



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

**PROCUREMENT AND DISPOSAL AUDIT REPORT FOR
FINANCIAL YEAR 2018/2019**

MARACHA DISTRICT LOCAL GOVERNMENT

AUGUST 2019

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Acronyms

AO	Accounting Officer
BEBN	Best Evaluated Bidder Notice
CAO	Chief Administrative Officer
CC	Contracts Committee
EC	Evaluation Committee
FY	Financial Year
H/C	Health Centre
LG	Local Government
MTC	Maracha Town Council
ONB	Open National Bidding
PDU	Procurement and Disposal Unit
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
SBD	Standard Bidding Document
TPC	Technical Planning Committee
UGX	Uganda Shilling
VAT	Value added Tax

EXECUTIVE SUMMARY

Introduction

The Public Procurement and Disposal of Public Assets Authority carried out the Procurement and Disposal audit of Maracha District Local Government. The audit covered a representative sample of twenty six (26) procurements carried out during the Financial Year 2018/19. The audit involved a review of procurement system, procurement processes, asset disposal processes, and the procurement performance indicators following the Public Procurement and Disposal of Assets Act, 2003 and Local Governments (PPDA) Regulations, 2006.

From the findings of the procurement audit exercise, the summary score of your entity revealed that the compliance score was 68%, the performance score was 66% and the overall weighted average score of 67% which is a satisfactory performance as summarized in the table below:

Table 1: Weighted average score

No.	Indicator	Score %	Weight	Weighted Score
1.	Average Compliance Indicator Score	68	0.4	27
2.	Average Performance Indicator Score	66	0.6	40
Entity's Weighted Average Score				67

Underlying factors leading to the above performance:

1. 66% of the sampled procurements worth UGX 740,082,281 were not conducted in accordance with the planned timelines.
2. The Entity did not complete 45% of the sampled procurements worth UGX 504,601,555 within the contractual completion timelines .
3. The Authority found that 65% of the providers were not paid within the contractual timelines.
4. The Entity received less than three (3) bids in 50% of the sampled procurements worth UGX409,989,590
5. The Authority found that 5% of sampled procurements worth UGX 56,066,839 were not awarded within the cost estimate in the procurement plan. This implies that the Entity's market price assessment of requirements was not adequately conducted contrary to Section 26 (4) of the PPDA Act, 2003.
6. Preparation of poor/ incomplete bidding document in five (5) Procurement transactions worth UGX 101,567,440 contrary to Section 62 (1&2) of the PPDA Act, 2003 and Regulation 48 of the Local Governments (PPDA) Regulations, 2006.
7. Irregularities in the evaluation process of four (4) procurements worth UGX 236,245,440 contrary to Regulation 77&78 of the Local Governments (PPDA) Regulations, 2006.
8. Failure to recommend statement of requirements in four (4) procurement transactions worth UGX. 311,710,245contrary to Regulation 26 (1) (c) and 65 (1) (a) of the Local Governments (PPDA) Regulations, 2006 and Section 34 (1) of the PPDA Act, 2003.
9. Delays to initiate/commence on procurement processes in twelve (12) procurements worth UGX 593524453 contrary to Section 34 (b) of the PPDA Act, 2003
10. Delayed completion/delivery of procured requirements in two procurements worth UGX 51,669,260.
11. Failure to implement 40% of the Authority's recommendations from the previous audit of financial year 2015/2016.

Recommendation

Maracha District Local Governments should implement the recommended action plan contained in this audit report on pages **23-33**. The target is to increase the Entity's performance from the current **67%** to target level of **100%** in the next audit.

Performance rating

Table 2: Compliance Rating

No.	Compliance Level (%)	Compliance Rating
1.	90-100	Highly Satisfactory
2.	60-89	Satisfactory
3.	30-59	Unsatisfactory
4.	0-29	Highly Unsatisfactory

CHAPTER 1: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Maracha District Local Government. The audit covered a representative sample of twenty six (26) procurement transactions carried out during the Financial Year 2018/19. The audit involved a review of procurement system, procurement processes, asset disposal processes, and the procurement performance indicators following the Public Procurement and Disposal of Assets Act, 2003 and Local Governments (PPDA) Regulations, 2006.

1.2 Objectives of the Audit

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of the Procuring and Disposing Entity (PDE)'s procurement and disposal 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.

The specific objectives were:

- To establish the level of compliance of the internal procurement system with provisions of the PPDA Act, Regulations and Guidelines and the adequacy for effective procurements and disposals.
- To assess procurement, contracting, and implementation processes based on a representative sample of contracts to confirm the level of compliance with the PPDA Act, Regulations and Guidelines.
- To assess the level of compliance of the asset disposal contracts with the PPDA Act, Regulations, and Guidelines.
- To establish the level of procurement performance of the Entity and the achievement of value for money for each of the sampled contracts in terms of time, competition and cost.
- Based on the key findings on the procurement system, processes and performance, to offer an opinion on attainment of value for money and recommend measures to improve performance.

1.3 Scope of the Audit

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Maracha District Local Government from 13th May 2019 to 22nd May 2019. The Entity had a total procurement budget of **UGX 2,755,399,718** in the audit period.

The audit covered a representative sample of twenty six (26) procurement transactions that had been carried out during Financial Year 2018/19. The list of sampled transactions is contained in Annex 1.

The audit questions and criteria were derived from the Public Procurement and Disposal of Public Assets Act, 2003 and Local Governments (PPDA) Regulations, 2006 as well as Local Governments (PPDA) Guidelines, 2008. The three audit tools used in the audit were: Procurement System Audit Criteria, Procurement Process Audit Criteria, and Asset Disposal Audit Criteria as contained in the PPDA Procurement Audit Manual.

1.4 Methodology

Maracha District Local Government was notified about the upcoming audit on **25th April 2019**. To prepare for the audit, the auditors reviewed the Entity's budget, procurement plan and quarterly reports.

The procured items in the transaction list were stratified by (a) category of works, supplies, consultancy, and non-consultancy services, (b) procurement method, (c) and contract value. A representative sample of twenty six (26) procurement transactions were selected for audit based on a stratified random sampling method.

Using guidelines in the Procurement Audit Manual, the sample size was assessed as representative of the population of transactions. The distribution of the transaction population and sample is in Table 3.

Method	Value			Number		
	Population	Sample	% Value	Popn	Sample	% Number
Open National Bidding	1,628,520,001	853,893,920	53%	20	15	75%
Selective National Bidding	480,223,857	266,502,270	55%	23	13	56%
Total	2,400,848,858	1,121,336,190	47%	54	30	55%
Revenue	292,105,000	940,000	0.32%	11	2	18%

Note: There were a number of recurrent expenditures such as procurement of fuel, oil & lubricants, stationery, printing, and cleaning services which were not reported to the Authority in the Entity's quarterly reports and never considered for sampling. The above table also excludes micro procurements which were never reported to the Authority.

An entry meeting was held on **13th May 2019**. At the meeting, the objectives of the audit were discussed as well as the timelines, roles and responsibilities. The Entity's management was requested to provide the required records in time for the audit, to which they agreed to give the necessary assistance to the auditors.

Two Procurement Audit Officers under the supervision of the Director, Performance Monitoring carried out the audit. During the audit, the auditors had personal interviews with the staff from the Procurement and Disposal Unit and User Departments where necessary. The meetings were necessary to obtain qualitative information that was crucial to understand the internal control system and processes. The list of the staff in the PDU during the audit is shown in **Annex 3**.

The examination of records and documents was done for each of the sampled transactions. The auditors obtained the relevant evidence to arrive at audit conclusions. Physical inspection was carried out at the end of the audit.

On completion of data collection and before writing the report, the audit manager reviewed the working papers for completeness. The working papers contain detailed chronology of

findings on each of the sampled transactions. The audit report presents the key findings and conclusions arising from the audit;

At the end of the field data collection, a debriefing meeting was held on **21stMay 2019** with the Entity management and staff to conclude pending issues and any records that could not be accessed during the audit. All the pending matters were addressed on **22ndMay 2019** before the preparation of the management letter.

The auditors prepared the management letter, which was sent to the Entity on **15thJuly 2019** with a request to submit management response by **22nd July 2019**, which was submitted on **25thJuly 2019**. The exit meeting was held on **25thJuly 2019** at the **PPDA Gulu Regional Office**.

CHAPTER 2: KEY FINDINGS AND RECOMMENDATIONS ON THE PROCUREMENT SYSTEMS AND PROCESS

2.1 Accounting Officer

The Accounting Officer during the financial year under review was the Chief Administrative Officer (CAO). The main areas of non-compliance for the Accounting Officer (AO) were:

2.1.1 Failure to conduct market price assessments of procurement requirements

The Authority found that the Accounting Officer did not undertake an assessment of the market prices for the supplies, services and of the unit costs of the works in respect to six procurements worth UGX. 490,000,000 conducted by the Entity contrary to Section 26 (4) of the PPDA Act, 2003. The procurements were contractual amounts were higher than the estimated costs at initiation and no evidence of market price reassessment was done. The procurements were:

Table 4: Procurements where contract amount is higher than the estimates

No.	Subject of Procurement	Estimated price at initiation/ planned amount UGX	Contract value Amount (UGX)	Variance (UGX)
1.	Completion of maternity ward at Maracha H/C IV	110,000,000	133,888,700	23,888,700
2.	Construction of a 2 class room block with an office at Okabi P/S	72,000,000	77,691,900	5,691,900
3.	Construction of a 2 classroom block with an office at Oniba P/S	70,000,000	70,793,140	793,140
4.	Construction of twin concrete culvert bridge on Odraku stream	110,000,000	113,800,960	3,800,960
5.	Construction of a doctor's house in Health Center iv in Maracha	80,000,000	102,415,950	22,415,950
6.	Renovation of a 4 class room block at Gbulukua Primary School	48,000,000	136,166,100	88,166,100
	Total	490,000,000	634,756,750	144,756,750

Implication

Failure to conduct market price assessments leads the Entity running its operations at high costs.

Management Response

These contracts for works were signed based on the fact that 10% of the contract sums would be retained pending defects liability period which amount is planned and paid in the proceeding financial year.

Authority's comment: The Authority finds the Entity's response unsatisfactory and advises the Accounting Officer together with technical staff to conduct market price assessment for all supplies, services and unit costs of works to be procured in a given financial year. Sources of market information may include prices obtained on previous similar bids or contracts taking into account difference in quantities, prices published or advised by potential providers, a buildup of estimates of prices of components of the works, services or supplies among others.

Recommendation

The Accounting Officer should undertake the assessment of the market price of supplies, service and of unit costs of works in accordance with Section 26 (4) and (5) of the PPDA Act, 2003.

2.1.2 Failure to implement previous audit recommendations

The audit revealed that the Entity did not implement 40% of the recommendations from the previous audit of financial year 2015/2016 as indicated in Table 2 out of the thirty (30) recommendations made, twelve (12) represent 40% were not implemented, eleven (11) represent 37% was partially implemented while seven (7) represent 23% was implemented.

Table 5: Status of implementation of recommendations from the previous audit.

Recommendations of the Authority	Status
In accordance with Section 26 of the PPDA Act 2003, the Accounting Officer should take responsibility for not ensuring that procurement and disposal activities in the Entity are conducted in accordance with the PPDA Act, 2003 and the Local Government (PPDA) Regulations, 2006.	Partially implemented
<ul style="list-style-type: none"> The Procurement and Disposal Unit should ensure that it effectively performs its functions in accordance with Section 31 of the PPDA Act 2003. The Accounting Officer should caution the Head Procurement and Disposal Unit for failure to maintain quality records. 	Partially implemented Not Implemented
The Contracts Committee should ensure to carry out its oversight role specified in section 28 of the PPDA Act, 2003 and should ensure that it reviews and initials a bidding document for every procurement transaction.	Partially implemented
The User Departments should ensure that they execute their roles in accordance with the PPDA Act, 2003 and the Local Government (PPDA) Regulations, 2006.	Partially implemented
<ul style="list-style-type: none"> The evaluation committees should ensure that arithmetic corrections are communicated to all bidders in accordance with Regulation 74 (3) and (4) of the LG (PPDA) Regulations, 2006. The Head Procurement and Disposal Unit should ensure that the Evaluation Committee adheres to the evaluation criteria and methodology stated in the bid document without any alterations. The Accounting Officer should ensure that key officials that participate in the evaluation processes are trained. 	Implemented Partially implemented Not implemented
The Accounting Officer should ensure that all PPDA audit recommendations are fully implemented and also engage the Authority on recommendations which the Entity finds it is unable to implement.	Partially implemented
<ul style="list-style-type: none"> The Accounting Officer should ensure that procurement plan estimates are based on sound market survey and evidence to support the market survey maintained. The Head Procurement and Disposal Unit should ensure that the procurement plan is regularly updated to depict changes in work plans. 	Not implemented Implemented

Recommendations of the Authority	Status
<ul style="list-style-type: none"> The Accounting Officer should task the Head Procurement and Disposal Unit to always maintain procurement and Disposal documents on their respective actions files in accordance with Regulation 46 of the LG (PPDA) Regulations, 2006. The Accounting Officer should clearly provide and explanation as why some of the recurrent procurements are not in the list of procurement transactions for financial year 2015/2016 presented to the Authority. 	<p>Partially implemented</p> <p>Not implemented</p>
<p>The Accounting Officer should ensure that market price assessment is conducted for all procurement transactions in accordance with Section 26 (4) of the PPDA Act, 2003.</p>	<p>Not implemented</p>
<ul style="list-style-type: none"> User Departments should ensure that the budgetary information is provided in the LG PP Form 1 during the initiation of procurement transactions. User Departments should ensure that initiation of procurement transactions is done with clear description of the statement of requirements that is specifications, terms of reference and bills of quantities in accordance with the Local Government (PPDA) Regulations, 2006. The Accounting Officer should ensure that the Entity exercises segregation of duties over initiation/requisition forms i.e. LG PP Form 1 in accordance with Local Government PPDA Regulations, 2006. This could be done by exploring avenues for additional staff. Head of User Departments and the Procurement and Disposal Unit should ensure that the procurement plan is monitored and procurement transactions started on time to avoid inefficiencies in service delivery. 	<p>Not implemented</p> <p>Partially implemented</p> <p>Partially implemented</p> <p>Not implemented</p>
<p>The Accounting Officer and Head, Procurement and Disposal Unit should ensure enforcement of preference schemes in accordance with Section 59A of the PPDA Act, 2003.</p>	<p>Not implemented</p>
<ul style="list-style-type: none"> The Accounting Officer should ensure that abridged versions of the Entity's adverts provide adequately the contacts of the Entity in various forms such as telephone, post office box number and email. The Accounting Officer should investigate the circumstances surrounding low bidder participation in the procurement processes of the Entity and take necessary action to interest more bidders in doing business with the Entity. 	<p>Not implemented</p> <p>Not Implemented</p>
<ul style="list-style-type: none"> The chairpersons' evaluation committee and the Head Procurement and Disposal Unit should ensure that all criteria applied in evaluation of bids are clearly presented in the evaluation report without leaving any room for assumption. The Accounting Officer should ensure transparency, accountability and fairness in such a way that all privileged information is provided to bidders prior to purchase of bidding documents and in particular the number of procurement transactions they can participate in any single tendering process of the Entity. 	<p>Partially implemented</p> <p>Partially implemented</p>

Recommendations of the Authority	Status
User Departments should ensure that all Contract Supervisors submit progress reports/contract management reports and all contract implementation documentation in accordance with the LG (PPDA) Regulations, 2006.	Not Implemented
The Head Procurement and Disposal Unit should ensure that all records are maintained in accordance with provisions of the PPDA Act, 2003.	Not implemented

Implication

Implementation of audit recommendations aids strengthening of internal controls within the Entity and where recommendations are not implemented, it implies that there is no willingness within the Entity to improve the performance of the procurement function.

Management Response

Management has started and commits to continue working on the gaps and recommendations given by the Authority.

Recommendation

The Accounting Officer should put in place a mechanism for implementation of the audit recommendations and report to the Authority any implementation challenges within 4 months from the date of this report.

2.2 Procurement and Disposal Unit

The Head of Procurement and Disposal Unit during the financial year under review was the Senior Procurement Officer. The main areas of non-compliance were:

2.2.1 Use of wrong bidding documents

The Authority found that the Entity used wrong bidding documents in six (6) procurements worth UGX 559,132,595. The Entity used Central Governments standard bidding document for procurement of works issued by PPDA in March 2014, instead of Local Governments standard bidding document for procurement of works under open bidding issued by PPDA in 2009. Standard bidding documents for Local Governments were developed to reflect the requirements of Local Governments (PPDA) Regulations, 2006 and Central Governments bidding documents were developed to reflect the requirements of Central Governments (PPDA) Regulations, 2014. The procurements were:

Table 6: Procurements with wrong bidding documents

No.	Subject of procurement	Value (UGX)
1.	Completion of maternity ward in Maracha H/C IV	133,888,700
2.	Construction of staff house at H/C 11	73,128,195
3.	Construction of doctor house in H/CIV in Maracha	102,415,950
4.	Construction of 2 class room block with office at Okabi P/S	77,691,900
5.	Renovation of four class room block at Gbulukua Primary School	136,166,100
6.	Rehabilitation of ten boreholes in various Sub Counties	35,841,750
Total		559,132,595

Implication

This results into unnecessary requirements being requested from providers and discourages potential providers from submitting bids.

Management response

It is true that the bidding documents for some procurements were for central government and management commits to ensure that no more room is given for such errors by staff.

Recommendations

- i. The Contracts Committee should desist from approving bidding documents which are not prepared using the Local Governments standard bidding documents that were issued by the Authority.
- ii. The Procurement and Disposal Unit should guarantee that the right standard bidding documents for Local Governments are used in the procurement processes.

2.2.2 Preparation of poor/ incomplete bidding document

The Authority found that poor quality and incomplete solicitation documents was used in five (5) Procurement transactions worth UGX 101,567,440, the bidding documents issued lacked complete proposed contractual conditions, detailed evaluation criteria and clear statements of requirements to guide bidders in preparation of their bids and the Entity in drafting contracts and contract management contrary to Reg. 48 of the LG (PPDA) Regs, 2006. The procurements were:

Table 7: Procurements with incomplete bidding documents

No.	Subject of procurement	Contract value (UGX)	Findings of the Authority
1.	Supply of one motorcycle for works	13,219,200	<ul style="list-style-type: none">• The Special Conditions of Contract were left blank i.e. site of delivery, date of delivery, structure of payments, payment period, insurance coverage, period of warranty, etc were all left blank.• There was no requirement for the bid price to be VAT inclusive.
2.	Supply of 5 units motorcycles for Audit (1), Water (1), Production (1) and Maracha TC (2)	31,800,000	
3.	Construction of a 5 stance lined VIP latrine at Meki Primary School	22,165,000	Inadequate technical evaluation criteria. The detailed technical evaluation criteria in the solicitation document lacked evidence of capability to execute the works in terms of capacity, resources and experience.
4.	Construction of a 5 stance lined VIP latrine at Ombinyiri Primary School	19,739,940	Inadequate technical evaluation criteria. The detailed technical evaluation criteria in the solicitation document lacked criteria such as capability to execute the works in terms of capacity, resources and experience.
5.	Construction of a 3 stance VIP latrine at Malaba Market in Oleba Sub County	14,643,300	Inadequate technical evaluation criteria. The detailed technical evaluation criteria in the solicitation document lacked criteria such as capability to execute the works in terms of capacity, resources and experience.
	Total	101,567,440	

Implication

Poor quality solicitation documents cast doubt on the adequacy of quality controls within the procurement function and may lead to procurement of requirements that do not meet user needs and failure to attain value for money.

Management response

It is true that there were gaps in the bidding documents for some procurements but management pledges to follow up and ensure professional work by PDU staff.

Recommendations

- The Head Procurement and Disposal Unit should ensure that all solicitation documents that are prepared by the Unit are of quality before issuance in accordance with Regulation 48 of the Local Governments (PPDA) Regulations, 2006.
- The Contracts Committee should desist from approving poor/ incomplete bidding documents.

2.2.3 Low bidder participation

The Authority found that there was low bidder participation within the Entity in nine (9) procurements worth UGX 409,989,590 indicated in table 8. The Entity had only one or two bidders submitting bids. This was contrary to Regulation 43 (4) of the Local Governments (PPDA) Regulations, 2006 which requires all procurements to be conducted in such a manner that maximizes competition and achieves value for money irrespective of the method of procurement used or the nature of the works, services or supplies to be procured.

Table 8: Low bidder Participation

No	Procurement	Procurement Methods	Amount (UGX)	No. of bidders invited	No. of bids received
1.	Supply and installation of solar systems for health units	Selective bidding	19,869,260	3	2
2.	Construction of a 5 stance lined VIP latrine at Meki Primary School	Selective bidding	22,165,000	5	2
3.	Construction of a chain link fence at Nyadri livestock market	Selective bidding	24,883,320	4	2
4.	Rehabilitation of ten boreholes in various Sub Counties	Selective bidding	35,841,750	1	1
5.	Supply of one motorcycle for Works dept (roads)	ONB	13,219,200	2	2
6.	Supply of 5 units motorcycles for audit (1), water (1), production (1) and MarachaTownCouncil	ONB	31,800,000	2	2
7.	Borehole drilling and construction	ONB	136,166,100	2	2
8.	Construction of twin concrete culvert bridge on Odraku stream	ONB	113,800,960	1	1
9.	Supply of culvert and cement for Maracha TC	Selective	12,244,000	2	2
	Total		409,989,590		

Implication

The Entity is exposed to the risk of on-competitive bid offers thus failure to achieve value for money.

Management response

Procurements were advertised openly and those under selective bidding were invited in adequate numbers but responses to the bids continue to be low.

Recommendations

- The Accounting Officer should urgently address the issue of low bidder participation since this may affect the level of confidence bidders may have in the procurement processes of the Entity.
- The Accounting Officer should conduct all procurements in a fair, transparent and competitive manner in accordance with Section 45 and 46 of the PPDA Act, 2003

2.3 Evaluation Committee

The main areas of non-compliance with regard to Evaluation Committee(s) were:

2.3.1 Irregularities in the evaluation of bids

The Authority found irregularities in the evaluation process of four (4) procurements worth UGX 236,245,440 contrary to Regulation 78 (3) and (4) of the Local Governments (PPDA) Regulations, 2006 which provides that the detailed evaluation shall compare the details of the bid received with the terms, conditions and criteria stated in the bidding documents and that the detailed evaluation shall not be based on any terms, conditions or criteria that was not included in the bidding documents. The affected procurements and the irregularities noted are indicated in the table below;

Table 9: Procurements with evaluation irregularities

No.	Subject of Procurement	Providers	Amount (UGX)	Findings
1.	Construction of 2 class room block with office at Okabi Primary Sch	G & W General Contractors Limited	77,691,900	Evaluation Committee evaluated and passed at preliminary Roba Engineering Co. Ltd Responsive despite having invalid income tax clearance (MA1116000780948)
2.	Construction of twin concrete culvert bridge on Odraku stream	Mayways Construction and Engineering works Ltd	113,800,960	Evaluation Committee evaluated Mayways Construction and Engineering Works Limited despite having invalid income tax clearance certificate (Cr01181439739)
3.	Supply and installation of solar systems for health units	Global Solar Systems Limited	19,869,260	<ul style="list-style-type: none"> • The Evaluation Committee did not conduct technical evaluation to establish compliancy of the bidder's offers with the Entity's requirements, only preliminary and financial evaluations were conducted. • The best evaluated bidder, Global Solar Systems Limited submitted a forged income tax clearance certificate ref: CR01184431899 for the period 11/10/2017 to 10/10/2018 but was evaluated responsive.

No.	Subject of Procurement	Providers	Amount (UGX)	Findings
4.	Construction of a chain link fence at Nyadri livestock market	Maways Construction and Engineering Works Ltd	24,883,320	Evaluation Committee evaluated Mayways Construction and Engineering Works Limited despite having invalid income tax clearance certificate ref: Cr01181439739
	Total		236,245,440	

Implication

Failure to evaluate bids in accordance with the requirements in the bidding documents leads to award of contracts to incompetent firms.

Management response

It is true the evaluation committees didn't know how to verify the authenticity of income tax clearance but guidance will be provided in future procurements and management will proceed to forward the culpable bidders to PPDA through the Contracts Committee for blacklisting.

Recommendations

- The Head Procurement and Disposal Unit should ensure that Evaluation Committees carry out evaluation in accordance with Regulation 78 of the Local Governments (PPDA) Regulations 2006 to avoid irregularities in the evaluation process.
- The Entity should submit Mayways Construction & Engineering Works Limited, Global Solar Systems Limited and Roba Engineering Company Limited to the Authority for further investigation leading to suspension.

2.3.2 Failure to conduct post-qualification

The audit revealed that in three (3) procurements worth UGX 347,746,700, the evaluation committee did not conduct post qualification even though it was stated as part of the evaluation criteria in the bid document, contrary to Section 71 (3) of the PPDA Act, 2003. The procurements were;

Table 10: Procurements without post-qualification conducted

No.	Subject of Procurement	Amount (UGX)
1.	Borehole drilling and construction	136,166,100
2.	Completion of maternity ward in Maracha H/C IV	133,888,700
3.	Construction of 2 class room block with office at Okabi P/S	77,691,900
	Total	347,746,700

Implication

Failure to evaluate bids properly leads to award of contracts to incompetent firms who lack the capacity to execute the awarded contracts.

Management response

Post qualification was done but it is true that at the time of audit the reports were not filed on the respective procurement action files.

Authority's comment: The Authority verified the evaluation reports and noted that post qualification was not conducted.

Recommendation

The Procurement and Disposal Unit should endeavor that where post qualification is stated in the bid document as an evaluation criteria it should be conducted.

2.4 User Departments

The main areas of non-compliance under User Departments were:

2.4.1 Failure to recommend statements of requirements to the Procurement and Disposal Unit

The Authority found that in four (4) procurement transactions worth UGX. 311,710,245 there was no evidence to confirm that at the time of initiation, User Departments submitted to the Procurement and Disposal Unit initiation forms together with a clear description of the requirements i.e. statement of requirements, terms of reference or scope of works contrary to Regulation 26 (1) (c) and 65 (1) (a) of the Local Governments (PPDA) Regulations, 2006 and Section 34 (1) of the PPDA Act, 2003.

Table 11: Procurements without statements of requirements at initiation

No.	Subject of Procurement	Amount (UGX)
1.	Renovation of four class room block at Gbulukua Primary School	136,166,100
3.	Construction of staff house Health centre 11	73,128,195
4.	Construction of doctor house in health Center IV in Maracha	102,415,950
Total		311,710,245

Implication

It makes it difficult for the Procurement and Disposal Unit to prepare appropriate solicitation documents, and exposes bidders to the risk of including items in their bids which do not meet the users' requirements.

Management response

The statement of requirements for works projects were provided in the form of bills of quantities and drawings. These may not have been resented for verification during the audit exercise.

Recommendation

The Authority finds the Entity's response unsatisfactory and recommends that User Departments should initiate procurement transactions together with clear detailed descriptions of the requirements according to Regulation 26 (1) (c) and 65 (1) (a) of the Local Governments (PPDA) Regulations, 2006 and Section 34 (1) of the PPDA Act, 2003.

2.5.2 Failure to complete the funds availability Section of the LG PP Form 1 (Budget Tracker)

The Authority found that in nine (9) procurement transactions worth UGX 403,048,225 the section of the Local Government Procurement Procedural Form 1 on funds availability which acts as the budget tracker for any particular procurement transaction was left blank. The procurements were;

Table 12: Requisition forms with blank fund availability section

No	Subject of Procurement	Contract Value (UGX)
1.	Completion of maternity ward in Maracha H/C IV	133,888,700
2.	Procurement of 100 seater tents & 100 plastic chairs for Nyadri S/C	7,965,000

No	Subject of Procurement	Contract Value (UGX)
3.	Construction of staff house at health centre two	73,128,195
4.	Rehabilitation of ten boreholes in various Sub Counties	35,841,750
5.	Construction of 2 classroom block with office at Oniba P/S	70,793,140
6.	Construction of a chain link fence at Nyadri livestock market	24,883,200
7.	Construction of a 5 stance lined VIP latrine at Meki Primary School	22,165,000
8.	Construction of a 5 stance lined VIP latrine at Ombinyiri P/S	19,739,940
9.	Construction of a 3 stance VIP latrine at Malaba market in Oleba S/C	14,643,300
	Total	403,048,225

Implication

Failure to complete the funds availability section exposes the Entity to a risk of conducting a procurement transaction for which funds are not available and impairs the Entity's ability to prioritize in the event of inadequate funds.

Management response

It is true that some user departments had challenges in completing the LGPP Forms but with continuous sensitization improvement is being seen.

Recommendation

User Departments should always indicate the amount of funds available from their budget allocation prior to confirmation of funding by the Accounting Officer.

2.5.3 Delays to initiate procurement transactions

The Authority found that there were disparities between planned timelines for starting procurement transactions and the actual start time. The procurements were:

Table 13: Delays initiation of procurements

No.	Subject of procurement	Contract value	Findings	delay in working days
1.	Supply of one motorcycle for works (roads)	13,219,200	The planned start date was 5 th July 2018, however initiation was not done until 13 th August 2018	28
2.	Supply of 5 units motorcycles for Audit (1), Water (1), Production (1) and Maracha TC (2)	31,800,000	The planned start date was 5 th July 2018, however initiation was not done until 10 th September 2018	48
3.	Construction of a 5 stance lined VIP latrine at Meki Primary School	22,165,000	The planned start date was 5 th July 2018, however initiation was not done until 22 nd August 2018	35
4.	Construction of a 5 stance lined VIP latrine at Ombinyiri Primary School	19,739,940	The planned start date was 5 th July 2018, however initiation was not done until 22 nd August 2018	35

No.	Subject of procurement	Contract value	Findings	delay in working days
5.	Construction of a 3 stance VIP latrine at Malaba Market in Oleba Sub County	14,643,300	The planned start date was 5 th July 2018,however initiation was not done until 13 th August 2018	28
6.	Construction of 2 classroom block with office at Oniba Primary School	70,793,140	The planned start date was 7 th July 2018,however initiation was not done until 22 nd August 2018	32
7.	Construction of a chain link fence at Nyadri livestock market	24,883,320	The planned start date was 10 th July 2018,however initiation was not done until 20 th August 2018	30
8.	Rehabilitation of ten boreholes in various Sub Counties	35,841,750	The planned start date was 7 th July 2018,however initiation was not done until 13 th August 2018	28
9.	Borehole drilling and Construction	136,166,100	The planned start date was 10 th July 2018,however initiation was not done until 13 th August 2018	33
10.	Borehole sitting and drilling supervision	17,255,808	The planned start date was 7 th July 2018,however initiation was not done until 13 th August 2018	28
11.	Completion of maternity ward in Maracha H/C IV	133,888,700	The planned start date was 10 th July 2018,however initiation was not done until 20 th August 2018	40
12.	Construction of staff house Health centre 11	73,128,195	The planned start date was 10 th July 2018,however initiation was not done until 8 th August 2018	28

Implication

Failure to start procurement transactions according to the planned timelines results into inefficiency of the procurement function and delayed service delivery. Furthermore, it is an indicator of inadequate monitoring of the procurement plan.

Management response

It is true some procurement requisitions were initiated late but management has continued to give written directives on the same and give guidance during TPC meetings.

Recommendation

Head of User Departments and the Procurement and Disposal Unit should guarantee that the procurement plan is monitored and procurement transactions started on time to avoid inefficiencies in service delivery.

2.5.4 Failure to accept requisitioned and procured items.

The Authority found out that Planning and Health Departments rejected procured motorcycles of the brand- Yamaha XTZ unjustifiably for not being a brand of their choice. The evaluation report dated 31st Oct 2018 recommended contract award to the best evaluated bidder, Toyota Uganda Limited to supply 3 units of motorcycles one (1) Yamaha AG 125 worth UGX 13,219,200 and two (2) Yamaha XTZ worth UGX 27,128,240. On 5th November

2018, the Contracts Committee awarded the contract to Toyota to supply the 3 motorcycles; however at time of contract signing, the Users from Planning and Health Departments rejected the brand- Yamaha XTZ. As a result, a letter of bid acceptance was sent to Toyota Uganda Ltd on 19th November 2018, to supply one motorcycle to Works Department @ UGX 13,219,200 which was delivered on 29th March 2019.

Implication

Rejecting some brands contravenes the principle of competition and fairness as other bidders are not given an opportunity to supply.

Management response

It is true that the User departments rejected the Yamaha XTZ believing that its performance and durability is low but management has taken note of the recommendations for future procurements

Recommendation

The user departments should desist from rejecting some brands in order to create fair and open competition.

2.5.5 Failure to prepare contract implementation plans

The audit revealed that in all the sampled procurement transactions worth UGX 1,121,336,190, there were no contract implementation plans contrary to Regulation 119 (3) of the Local Governments (PPDA) Regulations, 2006.

Implication

Absence of contract implementation plans makes monitoring of contract performance difficult which may lead to implementation of contracts outside the contractual terms.

Management Response

The entity relied on the program of works provided by the providers

Recommendation

The Accounting Officer should task Heads of User Departments to ensure that contract implementation plans are prepared by the contract supervisors in accordance with Regulation 119 (3) of the Local Governments (PPDA) Regulations, 2006.

2.5.6 Delayed completion/delivery of items

The Authority found that there were disparities between contractual completion dates for completing procurement transactions and actual completion dates. The procurements were:

Table14: delays completion of procurements

No.	Subject of procurement	Contract value (UGX)	Contractual completion date	Actual completion date	Delays in working days
1.	Supply of 5 units motorcycles for Audit (1), Water (1), Production (1) and Maracha TC (2)	31,800,000	27 th Dec 2018	15 th January 2019	13
2.	Supply and installation of solar systems for health units	19,869,260	18 th Jan 2018	6 th May 2019	76
	Total	51,669,260			

Implication

Delays to deliver items in time delays service delivery to the intended beneficiaries.

Management response

Supply of motorcycles was delayed by the providers claiming challenges of registration but the solar supply was concluded timely except the contractor was requested to make good some errors noted.

Recommendation

Contract supervisors should guarantee that contracts are implemented as planned.

2.6 Procurement planning

2.6.1 Procurement Plan implementation rate

The Authority revealed that there was an **87%** procurement plan implementation rate with a variance of UGX 354,550,860 lower than the procurement budget of UGX 2,755,399,718. This is because the Entity's actual values of the procurement spend were lower than the procurement budget/procurement plan. The table 13 below summarizes information about the procurement plan and utilization of funds.

Table 15: Analysis of procurement plan implementation

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	2,755,399,718
Total procurement spend value inclusive of VAT (UGX)	2,400,848,858
Procurement plan Absorption Rate	87%
Budget variance (UGX)	354,550,860

Implication

This implies that the various User Departments risk not achieving their work plans thus affecting service delivery.

Management Response

The Procurement plan was fully implemented but the procurement spend captured above didn't include fuel and stationery procured through framework contracts.

Recommendations

The Authority finds the Entity's response unsatisfactory, no complete reports and spend data was provided for verification and recommends as follows;

- The Accounting Officer should always guarantee that the procurement plan is fully implemented by the end of the Financial Year and ensure that all handled procurements are reported to the Authority.
- The Accounting Officer should within 4months of this report submit a detailed report on all procurements conducted by the Entity in the standard reporting format.

2.6 Record keeping and reporting

2.6.1 Missing procurement process records

The Authority found that several records of procurement process were missing in ten (10) sampled procurements worth UGX 692,666,665 the details are heighted in table 14 below;

Table 16: Procurements with missing records

No	Subject of Procurement	Contract Value (UGX)	Missing Records
1.	Supply of one motorcycle for works (roads)	13,219,200	<ul style="list-style-type: none"> • Signed contract, • Evidence of appointment of a contract supervisor • Contract implementation plan
2.	Supply of one motorcycle for works (roads)	13,219,200	<ul style="list-style-type: none"> • Signed contract, • Evidence of appointment of a contract supervisor • Contract implementation plan
3.	Supply and installation of solar systems for health units	19,869,260	<ul style="list-style-type: none"> • Payment records, • Evidence of appointment of a contract supervisor • Contract implementation plan • Interim certificate
4.	Borehole drilling and Construction	136,166,100	Contract management plan
5.	Supply of culvert and cement for MTC	12,244,000	Contract implementation plan
6.	Procurement of 100 seater tents & 100 plastic chairs for Nyadri sub county	7,965,000	<ul style="list-style-type: none"> • Evidence of appointment of a contract supervisor • Contract implementation plan
7.	Renovation of four class room block at Gbulukua Primary School	136,166,100	<ul style="list-style-type: none"> • Evidence of appointment of a contract supervisor • Contract implementation plan
8.	Construction of staff house at health centre two	73,128,195	Contract implementation plan
9.	Construction of doctor house in health centre IV in Maracha	102,415,950	<ul style="list-style-type: none"> • Contract implementation plan • Payment records
10.	Construction of twin concrete culvert bridge on Odraku stream	113,800,960	Contract implementation plan
11.	Construction of 2 class room block with office at Okabi Primary School	77,691,900	Contract implementation plan
	Total	692,666,665	

Implication

- This casts doubt on whether the Entity was monitoring projects effectively and efficiently.
- Poor records keeping is a red flag for fraud and lack of capacity by Procurement and Disposal Unit and disrupts the audit trail and hinders the Entity's ability to provide clarifications and address any concerns when need arises.

Management response

At the time of audit some of these documents were still being processed and are available for verification.

Authority’s Comment: The Authority reviewed the documents submitted during exit meeting and the above documents were not provided.

Recommendations

- The Head Procurement and Disposal Unit should archive all records on a procurement transaction in accordance with Section 31 (o) of the PPDA Act, 2003.
- The Accounting Officer should support the Head, Procurement and Disposal Unit to urgently address the poor state of record keeping of records of the Procurement and Disposal Unit.

2.7 GENDER AND SOCIAL INCLUSION ISSUES

The audit carried out an analysis of the gender and social inclusion of the different outputs from the projects in order to ascertain whether social and gender impact was achieved. The audit team visited the project sites, interviewed the contract supervisors, officials where the projects are located for example interviewed the heads of department on school projects and contract supervisors on other projects and established the estimated number of beneficiaries by Gender, age group and people with disabilities. Projects were ascertained for their suitability for use by people with disabilities. The gender and social inclusion data by beneficiary unit, group, gender, provision for access by people with disabilities are indicated in the table below.

Table 17: Gender and social issues

NO	Subject of Procurement	Actual contract Value				
01	Borehole drilling and construction	136,166,100	Number of intended service Beneficiaries	Beneficiary category		
			360 Families	Female	Male	Children
				250	50	60
02	Completion of maternity ward in Maracha health IV	133,888,000	Number of intended service Beneficiaries	Beneficiary category		
			1,200 Families	Female	Male	Children
				800	-	400

03	Construction of two classroom block with office at Oniba P/S	70,060,000	Oniba Primary School		Beneficiary category		
			Number of pupils that use the facility		Female	Male	Disabled
			117		60	45	7
04	Construction of 5-stance lined VIP latrine at Ombinyiri P/S	19,739,940	Intended beneficiaries		Beneficiary category		
			School	Number of Pupils that use the school	Female	Male	Disabled
			Ombinyri	108	51	54	3

As shown above, Maracha District Local Government's procurements were aimed at delivering services much to the benefit of women. Classrooms, latrines, staff houses and outpatient departments at health centers were all constructed to be accessed by people with disabilities.

CHAPTER 3: PROCUREMENT PERFORMANCE INDICATORS

3.1 Compliance score

The compliance indicators for the Entity are summarized below:

3.1.1 Procurement System Compliance Level

The compliance levels for each dimension of the procurement system are shown in Figure 1. The overall compliance level for procurement system was **62%**. Thus, the Entity's performance was **satisfactory** regarding procurement system.

Figure 1. The compliance levels for procurement system

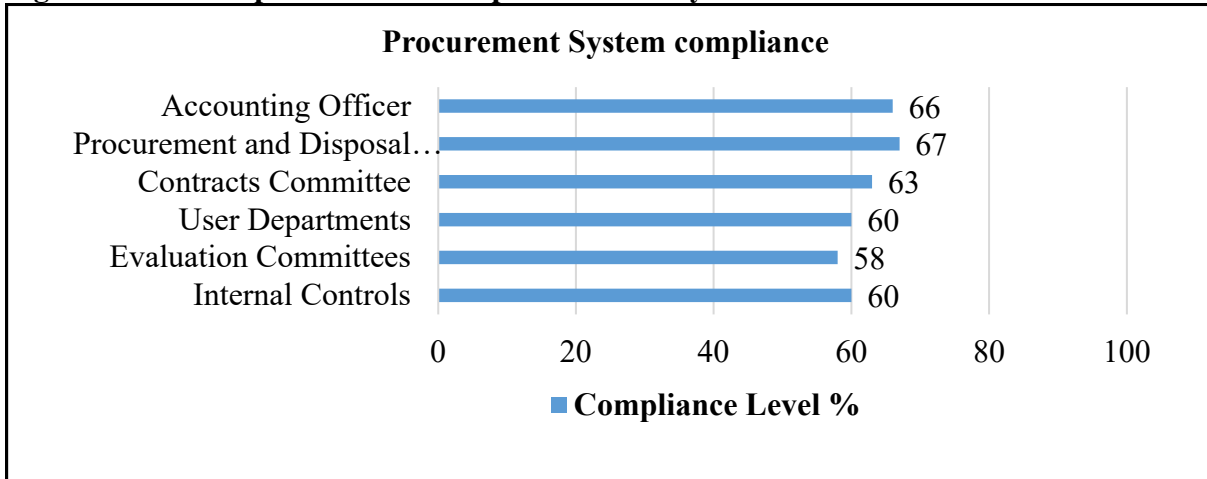


Figure 1 shows that the Entity had relatively higher compliance levels in the areas of Procurement and Disposal Unit, Accounting Officer and Contracts Committee. However, it had low compliance level in the area of, Evaluation Committees, User Departments and Internal Controls

3.1.2 Procurement process compliance level

The compliance levels for each stage in the procurement process are shown in **Figure 2**. The overall compliance level for procurement processes was **69%**. Thus, the Entity's performance was rated **satisfactory** regarding procurement processes.

Figure 2. Procurement process levels of compliance

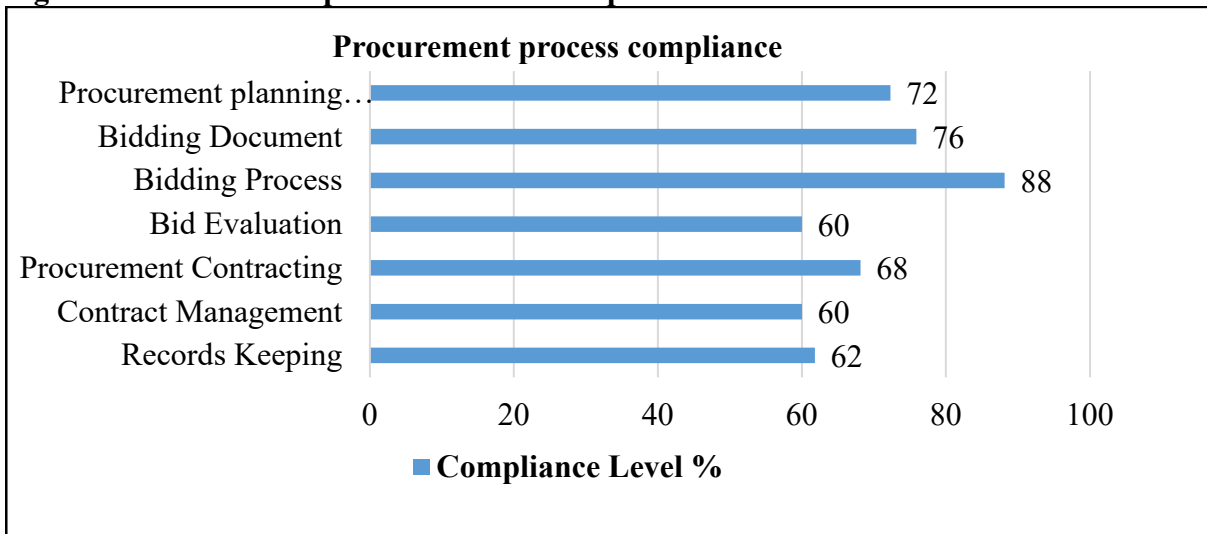


Figure 2 shows that the Entity had relatively higher compliance levels in the areas of bidding process, bidding documents, procurement planning and initiation and contracting. However, it had low compliance levels in the areas of, evaluation, contract management and records keeping.

The overall weighted compliance indicator score for Maracha District Local Government was:

Table 18: Weighted compliance scores

No.	Compliance indicators	Average score (%)	Weights	Score (%)
3	Procurement Process Compliance Level	69	0.5	35
4	Procurement System Compliance Level	62	0.3	19
5	Disposal Process Compliance Level	NIL	0.2	NIL
Compliance score				54
Weighted Compliance score 51/80*100				68

The overall weighted compliance indicator

From the table above, the average compliance score was 68 and the weighted compliance score was $68\% \times 0.4 = 27\%$.

3.2 Performance Score

The performance indicators for the Entity are summarized below:

Table 19: Performance indicators

NO	PERFORMANCE INDICATOR	SCORE (%)
1	Procure Ratio: Actual procurement time divided by planned procurement time in days.	34
2	Completion Ratio: Actual completion time divided by contractual completion time in days	55
3	Payment Ratio: Actual payment time divided by contractual payment time in days.	35
4	Number of Received Bids: [If the number of received bids is 3 or more, the score is 100%; if less the score is 0%]	50
5	Bid Responsive Rate: [The number of bids that pass technical evaluation as a percentage of the number of received bids]	89
6	Plan Ratio: [The total value of the awarded contract divided by the cost estimate in the procurement plan inclusive of VAT]	95
7	Procurement Plan Implementation: [The actual value of the procurement spend as a percentage of the procurement release]	87
8	Cost Ratio: [The actual final contract amount paid divided by the original contract amount]	80
	Average Performance Indicator	66

The above indicators are summarized here below:

4.2.1 Efficacy (Procure Ratio). This measured the ability to provide goods or services in accordance with the planned timelines. The audit revealed that **34%** of the sampled procurements were conducted within the planned timelines. Therefore, **66%** of the twenty six (26) procurements sampled were not conducted in accordance within the planned timelines. This implies there are delays on the part of the Entity in conducting procurement processes.

4.2.2 Efficiency (Completion Ratio). This analyzed the time required to execute tasks to avoid slow implementation of the contracts. The Entity completed **55%** of sampled procurements within the contractual time and did not complete **45%** of the twenty six (26) procurements within the contractual completion time.

4.2.3 Effectiveness (Payment Ratio): This assessed the time taken to pay contractors such that contract implementation is not delayed more especially advance payments and contracts that are paid cumulatively. The Authority noted that **65%** of the providers were not paid within the contractual timelines.

4.2.4 Competition (Number of Bids Received)

The Entity received less than three (3) bids in **50%** of the twenty six (26) procurements sampled. This is an indication of low competition levels in the Entity's procurement processes which leads to failure to achieve value for money.

4.2.5 The number of bids that passed technical evaluation (Bid Responsive Rate)

The Entity received **89%** compliant and responsive bids and did not receive compliant and responsive bids in **11%** of the twenty six (26) procurements sampled. This indicated that most bidders that participated in the procurement process were competent and capable of meeting the Entity's specifications and requirements.

4.2.6 The variance between the total value of the awarded contract and the cost estimate in the procurement plan (Plan Ratio)

The audit revealed that **95%** of the sampled procurements were awarded within the cost estimate while **5%** of twenty six (26) cases sampled were not awarded within the cost estimate in the procurement plan. This implies that the Entity's market price assessment of requirements was not adequately conducted.

4.2.7 The actual value of the procurement spend as a percentage of the procurement budget (Budget Absorption Rate)

The audit revealed that there was **87%** budget absorption rate with a variance of UGX 354,550,860 lower than the procurement plan value of UGX 2,755,399,718.

4.2.8 Final contract cost on completion as compared to the total contract award price inclusive VAT (Cost Ratio). The Entity had a 20% variance between the contract award prices and the final costs on contract completion. This implies that there were variances between the contract award prices and the final costs on contract completion, this was caused partly because some contracts had not been fully paid and the Authority could not establish whether final payments had been made.

3.3 Overall procurement performance

The overall procurement performance score was the sum of the two weighted indicators as summarized below:

Table 20: Weighted average score

No.	Indicator	Score %	Weight	Weighted Score
1.	Average Compliance Indicator Score	68	0.4	27
2.	Average Performance Indicator Score	66	0.6	40
Entity's Weighted Average Score				67

From the above analysis, the audit team noted that, the Entity had a weighted average score of **67%** in FY 2018/19 which was **satisfactory** performance.

The compliance rating is as follows in the table below:

Table 21: Compliance rating.

No	Performance Score (%)	Performance Rating
1	90-100	Highly Satisfactory
2	60-89	Satisfactory
3	30-59	Unsatisfactory
4	0-29	Highly Unsatisfactory

CHAPTER 4: RECOMMENDED ACTION PLAN

Maracha District Local Government should implement the following recommendations within the timeframe given in order to improve its performance in Procurement and Disposal Process.

4.1 Procurement process and system

Table 22: Recommended action plan

Origin	Recommended Action	Target Date
Accounting Officer	<ul style="list-style-type: none"> The Accounting Officer should submit Mayways Construction & Engineering Works Limited, Global Solar Systems Limited and Roba Engineering Company Limited to the Authority for further investigation leading to suspension. The Accounting Officer should put in place a mechanism to undertake an assessment of the market price of supplies, services and of unit costs of works in accordance with Section 26 (4) and (5) of the PPDA Act, 2003. The Accounting Officer should put in place a mechanism of implementing the Authority's previous audit recommendations and a report submitted to the Authority within four months from the date of this report. 	November 2019
	<ul style="list-style-type: none"> The Accounting Officer should urgently investigate and address the issue of low bidder participation within the Entity. The Accounting Officer should submit to the Authority a detailed report on all procurements handled by the Entity in the FY 2018-2019 in the format prescribed by the Authority and should desist from partial reporting in future. 	December 2019
Procurement and Disposal Unit	<ul style="list-style-type: none"> The Procurement and Disposal Unit should guarantee that the right standard bidding documents for Local Governments are used in the procurement processes. The Head Procurement and Disposal Unit should quality assure all solicitation documents that are prepared by the unit in accordance with Regulation 48 of the Local Governments (PPDA) Regulations, 2006. The Procurement and Disposal Unit should ensure that where post qualification is stated in the bid document as evaluation criteria it should be conducted. The Head Procurement and Disposal Unit should archive all records on a procurement transaction in accordance with Section 31 (o) of the PPDA Act, 2003. 	November 2019
Contracts Committee	The Contracts Committee should ensure that quality bidding documents are prepared in accordance with Regulation 48 of the Local Governments (PPDA) Regulations, 2006.	November 2019

Origin	Recommended Action	Target Date
Evaluation Committee	The Head Procurement and Disposal Unit should put in place a mechanism of ensuring that Evaluation Committees carry out evaluation in accordance with Regulation 78 of the Local Governments (PPDA) Regulations 2006 to avoid irregularities in the evaluation process.	November 2019
User Departments	<ul style="list-style-type: none"> • User Departments should initiate procurement transactions together with clear description of the requirements according to Regulation 26 (1) (c) and 65 (1) (a) of the Local Governments (PPDA) Regulations, 2006 and Section 34 (1) of the PPDA Act, 2003. • Head of User Departments and the Procurement and Disposal Unit should guarantee that the procurement plan is monitored and procurement transactions started on time to avoid inefficiencies in service delivery. • The Accounting Officer should task Heads of User Departments to ensure that contract implementation plans are prepared by the contract supervisors in accordance with Regulation 119 (3) of the Local Governments (PPDA) Regulations, 2006. • Contract supervisors should guarantee that contracts are implemented as planned 	November 2019

ANNEXES:

Annex 1: Procurement sample list of Maracha District Local Government

No	Procurement Reference Number	Subject of procurement	Procurement Method	Provider	Contract value (UGX)	Performance rate score	Weighted average score	
1.	Mara577/wks/18-19/00002	Borehole drilling and construction	ONB	Reddy's Borehole & Technical Services Ltd	136,166,100	30.0	62.5	Satisfactory
2.	Mara577/wks/18-19/00003	Construction of twin concrete culvert bridge on Odraku stream	ONB	Mayways Construction & Engineering Works Ltd	113,800,960	30.0	61.1	Satisfactory
3.	Mara577/wks/18-19/00004	Borehole Rehabilitation	Selective Bidding	Maracha District Pump Mechanics	35,841,750	35.6	68.1	Satisfactory
4.	Mara577/wks/18-19/00005	Completion of maternity ward in Maracha health IV	ONB	Bomak Traders Ltd	133,888,000	20.0	47.9	Unsatisfactory
5.	Mara577/wks/18-19/00008	Construction of two classroom block with office	ONB	G&W General Contractors	77,691,900	20.0	49.6	Unsatisfactory
6.	Mara577/wks/18-19/00009	Construction of two classroom block with office at Oniba P/S	ONB	Mr. Toah Farouk T/A Time To Time Enterprises	70,060,000	45.0	79.8	Satisfactory
7.	Mara577/wks/18-19/00010	Construction Chainlink fence at Nyadri Livestock market	Selective bidding	Mayways Construction And Engineering Works	24,883,320	22.5	48.8	Unsatisfactory
8.	Mara577/wks/18-19/00011	Construction of 5-stance lined VIP latrine at Ombinyiri P/S	Selective bidding	Rescue Engineering Company Limited	19,739,940	42.0	80.2	Satisfactory

No	Procurement Reference Number	Subject of procurement	Procurement Method	Provider	Contract value (UGX)	Performance rate score	Weighted average score	
9.	Mara577/wks/18-19/00012	Construction of 5 stance lined VIP latrine at Meki P/S	Selective bidding	Aseken Investments Ltd	22,165,000	37.5	68.0	Satisfactory
10.	Mara577/wks/18-19/00013	Construction of 3-stance lined VIP latrine under water department	Selective bidding	Wave Construction	14,643,300	37.5	71.5	Satisfactory
11.	Mara577/wks/18-19/00016	Construction of office block phase II in Maracha Town Council	Selective bidding	Ratibachikule T/A Obongi Prime Enterprises	48,729,600	30.0	59.1	Unsatisfactory
12.	Mara577/supls/18-19/00002	Procurement of 1 unit of motorcycle for roads (works)	ONB	Toyota Uganda Ltd	13,219,200	18.8	44.4	Unsatisfactory
13.	Mara577/supls/18-19/00003	Procurement of 5 units of motorcycles for audit ,water,MTC and production	ONB	Simba Automotives Ltd	39,750,000	45.0	81.8	Satisfactory
14.	Mara577/supls/18-19/00004	Procurement of 100 seater tents & 100 plastic chairs for Nyadri S/C	Selective bidding	John Bbosa Jb Enterprises	7,965,000	45.0	85.8	Satisfactory
15.	Mara577/supls/18-19/00005	Supply of Culverts and cement for MTC	Selective bidding	Maywaysconstruction And Engineering Works	12,244,000	27.5	61.4	Satisfactory
16.	Mara577/supls/18-19/00019	Supply and installation of Solar system for Health	Request for quotation	Global Solar Systems Ltd	19,869,260	22.5	41.0	Unsatisfactory

No	Procurement Reference Number	Subject of procurement	Procurement Method	Provider	Contract value (UGX)	Performance rate score	Weighted average score	
		Units						
17.	Mara577/Srvcs /18-19/00031	Borehole siting and drilling supervision	Open bidding	Universal Water Consultants Ltd	17,255,808	22.5	54.2	Unsatisfactory
18.	Mara577/Srvcs /18-19/00041	Survey and Tiling of health centers of Kamaka Tara, Oluvu, Wadra and Maracha H/Cs	Selective Bidding	Romza Consult Ltd	12,631,500	52.5	95.5	Highly Satisfactory
19.	Mara577/Srvcs /18-19/00010	Management of Chakuchakua market	ONB	Adania Alice	150,000	45.0	81.0	Satisfactory
20.	Mara577/Srvcs /18-19/00030	Management of Malaba market	ONB	Ombokoro Youth Group	320,000	30.0	55.8	Unsatisfactory
21.	Mara577/Srvcs /18-19/00032	Titling of lands of wadra HC Tara HC Oluvuhc and kamakahc		Romza Consults Limited	12,631,500 0	34.0	65	Satisfactory
22.	Mara577/Supls /18-19/00001	Procurement of Cassava chipper and tumpline	ONB	Cornerstone Infrastructure Ltd	37,257,980	32.0	61	Satisfactory
23.	Mara577/wrks/ 18-19/00016	Construction of office block phase two	Selective bidding	Obongi Prime Enterprise Ltd	48,729,600	35.6	60	Satisfactory

No	Procurement Reference Number	Subject of procurement	Procurement Method	Provider	Contract value (UGX)	Performance rate score	Weighted average score	
24.	N/A	Periodic and mechanized works on Uganda –DRC Boarder and KololoOdrua Road	Force account mechanism	District Engineer	27,018,000	50.0	72	Satisfactory
25.	N/A	Mechanized works on Lamila –Ciru Boarder road and Yivu- Lala Muniabar road	Force account mechanism	District Engineer	30,282,972	50.0	73	Satisfactory
26.	N/A	Rout in mechanized maintenance of Agii Okabi road and Oleba TC Retriko road networks	Force account mechanism	District Engineer	30,718,000	45.0	70	Satisfactory

Summary of case compliance rating

Table 23: Summary of case compliance rating.

No	Performance Score (%)	Performance Rating	Number	Value(UGX)
1	90-100	Highly Satisfactory	1	12,631,500
2	60-89	Satisfactory	18	785,479,102
3	30-59	Unsatisfactory	7	323,225,588

No	Performance Score (%)	Performance Rating	Number	Value(UGX)
4	0-29	Highly Unsatisfactory	-	-
Total			26	1,121,336,190

Annex 2. List of staff in the Procurement and Disposal Unit

No.	Name	Staff Title
1.	Mr. Anguzu Eric	Senior Procurement Officer
2.	Mss. Ezatiru Hanifa	Procurement Officer

Annex 3. List of the Contracts Committee members

Name	Designation	Position on CC	Date of approval by PS/ST
Mr. Amandu B. Felix	SAA	Chairperson	27/10/2016
Mr. Okudra Russal Jurua	PHI	Member	27/10/2016
Mr. Oneti A William	SAEO	Member	27/10/2016
Mr. Anzuzu Samson	AWO	Member	14/02/2019

Annex 2. List of staff in the Procurement and Disposal Unit

No.	Name	Staff Title
1.	Mr. Anguzu Eric	Senior Procurement Officer
2.	Mss. Ezatiru Hanifa	Procurement Officer

Annex 3. List of the Contracts Committee members

Name	Designation	Position on CC
Mr. Amandu B. Felix	SAA	Chairperson
Mr. Okudra Russal Jurua	PHI	Member
Mr. Oneti A William	SAEO	Member
Mr. Anzuzu Samson		

Annex 4: Physical Verification Pictures, Findings and Management Responses

1	<p>Reference number: Mara577/wrks/18-19/0005 Procurement: Completion of maternity ward in Maracha H/C IV Provider: M/S Bomak Traders Limited Contract Manager: Mr. Oneti Contract value: UGX: 133,888,700 Contract start date: 4thDecember 2018 Contract period: 6 months Proposed contract end date: 30th June 2019</p>
<p>During Audit</p> 	<p>During audit exit meeting</p>
<p>Status of works: work ongoing still within contractual period</p>	
2	<p>Reference number: MARA577/SUPLS/18-19/00010 Procurement: supply and installation of solar systems for health units Provider: M/S GLOBAL SOLAR SYSTEMS LIMITED Contract Manager: Nile Contract value: UGX 19,869,260 Contract start date: 18th December/2018 Contract period: 2 months Proposed contract end date: 1st January 2019</p>



Status of works: Completed
 Exceptions Noted:
 No contract manager appointed to manage the contract

3	<p>Reference number: MARA577/WRKS/18-19/00009 Procurement: Construction of 2 classroom block with office at Oniba primary School Provider: M/S Toah Farouk T/A Time To Time Enterprises Contract Manager: Nile Contract value: UGX 70,793,140 Contract start date: 4thDecember 2018 Contract period: 4 months Proposed contract end date:4th June 2019</p>
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Status of works: ongoing
 Contract still within contractual period

4	<p>Reference number: Mara577/wrks/18-19/00003 Procurement: Construction of twin Concrete Culvert bridge on Odraku stream Provider: Mayways Construction and Engineering work Ltd Contract Manager: Nile Contract value: UGX 113,800,960 Contract start date: 2ndDecember 2018 Contract period: 4 months Proposed contract end date: 2ndApril 2019</p>
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Status of works: Ongoing
 Exceptions Noted:

- No contract manager appointed to manage the contract.
- The road was found to be high and not aligned with the road

5	<p>Reference number: MARA577/WRKS/18-19/00012</p>
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Procurement: Construction of a 5 stance lined vip latrine at Meki Primary School
provider: Aseken Investments Limited
Contract Manager: Nile
Contract value: UGX 22,165,000
Contract start date: 11/30/2018
Contract period: 3 months
Proposed contract end date: 7th March 2019



Status of works: completed

Exceptions:

Facility was not handed over to beneficiary and not being use.

6 **Reference number:** MARA577/SUPLS/18-19/00003
Procurement: 5 units motorcycles for audit, water, production and 2 for Maracha TC
Provider: Simba Automotives Limited
Contract Manager: Nile
Contract value: UGX 39,750,000
Contract start date: 11/26/2018
Contract period: 1 months
Proposed contract end date:12/26/2018



Status of works: Delivered