGX: 38,315,579	<ul style="list-style-type: none"> • Failure to specify the bid validity period in the bidding document. ITB 18.1 required a bid validity period of 120 days. • Vote No., programme, sub-programme, item and balance remaining in the funds availability section of the Form 1 were left blank.
4.	Renovation of OPD at Unyama HCII Gulu603/Wrks/2022-2023/00004 Selective Bidding Din Engineering Ltd UGX 22,693,524	<ul style="list-style-type: none"> • Delayed initiation of procurement • Low bidder participation • Failure to specify exact date that bids would expire • Inconsistencies in the documents evidencing eligibility • Failure by the Contract Supervisor to prepare a contract Management plan.

ANNEX B: Audit Sample List for the audit of Gulu City Council for FY 22/23

GULU CITY SAMPLE LIST FOR FY 2022/2023

No.	Procurement Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Value (UGX)	Risk Rating
1.	Gulu603/Wrks/2022-2023/00006	Construction of two unit staff house at Lapeta HC II	Selective	Pathway Technical Services Ltd	102,430,100	High
2.	Gulu603/Wrks/2022-2023/00007	Construction of one block of Girl's dormitory at Mary Immaculate Primary School	Selective	Regent Technical Services Ltd	79,981,000	Medium
3.	Gulu603/Wrks/2022-2023/00002	Construction of one block of two classroom at Kweyo Primary School	Open Domestic Bidding	Load Engineering Ltd	79,746,052	Medium
4.	Gulu603/Wrks/2022-2023/00001	Renovation of one block of three classroom at Christ the King Demonstration	Open Domestic Bidding	Dedol Logistics Ltd	58,689,750	High
5.	Gulu603/Wrks/2022-2023/00010	Construction of incinerator shade, main gate, waiting shade, gate's man house and fencing Aywee HCIII	Selective	Lagere Engineering (U) Ltd	38,315,579	Low
6.	Gulu603/Wrks/2022-2023/00001	Supply of school desks to Pakwelo and Kweyo Primary School	Open Domestic Bidding	Jonako Investment Ltd	42,437,520	Medium
7.	Gulu603/Wrks/2022-2023/00003	Renovation of OPD at Oitino HCII	Selective	Jokello Holdings Ltd	22,835,500	Low
8.	Gulu603/Supls/2022-2023/00002	Supply of three motor cycles	Selective	CFAO Ltd	44,615,930	High
9.	Gulu603/Wrks/2022-2023/00004	Renovation of OPD at Unyama HCII	Selective	Din Engineering Ltd	22,693,524	Medium
10.	Gulu603/Spls/2022-2023/00001	Supply of office stationery	Framework	Prime Trade Link	150,000,000	Medium

11.	Gulu603/srvc/2022-2023/00005	Street parking/vehicles/produce loading and offloading Laroo Pece Division	Open Domestic Bidding	Punena General Traders	849,600,000	High
12.	Gulu603/srvc/2022-2023/00013	Collection of revenues from animals slaughtering fees Laroo Pece Division	Open Domestic Bidding	Waneno Anyim Laliya Agonga butchery Ass.	43,750,000	Low
13.	Gulu603/srvc/2022-2023/00019	Street parking/vehicles/produce loading and offloading Bardege Layibi Division	Open Domestic Bidding	Waromocomy Investment Ltd	676,706,400	High
14.	Gulu603/Wrks/2022-2023/00013	Renovation of OPD at Laroo HCIII, Staff house at Unyama HCII	Selective	Odensbrick Co. SMC Ltd	24,382,680	Low
15.	Gulu603/Supls/2022-2023/0010	Supply of fuel, oil and lubricants	Open National Bidding	Nile Energy Ltd	250,000,000	High
16.	Gulu603/Supls/2022-2023/00009	Supply of road materials	Open National Bidding	Dolo Technical Services Ltd ESFED Ltd Brottos (U) Ltd	125,000,000	High
17.	Gulu603/Srvc/2022-2023/00001	Provision of security services	Open National Bidding	Stonewall Security Services (U) Ltd	24,000,000	High

18.	Gulu, Kitgum/wrks/USMID- AF/2020-2021/00001	Upgrading to Class II standard paved road with an Asphaltic Concrete wearing course surface in Gulu City under USMID-AF of the following selected roads; Vincent Opio and Oola Lubara road, Pope John Paul Road, Nelson Mandela Road, Onono Road, Lakana Odongkara Road, Francis Barabanawe Road Total:7.788km	Open Bidding	M/s China Railway 18 th Bureau Group Company Limited	42,877,450,337	Medium
19.	Gulu, Kitgum/wrks/USMID- AF/2020-2021/00002	Upgrading to Class II standard paved road with an Asphaltic Concrete wearing course surface in Gulu City under USMID-AF of the following selected roads; Alur Road, Okello Okeno Road, Queen Elizabeth Road, Eden Road, Samuel Doe Road. Total:4.834km)	Open bidding	M/s China Railway Seventh Group CO. Ltd (CRSG)	25,040,842,098	Medium
TOTAL					70,553,476,470	

ANNEX C: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry risk for the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	Planning: Lack of or failure to procure within the approved plan	This implies emergencies and use of the direct procurement method which affects competition and value for money.
		Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals and usurping the powers of the PDU.	This implies use of less competitive methods which affects transparency, accountability and value for money.
		Evaluation: Use of inappropriate evaluation methodologies or failure to conduct evaluation.	This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files namely; solicitation document, submitted bids, evaluation report and contract.	This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries
MEDIUM	Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant	Planning: Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		Bidding Process: Deviations from standard procedures namely bidding periods,	This implies lack of efficiency, standardisation and avoiding competition.

RISK	DESCRIPTION	AREA	IMPLICATION
	timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place. Such	standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	
	procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.	Procurement Structures: Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.	

RISK	DESCRIPTION	AREA	IMPLICATION
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.	Planning: Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and lack of transparency.

SATISFACTORY

Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the procurement process based on the records available at the time.

ANNEX D: Contracts Committee and Procurement and Disposal Unit Composition

Contracts Committee Composition

No.	Name	Committee Position	Substantive Position
1.	Mr. John Charles Luwa	Chairperson	Senior Planner
2.	Mr. Gilbert Oloya	Member	Senior Assistant Town Clerk
3.	Mr. Bob P'obwoya Otika	Member	Accountant
4.	Mr. Janan Lakony	Member	Senior Education Officer
5.	Mr. Robert Nyero Acaye	Member	Clinical Officer

Procurement and Disposal Unit Composition

No.	Title	Title
1.	Mr. Edmond Opio	Senior Procurement Officer