



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

PROCUREMENT AND DISPOSAL AUDIT REPORT

KIRYANDONGO DISTRICT LOCAL GOVERNEMENT

FINANCIAL YEAR 2018/2019

MARCH 2020

Table of Contents

EXECUTIVE SUMMARY	1
CHAPTER 1: INTRODUCTION.....	4
1.1 Background.....	4
1.2 Objectives of the Audit	4
1.3 Scope of the Audit	4
1.4 Methodology.....	5
CHAPTER 2: KEY FINDINGS AND RECOMMENDATIONS.....	6
2.1. Accounting Officer	6
2.2. Procurement and Disposal Unit	11
2.3. Contracts Committee	18
2.4. User Departments.....	20
2.5. Evaluation Committees.....	29
2.6. Internal Controls	35
2.7. Collection and management of revenue centres	37
2.8. Force account mechanism and fuel management	39
2.9. Records Keeping.....	43
2.10. Disposal.....	44
CHAPTER 3: PROCUREMENT PERFORMANCE INDICATORS.....	46
3.1 Compliance Indicator score	46
3.2 Performance indicators	47
3.3 Overall Entity Procurement Performance Score.....	49
CHAPTER 4: RECOMMENDED ACTION PLAN	50
Annex 1: List of items due for disposal.....	53
Annex 2: Transaction list.....	55
Annex 3: List of persons in the Procurement and Disposal Unit.....	60
Annex 4: List of the Contracts Committee members.....	60
Annex 5: List of User Departments	60

List of Figures

Figure 1: Procurement System Compliance Levels	46
Figure 2: Procurement Process Compliance Levels	46

List of tables

Table 1: Overall Procurement Performance Score	1
Table 2: Performance rating.....	1
Table 3: Distribution of the transactions population and sample for the audit.....	5
Table 4: Analysis of procurement spend	6
Table 5: Procurements with low bidder participation.....	7
Table 6: Persons who confirmed funding without delegated authority from the Accounting Officer.....	8
Table 7: Procurements without evidence of confirmation of availability of funding by the Accounting Officer	9
Table 8: Contracts signed above the assessed market price at initiation	10
Table 9: Procurements with inadequate bidding documents	12
Table 10: Anomalies in issued bidding documents	13
Table 11: Inconsistencies in issuance, receipt and opening of bids.....	14
Table 12: Wrong details recorded at bid opening.....	15
Table 13: Procurements with delays	16
Table 14: Cancelled procurements.....	17
Table 15: Procurements with irregular award of contract	18
Table 16: Procurements with retrospective Contracts Committee approvals.....	19
Table 17: List of supplies without contract supervisors	21
Table 18: Delayed contracts.....	22
Table 19: Delayed payments.....	22
Table 20: Irregular payments to the contractors	23
Table 21: Irregularities at the contract management stage	25
Table 22: Irregularities noted during physical verification.....	27
Table 23: Arithmetic errors not communicated	29
Table 24: Irregularities at evaluation	31
Table 25: Status of implementation of FY 2017/18 audit recommendations	35
Table 26: Revenue centres	37
Table 27: Revenue lost in three months.....	38
Table 28: Analysis of URF funds spend implementation of Uganda Road Fund funds.....	39
Table 29: Call off orders for unaccounted for culverts.....	40
Table 30: Shoddy works under Force Account Mechanism.....	41
Table 31: Missing records.....	43
Table 32: Boarded off vehicles	44
Table 33: Weighted Compliance Indicator Score.....	47
Table 34: Performance Indicator Scores.....	47
Table 35: Overall Procurement Performance Score	49
Table 36: Action Plan	50

Acronyms

AO	Accounting Officer
BEB	Best Evaluated Bidder
CIPS	Chartered Institute of Purchasing and Supply
FY	Financial Year
HPDU	Head Procurement and Disposal Unit
KDLG	Kiryandongo District Local Government
PDE	Procuring and Disposing Entity
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 the Procurement and Disposal audit of Kiryandongo District Local Government. The audit covered a representative sample of twenty eight (28) procurement transactions. The audit involved a review of procurement system, procurement processes, asset disposal process and the procurement performance indicators following the Public Procurement and Disposal of Public Assets Act, 2003 and Local Governments (PPDA) Regulations, 2006.

From the findings of the procurement audit exercise, the summary performance of your Entity revealed that the compliance score was 58.3%, the performance score was 52.4% and the overall Entity procurement performance score was **54.7%** which is **unsatisfactory** as summarized in the table 1 below:

Table 1: Overall Procurement Performance Score

Compliance Indicator	Score %	Weight	Weighted Score
Average Compliance Indicator Score	58.3	0.4	23.3
Average Performance Indicator Score	52.4	0.6	31.4
Entity's Procurement Performance Score			54.7%

Table 2: Performance rating

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

The following exceptions were noted for the unsatisfactory performance:

1. The procurement plan implementation rate was 37.3% implying that 62.7% worth UGX 2,408,771,805 of planned procurements were not implemented which denied service delivery to the intended beneficiaries.
2. The Entity received less than three bids in ten (10) procurements worth UGX 244,331,770 under the selective bidding procurement method. This limited competition in the Entity and is indicative of low confidence of bidders in the procurement system which affects achievement of value for money.
3. Certification of availability of funds by persons without delegated authority in five (5) procurements worth UGX 87,720,712 which was irregular. The unauthorised persons usurped the powers of the Accounting Officer.
4. The Entity irregularly assumed framework agreements after the prequalification exercise and engaged service providers through issuance of call off orders without having contracts in place. This is a sign of non-transparency and exposes the Entity to risks of non-performance of the call off orders issued since it does not have a fall-back position.
5. Preparation of inadequate bidding documents which lacked technical evaluation criteria in seven (7) procurements worth UGX 153,275,770. This hinders bidders from preparing responsive bids.
6. Preparation of inadequate contracts that lacked amount in words for all the twenty-eight (28) sampled procurements worth UGX 1,061,780,453 yet the amount in words prevail over the amount in figures in case of discrepancies.

7. User Departments undertook micro-procurements, but did not submit a report to the Procurement and Disposal Unit for onward submission to the Contracts Committee for ratification. This is a red flag for deficient internal controls and impedes accountability, transparency and subsequently value for money.
8. Irregularities at evaluation in eight (8) procurements worth UGX 487,672,355 such as conducting evaluation basing on criteria that was not included in the bidding document, failure to adhere to set criteria in the bidding document, passing non-compliant bidders and conducting evaluation without the Contracts Committee's approval. This could lead to award of contracts to non-compliant/ incompetent bidders.
9. There were no contract management plans prepared for all the twenty-eight sampled procurements worth UGX 1,061,780,453 which hindered effective monitoring of contracts' performance.
10. Incomplete procurement files that lacked vital documents for example LG PP Form 1, invitation to bid notice, solicitation documents, Contracts Committee approval among others which affected the audit trail.
11. Poor management of revenue centres which resulted into loss of revenue worth UGX 11,460,000 in uncollected months of July, August and September 2018. In addition, there was under performance in all revenue centres where only UGX 46,260,000 was realised out of the planned amount of UGX 146,400,000. This implies that procurements worth UGX 100,140,000 planned based on these revenue projections were not implemented.
12. Mismanagement of activities under Force Account Mechanism where PPDA procedures were not followed and in addition the Authority found shoddy works and non-execution of some works which resulted into a financial loss of UGX 78,382,000 to the Entity. This was noted in purported works like routine manual maintenance and periodic maintenance on Diika road (3km) and Nyamusasa road (1km) both in Bweyale Town Council.
13. Non disposal of public assets in the financial year under review which makes assets lose value through depreciation and exposes them to risk of loss or vandalism.

The Authority recommends that:

1. The Accounting Officer should prevail over the Head Procurement and Disposal Unit to review and update the Entity's procurement plan on a quarterly basis and in any other case, wherever necessary, in accordance with Section 58 (4) of the PPDA Act, 2003.
2. The Accounting Officer should investigate the reasons behind the low bidder response and institute measures to attract a higher number of bidders to maximise competition in accordance with Section 46 of the PPDA Act, 2003.
3. The Accounting Officer or any officer authorized by the Accounting Officer should certify funds availability in accordance with Regulation 65 (7) of the Local Governments (PPDA) Regulations, 2006.
4. The Accounting Officer should before engaging any service providers sign contracts with them and she should prevail over the Head Procurement and Disposal Unit to follow the procurement procedure for framework contracts outlined in Circular Ref: PPDA/4002 issued to all Accounting Officers on 27th July 2011.
5. The Head Procurement and Disposal Unit should prepare adequate bidding documents that have the most appropriate evaluation methodology and criteria to compare and evaluate bids received in accordance Regulation 48 (4) of the Local Governments (PPDA) Regulations, 2006.
6. The Head, Procurement and Disposal Unit should in preparation of contracts also include the amount words since amount in words prevail over numbers or figures in case of any discrepancy.

7. User Departments should report micro procurements to the Contracts Committee on a monthly basis in accordance with Regulation 41 (8) of the Local Governments (PPDA) Regulations, 2006.
8. Evaluation Committee members should evaluate bids based on detailed evaluation terms, conditions or criteria included in the bid documents according to the methodology selected in accordance with Regulation 78 (4) and (5) of the Local Governments (PPDA) Regulations, 2006.
9. Contract supervisors should prepare contract implementation plans upon receipt of contracts in accordance with Regulation 119 (3) of the Local Governments (PPDA) Regulations, 2006.
10. The Head Procurement and Disposal Unit should maintain complete procurement files with all the records relating to each procurement as outlined in Regulation 46 (2) of the Local Governments (PPDA) Regulations, 2006.
11. The Accounting Officer should enforce close supervision and monitoring of revenue collections to realise the targeted collections.
12. The Accounting Officer should recover funds worth UGX 78,382,000 in purported works executed using Uganda Road Fund funds under force account mechanism from the Force Account Manager. In addition, the Accounting Officer should conduct all works under Force Account Mechanism in accordance with the PPDA (Force Account Mechanism) Regulations, 2014 and in such a way the realizes the best value for money for the Government of Uganda.
13. The Accounting Officer should expedite the disposal process in order to avoid further depreciation of the assets and attain value for money.

Recommended Action plan

Kiryandongo District Local Government should implement the recommended action plan on pages 50-52.

CHAPTER 1: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Kiryandongo District Local Government for Financial Year 2018/19. The audit covered a representative sample of twenty eight (28) procurement transactions. 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 Public 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 Entity'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.

The specific objectives were:

1. 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.
2. 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.
3. To assess the level of compliance of the asset disposal contracts with the PPDA Act, Regulations and Guidelines.
4. 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.
5. To offer an opinion on attainment of value for money and recommend measures to improve performance based on the key findings on the procurement system, processes, and performance.

1.3 Scope of the Audit

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Kiryandongo District Local Government from 22nd October 2019 to 31st October 2019. The Entity had a total procurement budget of UGX 1,435,697,716 in the audit period.

To prepare for the audit, the auditors reviewed the Entity budget, procurement plan and monthly reports. The procured items in the transaction list were stratified by (a) category of works, supplies, consultancy and non-consultancy services, (b) procurement method and (c) contract value. A representative sample of the twenty eight (28) 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 transactions population and sample for the audit is shown in table 3:

Table 3: Distribution of the transactions population and sample for the audit

Method of Procurement	Population Value(UGX)	Sample Value (UGX)	% by Value	Pop No.	Sample No.	% by No.
Open Domestic Bidding	493,653,318	464,713,318	94.1	26	15	53.6
Selective Bidding	942,044,398	597,067,135	63.4	134	13	9.7
Total	1,435,697,716	1,061,780,453	73.96	160	28	17.5

1.4 Methodology

An entry meeting was held on 22nd October 2019 where the objectives of the audit were discussed as well as the timelines, roles and responsibilities. The Entity's Management was requested to avail the required records in time for the audit, to which they agreed to give the necessary assistance to the auditors.

Three Procurement Audit Officers under the supervision of the Director, Performance Monitoring carried out the audit. During the audit, the auditors had interviews with the staff from the Procurement and Disposal Unit and User Departments were necessary. The meetings were necessary to obtain qualitative information that was crucial to understand the internal control system and processes.

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.

At the end of the field data collection, a debriefing meeting was held on 31st October 2019 with the Entity Management and staff to conclude pending issues and any records that could not be accessed during the audit.

The auditors prepared the management letter, which was sent to the Entity on 31st January 2020 with a request to submit management response by 5th February 2020. The exit meeting was held on 13th February 2020 at PPDA offices in Nakasero.

CHAPTER 2: KEY FINDINGS AND RECOMMENDATIONS

This chapter presents the findings arising from a review of the procurement system, procurement process and disposal process. The audit was carried out based on the set criteria per the PPDA Act, Regulations, Guidelines and the Procurement Audit Manual. The root causes of non-compliance and implications are presented. The recommendations are made considering the management responses from the Entity.

2.1. Accounting Officer

The Accounting Officer was rated unsatisfactory at 40% and the following exceptions were noted:

2.1.1. Procurement plan implementation

The procurement plan implementation rate of the Entity was assessed and table 4 summarizes information about the procurement plan and utilization of funds. The procurement plan implementation rate was 37.3% with a variance of UGX 2,408,771,805 not implemented.

Table 4: Analysis of procurement spend

Total procurement budget value inclusive VAT (UGX)	3,844,469,521
Total procurement plan value inclusive VAT (UGX)	3,844,469,521
Total procurement spend value inclusive VAT (UGX)	1,435,697,716
Procurement plan implementation (%)	37.3%
Variance (UGX)	2,408,771,805

Implication

Planned items/activities worth UGX 2,408,771,805 were not executed which deprived service delivery to the intended beneficiaries.

Management response

Funds amounting to UGX 670,000,000 were for procurements of a Seed Secondary School; however, the procurement was delayed by the Ministry of Education and Sports thus these funds were not utilized.

Funds amounting to UGX 1,738,771,805 under DRDIP were meant for construction of a 22km road of Nyakadoti- Mutunda road and construction of three schools of Mutunda, Bweyale Public and Bweyale Church of Uganda Primary Schools through community procurement funds formed part of the District budget and were on the district account although they were not utilised at the close of the financial year.

Recommendations

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

- i) Integrate the Entity's procurement budget with its expenditure programme in accordance with Section 58 (2) (d) of the PPDA Act, 2003.
- ii) Designate persons to monitor the implementation of the procurement plan so that the Procurement and Disposal Unit can update the procurement plan in accordance with Section 58 (4) and (5) of the PPDA Act, 2003.

2.1.2. Low bidder Participation

The Entity received less than three (3) bids in ten (10) procurements worth UGX 244,331,770 under the selective bidding method as indicated in table 5:

Table 5: Procurements with low bidder participation

No.	Subject of procurement	No. of bidders invited	No. of bidders received	Management response
1.	Construction of classroom at Opoka Primary School worth UGX 48,384,000	4	2	Management took note of the concern and pledged to put in place a system to ensure increased bidder participation.
2.	Construction of a 5 stance VIP latrine at Diika Health Center II worth UGX 20,699,470	4	2	
3.	Renovation of a community hall at Mutunda Sub County worth UGX 19,906,800	5	2	
4.	Cleaning services for Kiryadongo General Hospital worth UGX 33,000,000	2	2	
5.	Supply of 150 desks to Kiryadongo worth UGX 22,270,500	4	2	
6.	Supply of protective wear for workers worth UGX 12,250,000	1	1	
7.	Supply of agricultural equipment to Production and Marketing Department worth UGX 44,756,000	1	1	
8.	Supply and delivery of one dual printer and 2 laptops worth UGX 14,000,000	3	2	
9.	Supply and installation of lightening arrestors at Bunyama, Diika, Mpumwe and St. Livingstone Primary Schools worth UGX 22,185,000	2	2	
10.	Supply of 43 culverts (600mm) worth UGX 6,880,000	2	2	

Implication

Low bidder participation implies limited competition in the Entity and is indicative of low confidence of bidders in the procurement system which affects achievement of value for money.

Recommendation

The Accounting Officer should investigate the reasons behind the low bidder response and institute measures to attract a higher number of bidders to maximise competition in accordance with Section 46 of the PPDA Act, 2003.

2.1.3. Irregularities during confirmation of funding

i) Certification of availability of funds by persons without delegated authority

Availability of funds were certified by persons without delegated authority from the Accounting Officer in five (5) procurements worth UGX 87,720,712 as detailed in table 6:

Table 6: Persons who confirmed funding without delegated authority from the Accounting Officer

No.	Subject of procurement	Officer who confirmed funding and date	Management response
1.	Construction of a 5 stance VIP Latrine at Diika Health Center II worth UGX 20,699,470	Mr. Edward O. Oyundu (Acting Senior Assistant Secretary) on 17 th July 2018.	Management noted the anomaly. The Head Procurement and Disposal Unit will be formally directed not to process any procurements that are not authorized by the Accounting Officer.
2.	Renovation of a community hall at Mutunda Sub County worth UGX 19,906,800	Mr. Joseph Otika (Senior Assistant Secretary) on 3 rd August 2018.	
3.	Supply of 43 culverts (600mm) worth UGX 6,880,000	Mr. Rueben Magagandwa (Town Clerk) on 17 th July 2018.	
4.	Supply of 150 desks to Kiryadongo worth UGX 22,270,500	Mr. Edward O. Oyundu (Acting Senior Assistant Secretary) on 17 th July 2018.	
5.	Construction of a five stance lined pit latrine worth UGX 17,963,942	Mr. Stephen W. Mwesigwa (Town Clerk) on 11 th July 2018.	

Implication

This was irregular and the unauthorised persons usurped the powers of the Accounting Officer.

Recommendation

Certification of availability of funds should be done by the Accounting Officer or by any officer authorized by the Accounting Officer in accordance with Regulation 65 (7) of the Local Governments (PPDA) Regulations, 2006.

ii) No evidence of confirmation of availability of funding by the Accounting Officer

There was no evidence of confirmation of availability of funds by the Accounting Officer in two (2) procurements worth UGX 321,597,318, as detailed in table 7:

Table 7: Procurements without evidence of confirmation of availability of funding by the Accounting Officer

No.	Subject of procurement	Contract value (UGX)	Date of initiation	Management response
1.	Construction of mini solar powered piped water scheme at Apodorwa Rural Growth Centre	215,984,958	20 th June 2018	Management noted the anomaly. The Head Procurement and Disposal Unit will be cautioned not to handle any procurements without confirmation of funds availability by the Accounting Officer.
2.	Four (4) deep borehole drilling and installation	105,612,360	16 th August 2018	

Implication

This creates domestic arrears as procurements are commenced without funds availability certainty.

Recommendation

The Accounting Officer should confirm availability of funds and approve procurement requirements in accordance with Regulations 65 (4) and (7) of the Local Governments (PPDA) Regulations, 2006.

iii) Delay to confirm availability of funds

The Accounting Officer delayed to confirm funds by seventeen (17) working days in two (2) procurements worth UGX 72,051,600. Whereas the Heads of User Departments approved the procurement requirement requests on 6th July 2018, the Accounting Officer confirmed funding on 31st July 2018. The procurements were:

- Construction of two classroom blocks at Kyamugenyi Primary School worth UGX 49,701,600; and
- Supply of 150 desks to Namilyango, Kyamugenyi Church of Uganda and Opok Primary Schools worth UGX 22,350,000.

Implication

This delays service delivery to the intended beneficiaries.

Management response

There was a gap but it has been rectified.

Recommendation

The Accounting Officer should minimise delays at the initiation stage to promote efficiency in accordance with Section 48 of the PPDA Act, 2003.

2.1.4. Irregularities at the contract signing and management stages

i) Signing contracts above the assessed market price at initiation stage

The Accounting Officer signed two (2) contracts worth UGX 70,401,070 above the total assessed market price at initiation of UGX 66,000,000 resulting into a variance of UGX 4,401,070.

In addition, there was no evidence of conducting a market price re-assessment and confirmation of additional funding. The procurements were:

Table 8: Contracts signed above the assessed market price at initiation

No.	Subject of procurement	Assessed market price (UGX)	Contract value (UGX)	Variance (UGX)	Management response
1.	Construction of a 5 stance VIP latrine at Diika Health Center II worth UGX 20,699,470	17,000,000	20,699,470	3,699,470	The last market price assessment was carried out in 2015 and is yet to be updated. This process is ongoing.
2.	Construction of 2 two classroom blocks at Kyamugenyi Primary School worth UGX 49,701,600	49,000,000	49,701,600	701,600	

Implication

Signing contracts above the assessed market price at initiation without evidence of confirmation of additional funding creates domestic arrears.

Recommendation

The Accounting Officer should always conduct a re-assessment of market prices before contract signature where prices of the best evaluated bidder are higher than those earlier planned or estimated in accordance with Section 26 (5) of the PPDA Act, 2003.

ii) Signing a contract based on an expired bid

In the construction of a mini solar powered piped water scheme at Apodorwa Rural Growth Centre worth UGX 215,984,958, the contract was signed on a bid that had expired by 174 working days. Whereas the bid validity offered by the best evaluated bidder, Lubra Contractors Ltd, was 90 working days from the date fixed for the bid submission deadline of 5th September 2018, the contract was signed on 6th May 2019.

Implication

This nullifies the contract between the Entity and the provider and could result into litigation issues.

Management response

The contract was signed on 10th January 2019 and not on 6th May 2019 as stated in the query.

Authority's comment

The Accounting Officer signed and stamped the contract on 6th May 2019 and a contract only becomes binding when both parties have signed.

Recommendations

- i) The Accounting Officer should refrain from signing contracts based on expired bids.
- ii) The Head Procurement and Disposal Unit should monitor bid validity periods and where an extension becomes necessary, he should request the bidders in writing to extend the

validity of their bids for a specified period to complete the procurement process in accordance with Regulation 49 (5) of the Local Governments (PPDA) Regulations, 2006.

iii) Engaging the service providers without having contracts in place

The Entity after the prequalification exercise irregularly assumed framework agreements with the providers and issued call off orders without having contracts in place, but rather letters of bid acceptance. This was contrary to Circular Ref: PPDA/4002 on Use of Framework Contracts for Procurement of Supplies and Services issued on 27th July 2011 to all Accounting Officers.

The procurements were:

- Supply of fuel, lubricants and oils;
- Supply of toner, stationary, photocopying, printing, engraving services;
- Supply of food stuffs and firewood; and
- Repair and maintenance of motor vehicles and motorcycles.

In addition, the Authority found that in the supply and delivery of 4 medium motorcycles to Production and Marketing department worth UGX 43,800,000, the Accounting Officer did not sign a contract with Simba Auto-motives Limited. There was only a bid offer acceptance letter from the provider dated 26th October 2018 in response to the letter from the Entity of bid offer dated 25th October 2018.

Implication

This is a sign of non-transparency and exposes the Entity to risks of non-performance of contracts since it does not have a fall-back position.

Management response

Management noted the anomaly and will ensure that it does not reoccur.

Recommendation

The Accounting Officer should before engaging any providers sign contracts with them and prevail over the Head Procurement and Disposal Unit to follow the procurement procedure for framework contracts outlined in Circular Ref: PPDA/4002 issued to all Accounting Officers on 27th July 2011.

2.2. Procurement and Disposal Unit

The Procurement and Disposal Unit was rated unsatisfactory at 47% and the following exceptions were noted:

2.2.1. Procedural forms for procurement and disposal transactions

The Head Procurement and Disposal Unit did not use the procedural forms of the Authority when making submissions to the Contracts Committee. In addition, the notices of best evaluated bidders were in the wrong format and lacked expiry dates.

Implication

This deprives the users of these documents sufficient information to make informed decisions.

Management Response

It was a filing gap; however, contracts were submitted to Contracts Committee using the recommended forms.

Authority's comment

The Authority noted the response, however the documents submitted were procedural forms for submission to Contracts Committee for only two procurements, that is, construction of a 2 classroom block at Namilyango Primary School worth UGX 74,581,447 and renovation of a community hall at Mutunda Sub County worth UGX 19,906,800. The remaining twenty- six sampled procurement files did not have the procedural forms.

Recommendation

The Authority therefore recommends that the Head Procurement and Disposal Unit should use the PPDA procedural forms for procurement and disposal transactions in accordance with Guideline No. 8/2006 of Local Governments Guidelines, 2007.

2.2.2. Inadequate bidding documents

Bidding documents of seven (7) procurements worth UGX 153,275,770 lacked technical evaluation criteria. Subsequently, the Evaluation Committees in their reports just indicated that firms were compliant as there was no criteria in the issued bidding documents. These procurements were:

Table 9: Procurements with inadequate bidding documents

No.	Subject of procurement	Contract value (UGX)	Management response
1.	Supply of protective wear to the Engineering Department	12,950,000	These procurements were done under selective method and bidding documents were downloaded from the Authority website and customized according to various procurement need as per items.
2.	Supply of 150 desks to Kiryadongo Sub County	22,270,500	
3.	Supply and installation of lightening arrestors at Bunyama, Diika, Mpumwe and St. Livingstone Primary Schools	22,185,000	
4.	Supply of 43 culverts (600mm)	6,880,000	
5.	Construction of a two class room block at Opoka Primary School	48,384,000	
6.	Construction of a 5 stance VIP latrine at Diika Health Center II	20,699,470	
7.	Renovation of a community hall at Mutunda Sub County	19,906,800	

Authority's comment

The Authority noted the response; however, the submitted bidding documents for verification were not the true copy of what the Authority issued.

- **Other anomalies noted in the issued bidding documents**

This was in three (3) procurements worth UGX 304,566,405 as detailed in table 10:

Table 10: Anomalies in issued bidding documents

No.	Subject of procurement	Findings	Management response
1.	Construction of a 2 classroom block at Namilyango Primary School worth UGX 74,581,447	Stringent criteria in the bidding document Whereas the works were estimated to cost UGX 76.6 million, Part 9 (a) Qualification Criteria under Evaluation Methodology and Criteria required an average annual volume of construction work over the past 3 years of at least UGX 500,000,000.	Management has taken note of the recommendations and will ensure that the Head Procurement and Disposal Unit complies with the guidance.
2.	Supply and delivery of one dual printer and 2 laptops worth UGX 14,000,000	Use of brand names These included HP pro book 450 G5Note book for the laptops and Canon Image runner 1133 printer.	
3.	Construction of mini solar powered piped water scheme at Apodorwa Rural Growth Centre worth UGX 215,984,958	Misapplication of a margin of preference The solicitation document issued to bidders indicated that a 10% margin of preference from the Engineer's estimate would be applicable contrary to Section 59 A (3) (b) of the PPDA Act, 2003.	

Implications

- Inadequate bidding documents hinder bidders from preparing and submitting responsive bids.
- Stringent evaluation criteria and use of brand names deter competition and this affects attainment of value of money.

Recommendation

The Authority noted the response and recommends that the Head, Procurement and Disposal Unit should:

- Prepare adequate bidding documents that have the most appropriate evaluation methodology and criteria to compare and evaluate bids received in accordance Regulation 48 (4) of the Local Governments (PPDA) Regulations, 2006.
- Not issue specifications in the bidding documents with reference to a particular brand name in accordance Regulation 48 (8) of the Local Governments (PPDA) Regulations, 2006.
- Grant a margin of preference of seven percent (7%) in respect of works or services in accordance Section 59 A (3) (b) of the PPDA Act, 2003.

2.2.3. Irregularities at the bidding stage**i) Invitation of bidders not approved by the Contracts Committee**

The Contracts Committee minute dated 23rd July 2018 approved three (3) bidders namely Kamoga Enterprises Limited, Kibabnda Contractors and Company Limited, Kambugu R. Construction Limited for the construction of a 2 classroom block with an office at Kyamugenyi Church of Uganda Primary School worth UGX 49,701,600. However, the

Procurement and Disposal Unit invited after two bidders namely; Pioneer Construction Company Limited and Todaf Enterprises Limited who were not approved by the Contracts Committee.

Implication

This contravened the principle of transparency and fairness and usurped the powers of the Contracts Committee.

Management Response

Only firms approved by the Contracts Committee were invited and attached is the invitation letter extended to the bidders.

Authority's comment

The invitation attached was dated 5th December 2018, contrary to the records on the file reviewed at the time of audit which had a date of 22nd August 2018.

Recommendation

The Authority therefore recommends that the Head Procurement and Disposal Unit should always implement the decision of the Contracts Committee in accordance with Regulations 25 (1) (c) of the Local Governments Regulations, 2006.

ii) Receipt and opening of bids from bidders not issued with the bidding document

Two (2) procurements worth UGX 21,799,850 had inconsistencies in the number of bidders issued with the bidding document, number of bids received and opened as detailed in table 11 below:

Table 11: Inconsistencies in issuance, receipt and opening of bids

No	Subject of procurement	Findings	Management response
1.	Construction of a 5 stance lined VIP latrine at Opok Primary School worth UGX 19,999,850	The Procurement and Disposal Unit irregularly received and opened two bids from Algerma Engineering Services that had two different bid prices of UGX 19,531,200 and UGX 19,983,950.	No response
2.	Collection of revenue from Diika market worth UGX 1,800,000	Three bidders were issued with the bidding document namely: Byaruhanga Ibrahim, Akello Beatrice and Katusiime David. However, the Procurement and Disposal Unit irregularly received and opened a bid from Ojera Deo as evidenced on LG PP Form 10 yet the company was not issued with the bidding document.	It was erroneously recorded during bid opening and receipt. However, the error was noted and the bid for Ojera Deo was not evaluated.

iii) Errors at bid opening

- In the construction of a 5 stance lined VIP latrine at Opok Primary School worth UGX 19,999,850, wrong bid prices were recorded on the bid opening form (LG PP Form 10) as detailed in table 12:

Table 12: Wrong details recorded at bid opening

No.	Provider	Bid price in submitted bid (UGX)	Bid price recorded on LG PP Form 10 (UGX)
1.	Cindy General Contractors	20,135,800	19,983,950
2.	Innokia Group Limited	19,904,040	19,983,950

Management Response

Bid prices were recorded as submitted by the bidders.

Authority's comment

The record of bid opening availed by the Entity was edited to reflect the correct information.

- In the supply of 160 desks to Namilyango, Kyamugenyi Church of Uganda and Opok Primary Schools worth UGX 22,350,000, Tibenda Limited quoted for 160 desks each costing UGX 140,000 which totalled UGX 22,400,000. However, the Procurement and Disposal Unit recorded for 150 desks each costing UGX 140,000 which totalled UGX 21,000,000 and this error reduced the bid price by UGX 1,400,000.

Management Response

The quantities were reduced by the User Department because the available funds were only UGX 21,000,000 though at budgeting the estimated budget was UGX 22,400,000. Since the item was easily quantifiable, it was fitting to award contract as per the available funds to avoid over committing Government.

Authority's comment

The quantity should have been changed at contract award and authorized by the Contracts Committee instead of the User Department making adjustments for one bidder at bid opening.

Implication

Irregularities at the bidding stage contravened the principles of transparency, fairness and accountability in public procurement.

Recommendations

The Authority therefore recommends that the Head, Procurement and Disposal Unit should:

- i) Invite, receive and open bids from only providers approved by the Contracts Committee and issued with the bidding documents to promote transparency, fairness and accountability in public procurement in accordance with Section 45 of the PPDA Act, 2003.
- ii) Accurately record information at the time of bid opening to rule out inconsistencies.

2.2.4. Delay to invite bidders and seek Solicitor General's approval

This was noted in two (2) procurements worth UGX 265,686,558 as detailed in table 13:

Table 13: Procurements with delays

No.	Subject of procurement	Findings	Management response
1.	Construction of a two classroom block at Kyamugenyi Church of Uganda with an office worth UGX 49,701,600	Delay to invite bidders Whereas the Contracts Committee approved the procurement method, shortlist of bidders and bidding document on 23 rd July 2018, the invitation to bid was issued on 22 nd August 2018 implying a delay of twenty two (22) working days to invite bidders.	This is noted and management will ensure that there are no more delays.
2.	Construction of a mini solar powered piped water scheme at Apodorwa Rural Growth Centre worth UGX 215,984,958	Delay to seek Solicitor General's approval Whereas the notice of best evaluated bidder was displayed on 12 th October 2018 with a removal date of 26 th October 2018, the Solicitor General's clearance was sought on 21 st November 2018 implying a delay of nineteen (19) working days to seek the clearance.	

Implication

This delayed service to the intended beneficiaries.

Recommendation

The Head Procurement and Disposal Unit should minimise delays in order to promote efficiency in public procurement in accordance with Section 48 of the PPDA Act, 2003.

2.2.5. Preparation of inadequate contracts

All the twenty- eight (28) contracts reviewed worth UGX 1,061,780,453 lacked the amount in words. They only had amounts in figures yet the amount in words prevails over the amount in figures in case there is a discrepancy between words and figures.

Implication

In such cases, any error in the statement of amount in figures in a contract could result into litigation issues.

Management Response

This was an oversight on the part of the Head Procurement and Disposal Unit. Management will ensure that the amount in words are indicated in contracts.

Recommendation

The Head Procurement and Disposal Unit should in preparation of contracts also include amount words since amount in words prevail over numbers or figures in case of any discrepancy.

2.2.6. Cancellation of procurements

The Authority noted irregularities in the cancellation of two (2) procurements worth UGX 155,313,960 as detailed in table 14:

Table 14: Cancelled procurements

No.	Subject of procurement	Findings	Management response
1.	Four (4) deep borehole drilling and installation worth UGX 105,612,360	The contract supervisor irregularly halted the project citing lack of finances and notified the Procurement and Disposal Unit; however, the Procurement and Disposal Unit did not seek the Contracts Committee's approval for cancellation of the procurement.	Drilling instructions were issued by the contract manager to the contractor to drill only three boreholes since the available funds could only afford three borehole instead of four boreholes, therefore no contract was terminated.
2.	Construction of two (2) classroom blocks at Kyamugenyi Primary School worth UGX 49,701,600	<p>The Entity irregularly cancelled the procurement after display of the notice of the best evaluated bidder on 12th October 2018.</p> <p>This was because the bid price of UGX 53,686,000 of the best evaluated bidder (Ssekago F Construction Limited) was above the estimated market price at initiation of UGX 49,101,240 causing a variance of UGX 4,584,760.</p> <p>No Contracts Committee's approval was sought for cancellation of the procurement and no market re-assessment was conducted to ascertain if the best evaluated bidder's price was valid.</p>	Management has noted this irregularity and will caution the responsible officers and ensure this does not re-occur.

- **Un-concluded procurement**

In the supply of a generator to Bweyale Town Council worth UGX 11,800,000, the generator was planned for at UGX 10 million and on 16th August 2018, an invitation to bid was published in the New Vision with a bid submission deadline of 5th September 2018. One bidder, Africa Power and Equipment Limited (UGX 11,800,000), was issued with the solicitation document, returned a bid, was evaluated on 4th October 2018 and recommended for contract awarded at a price of UGX 11,800,000. The Contracts Committee on 12th October 2018 awarded the contract at UGX 11,800,000 and the notice of best evaluated bidder was displayed on the same day.

However, there was no contract signed hence no delivery was made. The Authority was informed that the procurement was cancelled but no justification was availed for the cancellation and no Contracts Committee approval was sought.

Management response

There was no signed contract and therefore no contract was cancelled.

Implication

Irregular cancellation of procurements contravenes the principles of transparency and fairness to bidders.

Recommendation

User Departments should through the Procurement and Disposal Unit prepare recommendations for cancellation of the procurements and submit them to the Contracts Committee for approval in accordance with Regulations 57(1) and 56 (e) of the Local Governments Regulations, 2006.

2.3. Contracts Committee

The Contracts Committee was rated unsatisfactory at 50% and the following exceptions were noted:

2.3.1. Inadequate composition of the Contracts Committee

The Authority found that the Entity only had four (4) Contracts Committee members as indicated in Annex 4 instead of the recommended five (5) members under the Third Schedule of the PPDA Act, 2003.

Recommendation

The Accounting Officer should fully constitute the Contracts Committee in accordance with the Third Schedule of the PPDA Act, 2003.

2.3.2. Irregular award of contracts

Three (3) procurements worth UGX 116,931,297 were awarded irregularly by the Contracts Committee as detailed in table 15:

Table 15: Procurements with irregular award of contract

No.	Subject of procurement	Findings	Management response
1.	Construction of 5 stance lined VIP latrine at Opok Primary School worth UGX 19,999,850	Unfair award of contract Whereas the best evaluated bidder was Innokia Group Limited with a price of UGX 18,905,145, the Contracts Committee awarded the contract to Kamoga Enterprises at UGX 19,999,850 which denied the Entity a cost saving of UGX 1,094,705. The justification cited was that Innokia Group limited had been awarded the contract for construction of a 5 stance lined VIP latrine at Kigumba Sub County. The Authority found this reason unjustifiable since Innokia's capacity to execute both contracts was not assessed.	Management noted this irregularity and will caution the officers concerned.
2.	Construction of a 2 classroom block at Namilyango Primary School worth UGX 74,581,447	Award of contract at the wrong price (re-tender) Whereas the Evaluation Committee recommended contract award to Ongomat Enterprises Limited at UGX 74,678,950, the Contracts Committee awarded the contract to the same	

No.	Subject of procurement	Findings	Management response
		provider at UGX 74,581,447 an amount which was less by UGX 97,503. Consequently, a contract was signed at that wrong price.	
3.	Supply of 160 desks to Namilyango Primary School, Kyamugenyi Church of Uganda Primary School and Opok Primary School worth UGX 22,350,000.	Unfair contract award Whereas Kav Limited's contract price was UGX 22,350,000, the Contracts Committee awarded the contract to Tibenda Limited at UGX 22,400,000 which denied the Entity a cost saving of UGX 50,000.	

Recommendations

The Authority noted the response and recommends that the Accounting Officer should:

- i) Seek capacity building for the Contracts Committee from the Authority.
- ii) Caution the members of the Contracts Committee for negligence in execution of their functions.

2.3.3. Retrospective approval of Part II of LG Form 1

The Contracts Committee retrospectively approved the procurement method, shortlist of bidders, bidding document and Evaluation Committee members in two (2) procurements worth UGX 124,283,047 before obtaining approval of the procurement requirements by the Accounting Officer as detailed in table 16:

Table 16: Procurements with retrospective Contracts Committee approvals

No.	Subject of procurement	Accounting Officer approval date on LG PP Form 1	Contracts Committee approval date	Management response
1.	Construction of a 2 classroom block at Namilyango Primary School worth UGX 74,581,447	31 st July 2018	27 th July 2018	Management noted this anomaly and will caution
2.	Construction of 2 two classroom blocks at Kyamugenyi Primary School worth UGX 49,701,600 (re-tender)	31 st July 2018	23 rd July 2018	both the Contracts Committee and the Head Procurement and Disposal Unit.

Implication

This was irregular and usurped the powers of the Accounting Officer.

Recommendation

The Contracts Committee should before approval of Part II of LG Form 1 ascertain that the procurement requirements have been approved by the Accounting Officer or authorized signature in accordance with Regulation 65 (4) of the Local Governments (PPDA) Regulations, 2006.

2.3.4. Irregular handling of a complaint

The Entity signed a contract with Cornerstone Infrastructure Limited on 28th November 2018, for the supply and installation of lightening arrestors at Bunyama, Diika, Mpumwe and St. Livingstone Primary Schools worth UGX 22,185,000; however, the contract was silent on the completion date. GCC 17.1 of the contract indicated the intended completion date “*as per commencement order*” and GCC 21.1 indicated the site possession date “*as per commencement order.*” There was no commencement order issued.

And on 23rd April 2018, the Acting District Engineer notified the Accounting Officer of the failure by the contractor to report for assignment for more than 8 weeks because of resource mobilization, but the complaint was not resolved.

On 13th May 2018, the second best evaluated bidder, Kakande Electrical Engineers & Contractors Limited accepted to supply and install the lightening arrestors at UGX 22,185,000 which he did and was paid. However, there was no Contracts Committee’s approval of contract award to Kakande Electrical Engineers & Contractors Limited to provide the services.

Implications

- Failure to take administrative action against Cornerstone Infrastructure Limited is an indication of laxity by the Entity to ensure that bidders who do not fulfill their contractual obligations are penalized.
- Execution of the works by Kakande Electrical Engineers & Contractors Limited was irregular and usurped the powers of the Contracts Committee.

Management Response

This is noted with concern and Management shall ensure that it does not re-occur.

Recommendation

The Contracts Committee should always consider all complaints submitted and based on the findings submit to the Authority a recommendation to suspend the provider in writing in accordance with Regulation 60 (2) the Local Governments (PPDA) Regulations, 2006.

2.4. User Departments

The User Department was rated unsatisfactory at 54% and the following exceptions were noted:

2.4.1. Unreported micro procurements

User Departments undertook micro-procurements but did not submit a report to the Procurement and Disposal Unit for onward submission to the Contracts Committee for ratification. The Authority was thus unable to ascertain the exact value of the micro-procurements undertaken. Furthermore, there was no evidence of delegation by the

Accounting Officer to User Departments to undertake micro procurements contrary to Regulation 41 (7) of the Local Governments (PPDA) Regulations, 2006.

Implications

- Failure to report all procurements undertaken by the Entity is a red flag for deficient internal controls.
- This impedes accountability, transparency and subsequently value for money.

Management Response

Management has taken note and will ensure that this does not re-occur.

Recommendations

- The Accounting Officer should delegate authority to User Departments to undertake micro procurements up to the maximum value specified in the guidelines in accordance with Regulation 41 (7) of the Local Governments (PPDA) Regulations, 2006.
- User Departments should report micro procurements to the Contracts Committee on a monthly basis in accordance with Regulation 41 (8) of the Local Governments (PPDA) Regulations, 2006.

2.4.2. Nomination of contract supervisors for supplies and services

User Departments did not nominate contract supervisors in five (5) procurements worth UGX 120,976,500 indicated in table 17:

Table 17: List of supplies without contract supervisors

No.	Subject of procurement	Contract value (UGX)	Management response
1.	Supply of 150 desks to Kiryadongo Sub county	22,270,500	Contracts supervisors were appointed.
2.	Supply of protective wear for Engineering Department	12,950,000	
3.	Supply of agricultural equipment to Production and Marketing Department	44,756,000	Authority's Comment There was no evidence availed to substantiate the Entity's response.
4.	Supply of meals and refreshments to Production and Marketing Department	8,000,000	
5.	Cleaning services for Kiryadongo General Hospital	33,000,000	

- **Preparation of contract implementation plans**

In addition, there were no contract management plans and reports prepared for all sampled procurements worth UGX 1,061,780,453.

Implication

This hinders effective monitoring of contracts and could result into their non-performance.

Management response

No response

Recommendations

- i) User Departments should nominate contract supervisors and inform the Accounting Officer in writing copied to the Internal Audit Department, Secretary Contracts Committee and any other relevant stakeholders informing them of the designated contract supervisor in accordance with Regulation 119 (2) of the Local Governments (PPDA) Regulations, 2006.
- ii) Contract supervisors should prepare contract implementation plans upon receipt of contracts in accordance with Regulation 119 (3) of the Local Governments (PPDA) Regulations, 2006.

2.4.3. Delays noted under the functions of the User Departments

i) Delayed completion of works

This was in two (2) procurements worth UGX 122,965,447 as detailed in table 18:

Table 18: Delayed contracts

No.	Subject of procurement	Contractual completion date	Actual completion date	Delay (working days)	Management response
1.	Construction of a 2 classroom block without office at Namilyango Primary School worth UGX 74,581,447	30 th May 2019	19 th June 2019	14	This was due to variations in the contract which led to more instruction by the Engineer to the contractor that had earlier not formed part of the contract.
2.	Construction of classroom at Opoka Primary School worth UGX 48,384,000	28 th January 2019	20 th June 2019	103	The contract was completed and contractor was paid by 20 th June 2019.

ii) Delayed payments

There was an average of 194 working days to pay providers in three (3) procurements worth UGX 169,412,210 as detailed in table 19:

Table 19: Delayed payments

No.	Subject of procurement	Invoice date	Payment date	Delay (working days)	Management response
1.	Construction of a 5 stance lined VIP latrine at Opok Primary School worth UGX 19,999,850	25 th January 2019	Not paid Note: There was only a payment of WHT worth UGX 1,139,991 on 11 th June 2019.	253 (Delay calculated up to 15 th January 2020)	All payments for works were effected before the end of 30 th June 2019. Authority's comment There was no evidence submitted to validate the Entity's response.
2.	Supply and delivery of four (4) medium	10 th December	14 th June 2019	135	The supplier submitted wrong information on

No.	Subject of procurement	Invoice date	Payment date	Delay (working days)	Management response
	motorcycles to Production and Marketing Department worth UGX 43,800,000	2018			the system (IFMS) and this resulted into delayed payment since ratification on the side of the supplier took long. Authority's comment There was no evidence submitted to this effect.
3.	Four (4) Deep borehole drilling and installation worth UGX 105,612,360	14 th May 2019	Not paid (Delay calculated up to 15 th January 2020)	176	
<p>Incomplete payment On 14th May 2019, the invoice worth UGX 74,837,134 submitted by the bidder was certified by the contract supervisor for payment however the payment documents only reflect that UGX 35,172,983 was paid to the bidder.</p> <p>Management response All payments for works were effected before the end of 30th June 2019.</p> <p>Authority's comment The payment records submitted only amounted to 35,172,983 implying a balance of UGX 39,664,151 was not paid.</p>					

Implications

- Delayed completion of works delays service delivery to the intended beneficiaries.
- Execution of works on an expired contract could result into litigation issues.
- Incomplete or delayed payments discourage potential providers from participating in future procurement processes which affects competition.

Recommendation

The Authority noted the Entity's responses and recommends that contract supervisors should manage contracts in accordance with the general and special conditions of time and place of delivery, payments and accountability in accordance with Regulation 104 (b) of the Local Governments (PPDA) Regulations, 2006.

2.4.4. Irregular payments made to the contractors

This was in two (2) procurements worth UGX 26,786,800 as detailed in table 20:

Table 20: Irregular payments to the contractors

No	Subject of procurement	Findings	Management response
1.	Supply of 43 culverts	Whereas the contracted price with Katooma Family Services Limited (best evaluated bidder)	The culverts were not purchased at UGX 200,000

No	Subject of procurement	Findings	Management response																				
	(600mm) worth UGX 6,880,000	<p>was UGX 160,000 per culvert; call off orders were issued with a price of UGX 200,000 per culvert, which resulted into an over expenditure of UGX 960,000 as detailed below:</p> <table border="1" data-bbox="491 412 1161 990"> <thead> <tr> <th data-bbox="491 412 568 551">No.</th> <th data-bbox="568 412 715 551">Call off order</th> <th data-bbox="715 412 871 551">Bid price per culvert (UGX)</th> <th data-bbox="871 412 1034 551">Call off Price (UGX)</th> <th data-bbox="1034 412 1161 551">Variance (UGX)</th> </tr> </thead> <tbody> <tr> <td data-bbox="491 551 568 689">1.</td> <td data-bbox="568 551 715 689">Supply of 14 pcs on 21st Jan 2019</td> <td data-bbox="715 551 871 689">160,000 totaling to UGX 2,240,00</td> <td data-bbox="871 551 1034 689">200,000 totaling to UGX 2,800,000</td> <td data-bbox="1034 551 1161 689">400,000</td> </tr> <tr> <td data-bbox="491 689 568 824">2.</td> <td data-bbox="568 689 715 824">Supply of 7 pcs on 21st Jan 2019</td> <td data-bbox="715 689 871 824">160,000 totaling to UGX 1,120,000</td> <td data-bbox="871 689 1034 824">200,000 totaling to UGX 1,400,000</td> <td data-bbox="1034 689 1161 824">280,000</td> </tr> <tr> <td data-bbox="491 824 568 990">3.</td> <td data-bbox="568 824 715 990">Supply of 7 pcs on 3rd March 2019</td> <td data-bbox="715 824 871 990">160,000 totaling to UGX 1,120,000</td> <td data-bbox="871 824 1034 990">200,000 totaling to UGX 1,400,000</td> <td data-bbox="1034 824 1161 990">280,000</td> </tr> </tbody> </table> <p>Implication Katooma Family Services Limited was paid less by UGX 32,000.</p>	No.	Call off order	Bid price per culvert (UGX)	Call off Price (UGX)	Variance (UGX)	1.	Supply of 14 pcs on 21 st Jan 2019	160,000 totaling to UGX 2,240,00	200,000 totaling to UGX 2,800,000	400,000	2.	Supply of 7 pcs on 21 st Jan 2019	160,000 totaling to UGX 1,120,000	200,000 totaling to UGX 1,400,000	280,000	3.	Supply of 7 pcs on 3 rd March 2019	160,000 totaling to UGX 1,120,000	200,000 totaling to UGX 1,400,000	280,000	<p>but at UGX 160,000 each according to the local purchase orders, delivery notes and invoices.</p> <p>Authority's comment The Authority reviewed the submitted documents and found that the Entity paid the bidder less by UGX 32,000. Whereas the local purchase order issued was for UGX 4,480,000 the payment made was for only UGX 4,448,000.</p>
No.	Call off order	Bid price per culvert (UGX)	Call off Price (UGX)	Variance (UGX)																			
1.	Supply of 14 pcs on 21 st Jan 2019	160,000 totaling to UGX 2,240,00	200,000 totaling to UGX 2,800,000	400,000																			
2.	Supply of 7 pcs on 21 st Jan 2019	160,000 totaling to UGX 1,120,000	200,000 totaling to UGX 1,400,000	280,000																			
3.	Supply of 7 pcs on 3 rd March 2019	160,000 totaling to UGX 1,120,000	200,000 totaling to UGX 1,400,000	280,000																			
2.	Renovation of a community hall at Mutunda Sub County worth UGX 19,906,800	<p>Excess payment during contract implementation of UGX 3,519,200 Whereas the contract dated 22nd February 2019 had a contract amount of UGX 19,906,800, a site inspection report dated 22nd March 2019 from Mr. Niyonzima Emmanuel (Superintendent of Works) indicated the total project cost as UGX 23,426,000 which resulted into payment of the same amount. This implies that an excess of UGX 3,519,200 was irregularly paid to Ramcon Engineering Services Limited which caused financial loss to the Entity.</p> <p>Implication The change order resulted into contract price increase of UGX 3,519,200.</p>	<p>During implementation, it was discovered that the quality of the floor tiles provided for in the agreement was not sustainable for a busy hall which necessitated a change from plastic tiles to ceramics tiles hence the increase in the contract price.</p> <p>Authority's comment The Authority noted the response however the change order was not done in accordance with the regulations.</p>																				

Recommendations

The Authority noted the response and recommends that:

- i) The Accounting Officer should pay UGX 32,000 to Katooma Family Services Limited.

- ii) User Departments Officers involved with the administration of payments to contractors should closely follow payments and exercise due vigilance at all times to ensure that no irregular payments are made to contractors in accordance with Regulation 103 (1) of the Local Governments (PPDA) Regulations, 2006.
- iii) Contract supervisors should have contract variations or change orders issued with approval of the Contracts Committee and any additional funding required for the change order or variation first committed by the Accounting Officer in accordance with Regulation 120 (2) and (3) of the Local Governments (PPDA) Regulations, 2006.

2.4.5. Irregularities at contract management

i) Retrospective execution of contracts and irregular variation

This was in three (3) procurements worth UGX 310,396,405 as detailed in table 21:

Table 21: Irregularities at the contract management stage

No.	Subject of procurement	Findings	Management response
1.	Construction of a 2 classroom block without office at Namilyango Primary School worth UGX 74,581,447	<p>Irregular contract variation On 14th March 2019, the Entity entered into a contract with Ongomat Enterprises Limited; however, on 29th March 2019, the contractor requested for a variation of 20% (UGX 14,916,289) of the contract price UGX 74,581,447 and this increased the total contract price to UGX 89,497,736.</p> <p>Implication Variation of a contract without commitment of additional funding could result into domestic arrears. Secondly, it is indicative of poor specifications in the bills of quantities</p> <p>The items for the variation request were:</p>	<p>There was no commitment of funds for the extra works because retention could not be paid in the current financial year and yet retention value formed part of the total contract price. It was not necessary for the Entity to commit more funds which would later be swept away at the end of Financial Year 2018/19. The variation approved by the Contracts Committee was only UGX 8,476,000.</p> <p>Authority's comment There was no evidence of commitment of additional funding contrary to Regulation 120 (3) of the Local Governments (PPDA) Regulations, 2006 which states that any additional funding required for a variation or change order shall</p>

No.	Subject of procurement	Findings	Management response																																	
		<table border="1"> <thead> <tr> <th data-bbox="520 282 746 309">Item</th> <th data-bbox="753 282 979 309">Qty * Cost</th> <th data-bbox="986 282 1193 309">Total (UGX)</th> </tr> </thead> <tbody> <tr> <td data-bbox="520 318 746 385">Iron bars 16"</td> <td data-bbox="753 318 979 385">24 pcs * 75,000</td> <td data-bbox="986 318 1193 385">1,800,000</td> </tr> <tr> <td data-bbox="520 394 746 461">Iron bars 10"</td> <td data-bbox="753 394 979 461">72 pcs * 30,000</td> <td data-bbox="986 394 1193 461">2,160,000</td> </tr> <tr> <td data-bbox="520 470 746 537">Iron bars 12"</td> <td data-bbox="753 470 979 537">20 pcs * 38,000</td> <td data-bbox="986 470 1193 537">760,000</td> </tr> <tr> <td data-bbox="520 546 746 613">Stirrups 6"</td> <td data-bbox="753 546 979 613">40 pcs * 12,000</td> <td data-bbox="986 546 1193 613">480,000</td> </tr> <tr> <td data-bbox="520 622 746 689">Cement</td> <td data-bbox="753 622 979 689">50 bags * 30,000</td> <td data-bbox="986 622 1193 689">1,500,000</td> </tr> <tr> <td data-bbox="520 698 746 766">Lake sand</td> <td data-bbox="753 698 979 766">6 trips * 300,000</td> <td data-bbox="986 698 1193 766">1,800,000</td> </tr> <tr> <td data-bbox="520 775 746 842">Hardcore red stone</td> <td data-bbox="753 775 979 842">14 trips * 250,000</td> <td data-bbox="986 775 1193 842">3,500,000</td> </tr> <tr> <td data-bbox="520 851 746 918">Aggregates</td> <td data-bbox="753 851 979 918">3 trips * 500,000</td> <td data-bbox="986 851 1193 918">1,500,000</td> </tr> <tr> <td data-bbox="520 927 746 1016">Sub structures labour more by 7 days</td> <td data-bbox="753 927 979 1016">7 * 202,327</td> <td data-bbox="986 927 1193 1016">1,416,289</td> </tr> <tr> <td data-bbox="520 1025 746 1057">Total</td> <td data-bbox="753 1025 979 1057"></td> <td data-bbox="986 1025 1193 1057">14,916,289</td> </tr> </tbody> </table>	Item	Qty * Cost	Total (UGX)	Iron bars 16"	24 pcs * 75,000	1,800,000	Iron bars 10"	72 pcs * 30,000	2,160,000	Iron bars 12"	20 pcs * 38,000	760,000	Stirrups 6"	40 pcs * 12,000	480,000	Cement	50 bags * 30,000	1,500,000	Lake sand	6 trips * 300,000	1,800,000	Hardcore red stone	14 trips * 250,000	3,500,000	Aggregates	3 trips * 500,000	1,500,000	Sub structures labour more by 7 days	7 * 202,327	1,416,289	Total		14,916,289	first be committed prior to Contracts Committee approval.
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Sub structures labour more by 7 days	7 * 202,327	1,416,289																																		
Total		14,916,289																																		
2.	Supply of protective wear for Engineering Department worth UGX 12,950,000	<p>Retrospective delivery of items Whereas the Entity signed a contract with Kabonari General Enterprise Ltd on 2nd July 2018 and GCC12.1 of the contract stated that “<i>The supplies are to be delivered within as per Local Purchase Order (LPO) from the date of purchase order</i>”, items were delivered on 17th May 2019 (21 working days) before issuance of the LPO which was dated 17th June 2019.</p> <p>Implication Retrospective delivery of items contravenes the principles of transparency and accountability.</p>	Management took note of the irregularity and pledged that User Departments will improve on this.																																	
3.	Construction of mini solar powered piped water scheme at Apodorwa Rural Growth Centre worth UGX 215,984,958	<p>Retrospective execution of works Following a commencement letter was issued on 28th January 2019 by the contract supervisor, works were illegally executed and completed on 24th May 2019 prior to signing the contract which was dated 6th May 2019.</p> <p>Implication Execution of works without a contract in place leads to conflicts during contract execution.</p>	<p>The works were not executed retrospectively. The contract agreement was signed on January 10, 2019 and not 6th May 2019.</p> <p>Authority’s comment The Accounting Officer signed and stamped the contract</p>																																	

No.	Subject of procurement	Findings	Management response
			on 6 th May 2019 and a contract only becomes binding when both parties have signed.



Recommendations


- i) The Accounting Officer should not amend contracts by more than fifteen percent of the original contract price without prior approval of the Authority in accordance with Regulation 120 (12) of the Local Governments (PPDA) Regulations, 2006.
- ii) User Departments should not engage service providers before contract placement in accordance with Regulation 119 (1) of the Local Governments (PPDA) Regulations, 2006.

ii) Poor quality works

This was in three (3) procurements worth UGX 116,795,893, as detailed in table 22 below:

Table 22: Irregularities noted during physical verification

No.	Details	
1.	<p>Subject of procurement: Construction of 2 stances (two block each) at Mutunda daily market and Kawiti market in Mutunda Sub County</p> <p>Contract value: UGX 21,514,976</p> <p>Provider: Algerma Engineering Services Limited</p>	
		
	Mutunda daily market	Kawiti daily market
	<p>Exceptions noted: The latrine was not engraved and not handed over to the beneficiaries.</p> <p>Impact of the audit Management stated that the defects were handled and the projects commissioned.</p>	<p>Exceptions noted:</p> <ul style="list-style-type: none"> • The latrine was constructed away from market, in a bushy area with the hope that the market would be moved to that location. However, there were no existing structures for the proposed market and the residents were not using the facility; and • In addition, there was no water in the area which the residents claimed was more important. This implies that there was poor needs assessment. <p>Management Response: The Entity has plans to shift the market from the highway.</p>

No.	Details
2.	<p>Subject of procurement: Construction of a 5 stance lined VIP latrine at Diika Health Center</p> <p>Contract value: UGX 20,699,470</p> <p>Provider: Kabonari General Enterprises Limited</p>
	<div style="display: flex; justify-content: space-around;">  </div> <p>Exceptions noted:</p> <ul style="list-style-type: none"> • The floor was cracked and one of the ramps was placed facing the bush which could hinder effective movement of the wheel chair; • Due to lack of involvement of the beneficiaries, the first toilet was constructed in an area which the beneficiaries had not approved and this resulted into shifting the facility to another location. Because the ditch as not properly covered it caused the soils to sink thus affecting the new toilet structure. <p>Impact of the audit Management in their response stated that defects were rectified.</p>
3.	<p>Subject of procurement: Construction of a two class room block without an office at Namilyango Primary School</p> <p>Contract value: UGX 74,581,447</p> <p>Provider: Ongmat Enterprises Limited</p> <div style="display: flex; justify-content: space-around;">  </div> <p>Exception noted: The ramp was not completed which hindered effective movement of wheel chairs.</p> <p>Management Response According to the Engineer, two ramps were provided with gentle slops and wide enough for a wheel chair.</p>

No.	Details
	Authority's comment The pictures availed at the exit were not satisfactory as the ramps were poorly finished.

Implication

Poor quality works and failure to handover facilities affects the achievement of value for money.

Recommendations

The Authority noted the response however recommends that the contract supervisors should:

- i) Only issue the final acceptance certificate after defects have been rectified in accordance with Regulation 110 (1) of the Local Governments (PPDA) Regulations, 2006.
- ii) Manage handover of the facilities after completion in accordance with Regulation 119 (10) (d) of the Local Governments (PPDA) Regulations, 2006.

2.5. Evaluation Committees

The Evaluation Committees were rated unsatisfactory at 50% and the following exceptions were noted:

2.5.1. Communication of arithmetic errors

At the financial evaluation stage, the Evaluation Committee made corrections to the bid prices of different providers in six (6) procurements worth UGX 441,651,855; however, the corrections made were not communicated to the affected bidders as detailed in table 23:

Table 23: Arithmetic errors not communicated

No.	Subject of procurement	Name of provider	Bid price (UGX)	Evaluated price (UGX)	Arithmetic errors (UGX)
1.	Construction of a mini solar powered piped water scheme at Apodorwa Rural Growth Centre worth UGX 215,984,958	Lubra Contractors	198,550,000	215,984,958	17,434,958
2.	Construction of a 5 stance lined VIP latrine at Opok Primary School worth UGX 19,999,850	Cindy General Contractors	20,135,800	20,139,000	3,200
		Algerma Engineering Services Limited	19,531,200	20,497,760	966,560
3.	Construction of a 2 classroom block at Namilyango Primary School worth UGX 74,581,447	Ongomat Enterprises Limited	74,581,447	74,678,950	97,503
4.	Construction of a two Classroom block at	Kambugu R. Construction	48,400,000	48,384,000	(16,000)

No.	Subject of procurement	Name of provider	Bid price (UGX)	Evaluated price (UGX)	Arithmetic errors (UGX)
	Opok Primary School worth UGX 48,384,000	Company. Limited			
		Kibanda Contractors and Company Limited	48,656,830	49,349,700	692,870
5.	Cleaning services for Kiryadongo General Hospital worth UGX 33,000,000	Kad Agencies Limited	5,550,000	38,940,000	33,390,000
		God's Grace Cleaning Services Limited	14,537,600	87,225,000	72,687,400
6.	Construction of a 2 classroom block with an office at Kyamugenyi Church of Uganda Primary School worth UGX 49,701,600 (retender)	Kamoga Enterprises Limited	49,946,800	49,701,600	245,200
			However the Authority found that the Evaluation Committee miscalculated the arithmetic errors. The correct price should have been UGX 49,943,100 instead of 49,701,600.		

Implications

- Failure to inform bidders of arithmetic corrections made in their bid submissions contravenes the principles of transparency and accountability.
- There was a loss of UGX 241,500 to Kamoga Enterprise Limited.

Management Response

Management has taken note and will ensure that this does not re-occur.

Recommendations

- The Chairperson, of the Evaluation Committee should in writing request affected bidders for clarifications of arithmetic errors corrected and copy in all other bidders in accordance with Regulation 74 (3) and (4) of the Local Governments (PPDA) Regulations, 2006.
- The Accounting Officer should recover UGX 241,500 from the Evaluation Committee members.

2.5.2. Irregularities at evaluation

Eight (8) procurements worth UGX 487,672,355 had irregularities during evaluation as detailed in table 24:

Table 24: Irregularities at evaluation

No.	Subject of procurement	Findings	Management response
1.	Construction of a mini solar powered piped water scheme at Apodorwa Rural Growth Centre worth UGX 215,984,958	<p>Conducting evaluation basing on criteria that was not included in the bidding document</p> <p>Bidders were evaluated on the following criteria that were not requirements in the bidding document:</p> <ul style="list-style-type: none"> • Evidence of surveying equipment; • Transport equipment: one pick up, two lorries or more; • Engineering team : Team Engineer (Degree in Civil, Mechanical, Electrical), Technician (Diploma in Civil, Water Engineering), Technician -Electrical Engineer (Diploma in Electrical Engineering); Technician-Mechanical Engineer (Diploma in Mechanical Engineering), Engineering Surveyor (Diploma), among others; and • Experience of critical staff: Team Engineer (5 years or more), Electrician (4 years or more in solar installations), Fitter (3 years or more in motor pump installations), Civil Engineering. Technician (3 years or more in piped network constructions) etc. 	<p>The bidding document for piped water project included all the evaluation criteria that was implemented basing on the criteria submitted in the bidding document. The criteria formed part of technical specification attached on the bidding document.</p> <p>Authority's comment The issued bidding document did not indicate the requirements mentioned above.</p>
2.	Construction of a 5 stance lined VIP latrine at Opok Primary School worth UGX 19,999,850	<p>Inadequate evaluation</p> <p>The evaluation report dated 4th October 2018 indicated that bidders were compliant at the preliminary and technical stages without outlining the criteria on which bidders were assessed as compliant yet the Authority found that bidders submitted incomplete bids as detailed below:</p> <ul style="list-style-type: none"> • Algerma submitted two bids that were evaluated and the bids had the following details: <p>Bid one Bid price: UGX 19,531,200 Bid validity: 7 weeks Documents submitted: Bid submission sheet, bills of quantities and code of ethics.</p> <p>Bid two Bid price: UGX 19,983,950 Bid validity: 27 days Documents submitted: Bid submission sheet, bills of quantities and Special Conditions of the Contract.</p>	<p>It was an oversight based on the fact that these were prequalified firms. However, Management pledged to adhere to the evaluation criteria stated in the bidding document.</p>

No.	Subject of procurement	Findings	Management response
		<ul style="list-style-type: none"> • Innokia Group Limited offered a bid validity of 60 days, submitted a bid submission sheet and bills of quantities. • Kamoga Enterprises offered a bid validity period of 45 calendar days, submitted a bid submission sheet and code of ethical conduct to conduct in business. • Cindy General Contractors only submitted the bills of quantities and the invitation to bid. 	
3.	Construction of a 2 classroom block at Namilyango Primary School worth UGX 74,581,447	<p>Failure to adhere to set criteria in the bidding document Ongomat Enterprises, the best evaluated bidder, submitted Powers of Attorney that were not registered as was required under the Eligibility criteria but was found compliant at the preliminary stage.</p> <p>Secondly, Part 9: Qualification Criteria under Evaluation Methodology and Criteria required the following:</p> <ul style="list-style-type: none"> • 9.1 (a) average annual volume of construction work over the past 3 years of at least UGX 500,000,000; and • 9.1 (b) experience as a prime contractor in the execution of similar works of a nature and complexity equivalent to the Works in this contract over the last 3 years (to comply with this requirement, works cited should be at least 70% complete). <p>However, Ongomat Enterprises, cited the following works without submission of evidence of at least 70% completion:</p> <ul style="list-style-type: none"> • Construction of a staff house and VIP latrine and chain link fence worth UGX 449,931,513 under Dryland Integrated Development Project- Karamoja Infrastructure Coordinator; and • Construction of 35 shelters and 35 latrines by Followers of the Way Kampala Project worth UGX 91M. 	This was an oversight. However, Management pledges to ensure tight supervision for quality assurance purposes.
4.	Supply and delivery of 4 medium motorcycles to Production and	<p>Failure to conduct preliminary and technical evaluation Bidders were not evaluated at the preliminary and technical stages as evidenced by the blank spaces in the evaluation report.</p>	Management has taken note of this omission and will ensure tight supervision and adherence to procurement guidelines.

No.	Subject of procurement	Findings	Management response
	Marketing Department worth UGX 43,800,000		
5.	Construction of a two classroom block at Opok Primary School worth UGX 48,384,000	<p>Passing non-compliant bidders Kamugu R Construction Company Limited and Kibanda Contractors Company Limited were evaluated compliant at the preliminary stage yet both bidders did not submit the following requirements as was required in the bidding document:</p> <ul style="list-style-type: none"> • Valid trading license; • Valid certificate of registration; and • Income tax clearance or equivalent (for the last financial year). 	It was an oversight based on the fact that these were prequalified firms. However, Management pledges to adhere to the evaluation criteria stated in the bidding document.
6.	Supply of 150 desks to Kiryadongo sub county worth UGX 22,270,500	<p>Passing non-compliant bidder Katooma Family Services was evaluated compliant at the preliminary stage yet the bidder did not submit the following requirements as was requested in the bidding document:</p> <ul style="list-style-type: none"> • Valid trading license or its equivalent; • Valid certificate of registration or equivalent; • Income tax clearance certificate or equivalent (for the last Financial Year); • Valid VAT registration or equivalent or a signed statement that the bidder's VAT exempt; and • Non-refundable receipt. 	Management has taken note of this omission and will ensure this does not re-occur.
7.	Supply of protective wear for Engineering Department worth UGX 12,950,000	<p>Passing non-compliant bidder Kabonari General Enterprise Limited was evaluated compliant at the preliminary stage yet the bidder did not submit the following requirements as was required in the bidding document:</p> <ul style="list-style-type: none"> • Valid trading license or its equivalent; • Valid certificate of registration or equivalent; • Income tax clearance certificate or equivalent (for the last Financial Year); • Valid VAT registration or equivalent or a signed statement that you are VAT exempt; and • Non-refundable receipt. 	It was an oversight based on the fact that these were prequalified firms. However, Management pledges to adhere to the evaluation criteria stated in the bidding document.

No.	Subject of procurement	Findings	Management response
8.	Construction of a 2 classroom block with an office at Kyamugenyi Church of Uganda Primary School worth UGX 49,701,600 (retender)	<p>Irregular evaluation</p> <p>The best evaluated bidder (Kamoga Enterprises Limited) submitted a bid that had two prices schedules: one for Kamoga Enterprises Limited and the other for Kambugu R Construction Limited. Also, the bid submission sheet and code of ethical conduct were also not signed.</p> <p>In addition, Kamoga Enterprises Limited's bid lacked:</p> <ul style="list-style-type: none"> • Valid trading license or its equivalent; • Valid certificate of registration or equivalent; • Income tax clearance certificate or equivalent (for the last Financial Year); • Valid VAT registration or equivalent or a signed statement that you are VAT exempt; and • Non-refundable receipt as was required in the bidding document <p>Conducting evaluation without the Contracts Committee approval</p> <p>Whereas the approved evaluation committee members were:</p> <ul style="list-style-type: none"> • Mr. Muhumuza Samuel- Ag. District Engineer • Cpa. Wandera Christopher- Senior Accounts Assistant • Ms. Mpuuga Percy- District Agriculture Engineering Officer • Mr. Katusabe Johnson- District Inspector of Schools • Mr. Niyonzima Emmanuel- District Superintendent of Works; <p>The Authority found that the following persons conducted evaluation without the Contracts Committee's approval:</p> <ul style="list-style-type: none"> • Mr. Mugisa T Kasajja; • Mr. Katuhaise Godfrey; and • Mr. Matovu Mohammed. 	<p>Management has taken note of this omission and will ensure tight supervision and adherence to procurement guidelines.</p> <p>The Contracts Committee minute of 8th January 2019 approved the Evaluation Committee members.</p> <p>Authority's comment</p> <p>The evaluation for this procurement was completed on 4th October 2018 prior to the approval of the Evaluation Committee members.</p>

Implication

Irregularities at evaluation lead to award of contracts to non-compliant/ incompetent bidders and this hinders competition and attainment of value for money.

Recommendations

Evaluation Committee members should:

- i) Conduct eligibility and administrative compliance evaluation based on a pass or fail basis and a bid which is not eligible or substantially compliant should be rejected in accordance with Regulation 77 (3) of the Local Governments (PPDA) Regulations, 2006.
- ii) Evaluate bids based on detailed evaluation terms, conditions or criteria included in the bid documents according to the methodology selected in accordance with Regulation 78 (4) and (5) of the Local Governments (PPDA) Regulations, 2006.
- iii) Be recommended by the Procurement and Disposal Unit and approved by the Contracts Committee in accordance with Regulation 72 (2) of the Local Governments (PPDA) Regulations, 2006.

2.6. Internal Controls

The internal controls were rated unsatisfactory at 40% and the following exceptions were noted:

2.6.1. Implementation of previous audit recommendations

The Authority previously conducted a procurement and disposal audit of Kiryandongo District Local Government for financial year 2017/2018 and the report was issued in April 2019. Out of the thirteen (13) recommendations made, seven (53.8%) partially implemented and six (46.2%) not implemented as indicated in table 25:

Table 25: Status of implementation of FY 2017/18 audit recommendations

No.	Observation	Recommendation	Status
1.	Confirmation of availability of funding without delegated authority	The Accounting Officer should ensure that delegation of authority is done in accordance with Regulation 29 of the LG (PPDA) Regulations, 2006.	Partially implemented
2.	Irregularities at contracting	The Accounting Officer should sign contracts in line with Contract Committee approvals.	Partially implemented
3.	Inadequate bidding documents	The Accounting Officer should caution; the Contracts Committee, the Head, Procurement and Disposal Unit and User Departments for failure to adhere to Regulation 48 of the LG (PPDA) Regulations, 2006 in the preparation of bidding documents.	Not implemented
4.	Failure to nominate contract supervisors	The User Departments should ensure that they nominate contract supervisors for appointment by the Accounting Officer in accordance with Regulation 119 (2) of the Local Government (PPDA) Regulations, 2006.	Partially implemented

No.	Observation	Recommendation	Status
5.	Failure to meet contractual obligations	The Accounting Officer should ensure that where performance securities are requested for, contracts are not signed before submission of the performance securities in accordance with Regulation 89 (1) of the Local Government (PPDA) Regulations, 2006.	Not implemented
6.	Force Account Mechanism, fleet management and management of fuel	<ul style="list-style-type: none"> • The Accounting Officer should ensure that accountability is made for all the funds received under force account. • The Accounting Officer should take appropriate disciplinary action against the District Engineer and the District Road Inspector for failing to follow procurement procedures while identifying providers for Force Account inputs. • The Accounting Officer should ensure that the providers procured to manage the revenue sources remit the collected funds as per the terms in the contract document. • The Accounting Officer should ensure that revenue source contracts are signed with associations as per the Government Policy decision on management of markets and taxi parks. 	<p>Partially implemented</p> <p>Not implemented</p> <p>Partially implemented</p> <p>Not implemented</p>
7.	Irregularities at evaluation	<ul style="list-style-type: none"> • The Head, Procurement and Disposal Unit should ensure that Evaluation Committee members strictly adhere to the criteria set out in the solicitation document in accordance with Regulations 48 (4) and 73 of the Local Government (PPDA) Regulations, 2006. • The Head, Procurement and Disposal Unit should ensure that technical guidance is always provided to Evaluation Committees. • The Chairperson of the Evaluation Committee should ensure that arithmetic corrections are communicated to bidders in accordance with Regulation 74 (3&4) of the LG (PPDA) Regulations, 2006. 	<p>Partially implemented</p> <p>Partially implemented</p> <p>Not implemented</p>

No.	Observation	Recommendation	Status
		Communication of such correction of errors should be made to all bidders.	
8.	Unreported procurements	The Accounting Officer should take responsibility for the lack of transparency in reporting and should prevail over the Head, Procurement and Disposal Unit to ensure full and accurate reporting of all procurement and disposal transactions in accordance with Section 31 (r) of the PPDA Act, 2003.	Not implemented

Implication

Failure to fully implement previous audit recommendations hinders procurement performance improvement.

Management response

Management has taken note of this and will ensure that all the recommendations are 100% implemented before commencement of the next audit.

Recommendation

The Accounting Officer should take corrective action and engage all stakeholders to develop strategies on implementation of all the Authority's recommendations in accordance with Regulation 14 (k) of the Local Governments (PPDA) Regulations, 2006.

2.7. Collection and management of revenue centres

The Authority reviewed four (4) revenue sources as detailed in table 26:

Table 26: Revenue centres

No.	Revenue source	Provider	Contract price (UGX)
1.	Diika market	Mr. Byaruhanga Ibrahim	200,000
2.	Bweyale Town Council charcoal loading and transportation	Mr. Katusiime Edsison	500,000
3.	Diima taxi	Mr. Cossy Fazil	220,000
4.	Kigumba Town Council market	Mr. Bukenya Ashiraf	2,900,000

2.7.1. Incomplete procurement files

The files reviewed were incomplete as they lacked vital documents which affected audit trail. These were:

- i) LG PP Form 1;
- ii) Invitation to bid notice;
- iii) Solicitation documents;

- iv) Contracts Committee approval of procurement method, bidding documents and evaluation committee members;
- v) Combined evaluation reports;
- vi) Signed contracts; (There were only letters of notification of contract award to the best evaluated bidders dated 1st October 2018 with no responses of bid acceptance by providers);
- vii) Contract manager's appointment;
- viii) Contract management plans; and
- ix) Evidence of remittance of collected revenues.

Management response

Management has taken note of this omission and will ensure that there is tight supervision and adherence to procurement guidelines through Internal Audit department to ensure complete files are maintained by the responsible office.

Recommendation

The Head Procurement and Disposal Unit should maintain complete procurement files with all the records relating to each procurement as outlined in Regulation 46 (2) of the Local Governments (PPDA) Regulations, 2006.

2.7.2. Award of contracts to individuals

The Entity awarded contracts to individuals who were not part of associations in the revenue management of markets and taxi parks contrary to the guidelines provided by the Ministry of Local Government dated 10th January 2011. This compromised the benefits of maximum competition.

Management response

Management has taken note of this concern and sensitisation of associations is under way. However, award of contracts to individual was caused by lack of expression of interest by associations.

Recommendation

The Accounting Officer should sign revenue source contracts with associations in accordance with the Government Policy decision on management of markets and taxi parks.

2.7.3. Delay to commence collection and management of revenue centres

Services were meant to commence in July 2018; however, they commenced in October 2018 implying loss of revenue worth UGX 11,460,000 for the months of July, August and September 2018 as detailed in table 27 below:

Table 27: Revenue lost in three months

No.	Revenue source	Contract amount (UGX)	Amount lost in 3months (UGX)
1.	Diika market	200,000	600,000
2.	Bweyale Town Council charcoal loading and transportation	500,000	1,500,000
3.	Diima taxi	220,000	660,000
4.	Kigumba Town Council market	2,900,000	8,700,000

Implication

This implies that procurements planned based on these revenue projections were not implemented.

Management response

Management has taken note and will ensure that this does not re-occur.

Recommendation

The Accounting Officer should recover UGX 11,400,000 in uncollected amounts from the service providers

2.7.4. Under performance of revenue centres

The Entity had projected that it would accrue local revenue to the tune of UGX 146,400,000 (according to the procurement plan); however, according to the submitted procurements reports only UGX 46,260,000 was realised. This implies that procurements planned based on revenue projections of UGX 100,140,000 were not implemented.

Management response

Management attributes this failure to displacement of a number of homesteads by Kiryandongo Sugar Factory, animal quarantines caused by outbreak of foot and mouth disease, policy on tax park management among others. However, the District is working tooth and nail to ensure improvement in revenue collection as well as tapping in the tourism sector.

Recommendation

The Accounting Officer should enforce close supervision and monitoring of revenue collections to realise the targeted collections.

2.8. Force account mechanism and fuel management

According to the fourth quarter report dated 15th July 2019, the Uganda Road Fund (URF) planned funds for FY 2018/19 routine road maintenance in Kiryandongo District Local Government was UGX 1,818,884,257 and all the funds were absorbed as detailed in table 28:

Table 28: Analysis of URF funds spend implementation of Uganda Road Fund funds

Description	Amount released (UGX)	Amount spent (UGX)
Quarter I	405,105,931	53,260,000
Quarter II	530,960,837	349,299,874
Quarter III	428,141,938	644,242,223
Quarter IV	454,675,551	772,082,160
Total	1,818,884,257	1,818,884,257
Implementation rate	100%	

The following exceptions were noted with regard to implementation of activities using the force account mechanism:

2.8.1. Unaccounted for culverts

There was no accountability for call off orders issued for 600mm culverts worth UGX 5,600,000 as detailed in table 29:

Table 29: Call off orders for unaccounted for culverts

No.	Call off order issue date	Quantity (pieces)	Price (UGX)
1.	21 st January 2019	14	2,800,000
2.	21 st January 2019	7	1,400,000
3.	3 rd March 2019	7	1,400,000

Implication

There is a potential financial loss of UGX 5,600,000 to the Entity.

Management response

The required documents are availed for verification.

Authority's comment

The documents submitted were an invoice and delivery note. Details of where the culverts were to be placed was not submitted for verification.

Recommendation

The Accounting Officer should provide accountability of the funds spent on the purchase of the culverts worth UGX 5,600,000.

2.8.2. Conducting force account activities without following PPDA procedures

- i) Procurement of materials, employees, tools and equipment for the works was not undertaken using competitive procurement methods;
- ii) Costings and budget for the supplies and works were not undertaken;
- iii) There was no evidence that the employees and supplies used for the works were commensurate to the works; and
- iv) Although the district Engineer was appointed to supervise the works to be undertaken using force account, the following documents that should have been prepared by the supervisor were missing:
 - a) Detailed work programme for approval of the Accounting Officer;
 - b) Daily work sheets indicating the resources used and the works executed;
 - c) Works management plans;
 - d) Supervision reports detailing the progress of the assignments;
 - e) Reports on the direct and indirect costs of the works;
 - f) Performance and completion certificates in respect of the assignments; and
 - g) Periodic progress reports and final reports at the completion of the assignments.

Implication

Ignoring procurement structures and not following the Force Account guidelines impedes transparency, accountability and is a risk of works under force account mechanism not realizing value for money.

Management response

The recruitment of road gangs was done through the Human Resource Department under a competitive mechanism and a competent force account manager plus supervisor were appointed whose mandate is to run for 5 years.

Authority's comment

Whereas there was an appointed for a force account manager, there was no evidence to substantiate the rest of the Entity's response.


Recommendation




The Authority therefore recommends that the Accounting Officer should conduct all works under Force Account Mechanism in accordance with the PPDA (Force Account Mechanism) Regulations, 2014 and in such a way the realizes the best value for money for the Government of Uganda.

2.8.3. Funds lost under Force Account Mechanism

This is detailed in table 30 below:

Table 30: Works not executed under Force Account Mechanism

No.	Details
1.	<p data-bbox="288 752 1206 786">Subject of procurement: Diika road (3km) in Bweyale Town Council</p> <p data-bbox="288 819 943 853">Scope of works reported to have been executed:</p> <ul data-bbox="288 864 1380 1122" style="list-style-type: none"><li data-bbox="288 864 1380 931">• Routine manual maintenance (grass cutting, cleaning of drains and some pothole filling) Q2: 3km worth UGX 1,231,000 Q3: 3km worth UGX 1,231,000 Q4: 3km worth UGX 937,000<li data-bbox="288 1043 1380 1122">• Periodic maintenance Q3: 0.5km worth UGX 48,845,000 spent on swamp reformation <p data-bbox="288 1155 568 1189">Authority's findings</p> <p data-bbox="288 1200 1380 1335">Site inspection indicated that drainages were nonfunctional, pot holes were not filled, the old existing culverts were blocked during the rainy seasons and as a result several swampy parts of the road were damaged as shown in the picture below:</p> <div data-bbox="288 1368 1380 1917"></div> <p data-bbox="288 1928 1380 1986">Residents also informed the Authority that grass cutting and cleaning of the drains was done by themselves at no pay at all.</p>

No.	Details
	<p>Implication There was a financial loss of UGX 52,244,000 to the Entity since the reported works were not conducted during that financial year.</p> <p>Management response According to the responsible Engineer, works were executed but affected by the heavy rains. Periodic maintenance was done on the entire road section of 3kms including 0.5 Km swamp reform; but, the heavy rains split the culverts and damaged the embankment of the swamp. However, emergency interventions have been carried out to make the roads motorable.</p> <p>Authority's comment The Authority maintained the finding since the Entity's response was unsatisfactory and the culvert found on site were very old and not of the financial year under review which findings were backed by the interviewed residents.</p>
2.	<p>Subject of procurement: Nyamusasa road 1km in Bweyale Town Council</p> <p>Scope of works reported to have been executed:</p> <ul style="list-style-type: none"> • Routine manual maintenance (grass cutting, cleaning of drains and some pothole filling) Q1: 1.6km Q2: 1.6km worth UGX 657,000 Q3: 1.6km worth UGX 657,000 Q4: 1.6km worth UGX 500,000 • Periodic maintenance (widening, reshaping and gravelling) Q4: distance not stated worth UGX 24,324,000 <p>Authority's findings Site inspection and interviewing of local residents indicated that: the road drainage had never been worked on in four financial years although money was reported as spent in each financial year; the rain had washed away some parts of the road making it narrow and unsafe; the old culverts were broken and only two lines of culverts had been fixed (in the financial year 2019/20 with the FY 19/20 budget) instead of four line of culverts. In addition, the culverts were placed in the wrong points causing further flooding on the road.</p> <div style="display: flex; justify-content: space-around;">    </div>

No.	Details
	<p>Implication There was a financial loss of UGX 26,138,000 to the Entity since the reported works were not conducted during that financial year.</p> <p>Management response According to the responsible engineer, it is not true that money has been spent for four (4) financial years to work on the road drainage. In the financial 2018/2019, widening of the road, reshaping and gravelling was budgeted and executed. However, the district received heavy rains and floods that damaged the shoulders, but an emergency intervention has been done by constructing side drainages using stone pitching and the road is now motorable.</p> <p>Authority's comment The finding was maintained based on site inspection conducted by the Authority backed by the interviews of the local people.</p>

Recommendation

The Accounting Officer should recover funds worth UGX 78,382,000 in purported works executed using Uganda Road Fund funds under force account mechanism.

2.9. Records Keeping

2.9.1. Missing documents

Five (5) procurement action files worth UGX 113,135,476 had missing records indicated in table 31 below:

Table 31: Missing records

No	Subject of procurement	Missing documents	Management response
1.	Supply of 160 desks to Namilyango, Kyamugenyi Church of Uganda and Opok Primary Schools worth UGX 22,350,000	Contract for Kamoga Enterprise Limited.	<p>Execution was based on local purchase orders and availed are the necessary documents.</p> <p>Authority's comment The attached documents were delivery notes, invoices and payment records. The contract was not availed.</p>
2.	Supply and delivery of one dual printer and 2 laptops worth UGX 14,000,000	Delivery note, invoice and payment documents.	<p>Local purchase order is available for verification.</p> <p>Authority's comment The delivery note, invoice and payment documents were not availed for review.</p>
3.	Construction of a 2 stance VIP latrine at Mutunda Sub County worth UGX 21,514,976	Issued bidding document.	<p>Record issue, receipt and bid opening records are available for verification.</p> <p>Authority's comment The issued bidding document was not availed for verification.</p>

No	Subject of procurement	Missing documents	Management response
4.	Cleaning services for Kiryadongo General Hospital worth UGX 33,000,000	Form 5, notice of best evaluated and progress reports/execution.	Missing documents availed for verification. Authority's comment The Entity submitted only the bidding document. The rest of the missing documents were not availed.
5.	Supply of 150 desks to Kiryadongo worth UGX 22,270,500	Evidence of distribution and receipt of the desks by the intended schools.	The document is available for verification. Authority's comment The Entity only submitted delivery notes and payment records. Evidence of distribution and receipt by the schools was not availed.

Implication

Missing records affect the audit trail.

Recommendation

The Authority noted the Entity's response however recommends that the Head Procurement and Disposal Unit should maintain all procurement records on file in accordance with Regulation 25 (1) (n) of the Local Governments (PPDA) Regulations, 2006.

2.10. Disposal

2.10.1. Non disposal of public assets

The board of survey dated August 2018 identified items in Annex 1 due for disposal and a disposal plan was prepared; however, no disposal was conducted in the financial year under review. The Authority during physical verification also found motor vehicles lying in the yard as shown in table 32:

Table 32: Boarded off vehicles



**Implication**

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

Management response

Management took note and has written to the Chief Mechanical Engineer, Ministry of Works and Transport to value the assets and attach reserve prices as per the board off survey so as dispose the assets as soon as possible.

Recommendation

The Authority noted the Entity's response and recommends that the Accounting Officer should expedite the disposal process in order to avoid further depreciation of the assets and attain value for money.

CHAPTER 3: PROCUREMENT PERFORMANCE INDICATORS

This chapter analyses the compliance indicator score, performance indicator score and overall procurement performance of Kiryandongo District Local Government.

3.1 Compliance Indicator score

This is calculated as the weighted compliance score for the procurement system, procurement process and disposal process.

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 47%. Thus the Entity's performance regarding procurement system was unsatisfactory.

Figure 1: Procurement System Compliance Levels

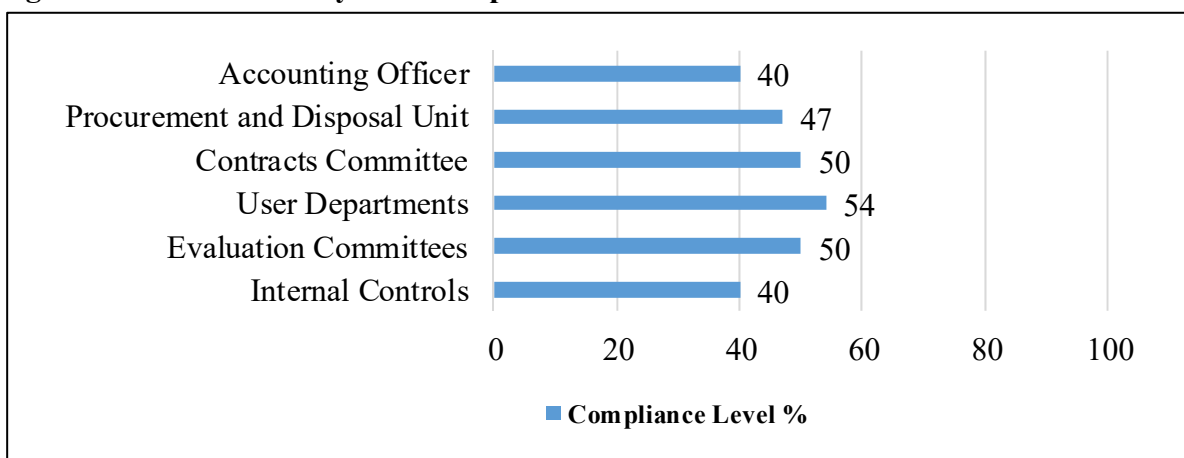


Figure 1 shows that the Entity had low compliance levels in all the areas under the procurement system, that is, Accounting Officer, Internal Controls, Procurement and Disposal Unit, Contracts Committee, Evaluation Committees and User Departments.

3.1.2 Procurement Process Levels of Compliance

The compliance levels for each stage in the procurement process are shown in Figure 2. The overall compliance level for procurement processes was 65%. Thus the Entity's performance was satisfactory regarding procurement processes.

Figure 2: Procurement Process Compliance Levels

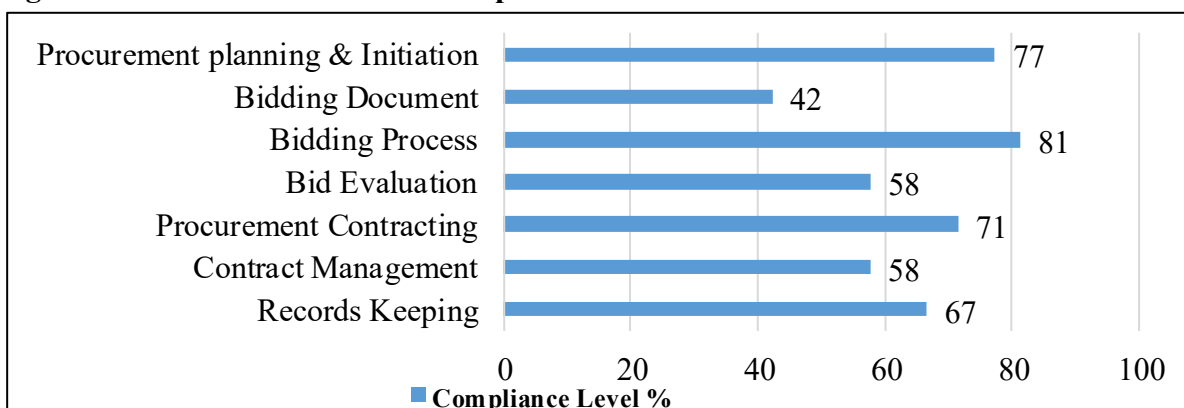


Figure 2 shows that the Entity had low compliance levels in the areas of bidding document, bid evaluation and contract management. However, it had relatively higher compliance levels in the areas of bidding process, procurement planning and initiation, procurement contracting and record keeping.

3.1.3 Disposal Process Levels of Compliance

The overall compliance level for disposal process was **NIL**.

3.1.4 Weighted Compliance Score

The weighted compliance indicator score was 58.3% which was satisfactory.

Table 33: Weighted Compliance Indicator Score

Compliance Indicator	Score (%)	Weight	Weighted Score (%)
Procurement System Compliance Level	47	0.3	14.1
Procurement Process Compliance Level	65	0.5	32.5
Asset Disposal Process Compliance Level	NIL	0.2	NIL
Overall Compliance Indicator Score (%)	$\frac{46.6}{80} * 100 = \mathbf{58.3}$		

3.2 Performance indicators

The dimensions of the Entity's performance on economy, efficiency, efficacy, effectiveness, competition, value for money and equity were analysed as indicated in table 34:

Table 34: Performance Indicator Scores

No.	Performance Indicator	Score (%)
1.	Procure Ratio: Actual procurement time divided by planned procurement time in days.	18
2.	Completion Ratio: Actual completion time divided by contractual completion time in days.	50
3.	Payment Ratio: Actual payment time divided by contractual payment time in days.	55
4.	Number of Received Bids: The average number of bids received should be three.	52
5.	Bid Responsive Rate: The number of bids that pass technical evaluation as a percentage of the number of received bids	74
6.	Plan Ratio: The total value of the awarded contract divided by the cost estimate in the procurement plan inclusive of VAT.	42
7.	Procurement plan implementation: The actual value of the procurement spend as a percentage of the procurement budget	37.3

No.	Performance Indicator	Score (%)
8.	Cost Ratio: The actual final contract amount paid divided by the original contract amount.	71
	Average Performance Indicator	52.4

3.2.1 Efficacy (Procure Ratio)

This measured the ability to provide goods or services in accordance with the planned timelines. The Entity conducted only 18% of the procurements within the planned timelines and 82% outside the planned timelines. This was due to delayed initiation and delayed approvals consequently delaying service delivery to the intended beneficiaries.

3.2.2 Efficiency (Completion Ratio)

This analysed the time required to execute tasks to avoid slow implementation of the contracts. The Entity completed 50% of the procurements within the contractual completion time and 50% outside the contractual completion time. This delayed service delivery to the intended beneficiaries.

3.2.3 Effectiveness (Payment Ratio)

This assessed the time taken to pay contractors such that the contract implementation is not delayed. The Entity paid 55% of its providers on time while 45% represented cases of delayed payments which hindered effective implementation of planned activities.

3.2.4 Competition (Number of Bids Received)

The Entity received less than three (3) bids in 48% of the procurements and more than three (3) bids in 52% of the procurements which is an indicator of relatively high bidder participation in the Entity.

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

The Entity received 74% technically responsive bids and 26% technically non responsive bids which implies that there are still cases of incompetent and incapable bidders who are not able to meet the Entity's specifications and requirements.

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

The Entity awarded 42% of the contracts within the cost estimate in the procurement plan and 58% of contracts outside the cost estimate in the procurement plan. This indicates that Entity did not carry out proper market assessments of prices prior to commencement of the procurement processes.

3.2.7 The actual value of the procurement spend as a percentage of the procurement budget (Procurement plan implementation)

The Entity implemented 37.3% of its procurement plan implying 62.7% (UGX 2,408,771,805) of its procurements were not implemented.

3.2.8 Final contract cost on completion as compared to the total contract award price inclusive of VAT (Cost Ratio)

The audit noted that the Entity had 29% variation of the final contract sum paid compared to the contract amounts in the signed contract evidenced by the 71% score. This score does not include procurements that are under framework contracts which were still ongoing.

3.3 Overall Entity Procurement Performance Score

The overall Entity procurement performance score was 54.7% in FY 2018/19 which was satisfactory. This performance was calculated as the sum of the weighted indicators as summarized in table 35:

Table 35: Overall Procurement Performance Score

Indicator	Score (%)	Weight	Weighted Score
Compliance Indicator	58.3	0.4	23.3
Performance Indicator	52.4	0.6	31.4
Entity Procurement Performance Score (%)			54.7

CHAPTER 4: RECOMMENDED ACTION PLAN

Kiryandongo District Local Government should implement the following recommendations within the timeframe given in order to improve its procurement performance.

Table 36: Action Plan

Responsible Person	Recommended Action	Target Date
Accounting Officer	<p>The Accounting Officer should:</p> <ul style="list-style-type: none">• Confirm availability of funds and approve procurement requirements in accordance with Regulations 65 (4) and (7) of the Local Governments (PPDA) Regulations, 2006.• Minimise delays at the initiation stage to promote efficiency in accordance with Section 48 of the PPDA Act, 2003.• Delegate authority to User Departments to undertake micro procurements up to the maximum value specified in the guidelines in accordance with Regulation 41 (7) of the Local Governments (PPDA) Regulations, 2006.• Sign revenue source contracts with associations in accordance with the Government Policy decision on management of markets and taxi parks.• Enforce close supervision and monitoring of revenue collections to realise the targeted collections.• Conduct all works under Force Account Mechanism in accordance with the PPDA (Force Account Mechanism) Regulations, 2014 and in such a way the realizes the best value for money for the Government of Uganda.• Expedite the disposal process in order to avoid further depreciation of the assets and attain value for money.	Immediate
Procurement and Disposal Unit	<p>The Procurement and Disposal Unit should:</p> <ul style="list-style-type: none">• Use the PPDA procedural forms for procurement and disposal transactions in accordance with Guideline No. 8/2006 of Local Governments Guidelines, 2007.• Always implement the decision of the Contracts Committee in accordance with Regulations 25 (1) (c) of the Local Governments Regulations, 2006.• Invite, receive and open bids from only providers approved by the Contracts Committee and issued with the bidding documents to promote transparency, fairness and accountability in public procurement in accordance with Section 45 of the PPDA Act, 2003.• Minimise delays in the procurement process order to promote efficiency in public procurement in accordance with Section 48 of the PPDA Act, 2003.• Maintain all procurement records on file in accordance with Regulation 25 (1) (n) of the Local Governments (PPDA) Regulations, 2006.	Immediate

Responsible Person	Recommended Action	Target Date
Contracts Committee	<p>The Contracts Committee should:</p> <ul style="list-style-type: none"> • Before approval of Part II of LG Form 1 ascertain that the procurement requirements have been approved by the Accounting Officer or authorized signature in accordance with Regulation 65 (4) of the Local Governments (PPDA) Regulations, 2006. • Always consider all complaints submitted and based on the findings submit to the Authority a recommendation to suspend the provider in writing in accordance with Regulation 60 (2) the Local Governments (PPDA) Regulations, 2006. 	Immediate
User Departments	<p>User Departments should:</p> <ul style="list-style-type: none"> • Report all micro procurements conducted to the Contracts Committee on a monthly basis. • Nominate contract supervisors and inform the Accounting Officer in writing copied to the Internal Audit Department, Secretary Contracts Committee and any other relevant stakeholders informing them of the designated contract supervisor in accordance with Regulation 119 (2) of the Local Governments (PPDA) Regulations, 2006. • Prevail over contract supervisors to prepare contract implementation plans upon receipt of contracts in accordance with Regulation 119 (3) of the Local Governments (PPDA) Regulations, 2006. • Manage contracts in accordance with the general and special conditions of time and place of delivery, payments and accountability in accordance with Regulation 104 (b) of the Local Governments (PPDA) Regulations, 2006. • Only issue the final acceptance certificate after defects have been rectified in accordance with Regulation 110 (1) of the Local Governments (PPDA) Regulations, 2006. • Manage handover of the facilities after completion in accordance with Regulation 119 (10) (d) of the Local Governments (PPDA) Regulations, 2006. 	Immediate
Evaluation Committees	<p>Evaluation Committees should:</p> <ul style="list-style-type: none"> • In writing request affected bidders for clarifications of arithmetic errors corrected and copy in all other bidders in accordance with Regulation 74 (3) and (4) of the Local Governments (PPDA) Regulations, 2006. • Conduct eligibility and administrative compliance evaluation based on a pass or fail basis and a bid which is not eligible or substantially compliant should be rejected in accordance with Regulation 77 (3) of the Local Governments (PPDA) Regulations, 2006. 	Immediate

Responsible Person	Recommended Action	Target Date
	<ul style="list-style-type: none"> • Evaluate bids in line with the criteria set out in the solicitation document in accordance with Regulation 73 of the Local Governments (PPDA) Regulations, 2006. 	

Annex 1: List of items due for disposal

No.	Item	Registration Number	Quantity
1.	Motorcycle	Yamaha LG-0148-29	1
2.	Motorcycle	Yamaha LG-0148-29	1
3.	Motorcycle	Honda LG-164	1
4.	Motorcycle	DT Yamaha UDA-484-U	1
5.	Plastic chairs	Plastic chairs	30
6.	Computer and printer	Compaq KBAS COM 001	1
7.	Photocopier	Canon IR 1510	1
8.	Generator	GX160	1
9.	Type writer	Olivet	1
10.	Height board	Height board	3
11.	Baby weighing scale	531013364	1
12.	Cold chain	Cold chain	1
13.	Sterilizers	Sterilizers	2

No.	Item	Registration Number	Quantity
38.	Sterlin Junior (dental light)	SN3186	1
39.	Dental chair manual		1
40.	Cupboard	CB-K20-1	1
41.	Assorted metal equipment	Assorted metal equipment	
42.	Boiler (auto clave-precistern)	SN.251059	
43.	Sanction machine ether inhaler (manual)	S/8365S and accessories	1
44.	Ether inhaler (manual)	Ether inhaler (manual)	1
45.	Incubator	Ether Inhaler (Manual)	1
46.	Examination bed	Examination bed	1
47.	Delivery bed	Delivery bed	2
48.	Autoclave both charcoal & electrical	Autoclave both charcoal & electrical	1
49.	Execution bed	Execution Bed	1
50.	X-ray film name printer	SN.T5345-56550	1

No.	Item	Registration Number	Quantity
14.	Autolave	Autolave	2
15.	Hurricane lamp	Hurricane lamp	3
16.	Drip stand	Drip stand	8
17.	Stethoscope	Stethoscope	1
18.	Fire extinguisher	Fire extinguisher	2
19.	BP machine	BP machine	2
20.	Flat screen	Flat screen	1
21.	Motorcycle	LG-0142-29 YAMAHA	1
22.	Motorcycle	UAC-177Z YAMAHA	1
23.	Motorcycle	UAC/3459/1002/025 Honda	1
24.	Vehicle	Suzuki Marutti UAA-155N	1
25.	Motorcycle	UGM-050M SENKE	1
26.	Motorcycle	LG-087-029	1
27.	Motorcycle	LG-034-054 HONDA	1
28.	Motorcycle	LG-0155-29 HONDA	1

No.	Item	Registration Number	Quantity
51.	BP machine	BP machine	1
52.	Over Lead lamp	model SD200	1
53.	Pedal suction apparatus	Pedal suction apparatus	1
54.	Beds	Beds	2
55.	Mattress	Mattress	2
56.	Drip stand	Drip stand	7
57.	Stethoscope	Stethoscope	1
58.	Medicine trolley	Medicine trolley	2
59.	Clock	Clock	2
60.	Desk phone	Desk phone	1
61.	Sterilizers	Sterilizers	2
62.	Examination couch	Examination couch	1
63.	Microscope	X52-N207-000398	1
64.	Metallic trotter	Metallic trotter	1
65.	Stappling machine	Stappling machine	1

No.	Item	Registration Number	Quantity
29.	Motorcycle	UG-1532R JIALNG	1
30.	Printer	Spiral bindS100	1
31.	Vehicle	LG-0139-29 (Mitshubishi double cabin)	1
32.	Assorted angle bars	Assorted angle bars	1
33.	Assorted tyres	Assorted tyres	1
34.	Assorted tables	Assorted tables	1
35.	Motorcycle	UG-0134-29	1
36.	Printer	Laser Jet P1005	1
37.	Printer	HP Desk Jet 5652	2

No.	Item	Registration Number	Quantity
66.	Destop computer	Destop computer	1
67.	Filling cabinets	Filling cabinets	11
68.	Hp Printers Laser Jet	HP Printers Laser Jet	2
69.	Door frames	Door frames	3
70.	Centrifuge	Centrifuge	1
71.	Printer	Lexm Ark Pic + Bridge HP	1
72.	Book shelf	Metallic	1
73.	Printer	Canon IR 2021	1
74.	Printer	Laser Jet P1010	1

Annex 2: Transaction list

No	Procurement reference number	Subject of procurement	Method of procurement	Provider	Contract value (UGX)	Compliance rating (%)	Performance rating (%)	Overall score (%)	Rating
1.	Kiry592/SPLS/18-19/ 00042	Supply of agricultural equipment to Production and Marketing Department	Open Domestic Bidding	Human Diagnostics (U) Limited	44,756,000	77	68	70.7	Satisfactory
2.	Kiry592/SRVS/18-19/ 00064	Bweyale Town Council charcoal loading and	Open Domestic	Katusiime Edison	500,000	17	38	31.9	Unsatisfactory

No	Procurement reference number	Subject of procurement	Method of procurement	Provider	Contract value (UGX)	Compliance rating (%)	Performance rating (%)	Overall score (%)	Rating
		transportation	Bidding						
3.	Kiry592/SPLS/18-19/ 00027	Supply of 150 school desks to Kiryandongo Sub County	Selective Bidding	Katooma Family Services Limited	22,270,500	78	60	65.1	Satisfactory
4.	Kiry592/SRVS/18-19/ 00002	Revenue collection from Diika market	Open Domestic Bidding	Byaruhanga Ibrahim	200,000	17	38	31.9	Unsatisfactory
5.	Kiry592/SPLS/18-19/ 00132	Supply of culverts	Open Domestic Bidding (Framework)	Mukati Enterprises	8,400,000	86	50	60.6	Satisfactory
6.	Kiry592/SPLS/18-19/ 00126	Supply of stationery	Open Domestic Bidding (Framework)	Amex Stationers	10,003,500	50	48	49	Unsatisfactory
				Innokia group	5,738,550				
7.	Kiry592/WRKS/18-19/ 00003	Construction of a 5 stance lined VIP latrine at Opok Primary School	Selective Bidding	Kamoga Enterprises Limited	19,999,850	62	71	68.9	Satisfactory
8.	Kiry592/WRKS/18-19/ 00028	Construction of a 5 stance lined VIP latrine at Diika Health Center	Selective Bidding	Kabonari General Enterprises Limited	20,699,470	70	33	43.7	Unsatisfactory
9.	Kiry592/SRVS/18-19/ 00063	Revenue collection from Diima Taxi	Open Domestic Bidding	Cossy Fazil	220,000	17	38	31.9	Unsatisfactory
10.	Kiry592/SRVS/18-	Four (4) boreholes siting	Selective	LHM. Ground	14,200,000	75	40	50.1	Unsatisfactory

No	Procurement reference number	Subject of procurement	Method of procurement	Provider	Contract value (UGX)	Compliance rating (%)	Performance rating (%)	Overall score (%)	Rating
	19/ 00018	and drilling supervision	Bidding	Water Exploration and Geo Mapping Services Limited					
11.	Kiry592/WRKS/18-19/ 00045	Four (4) boreholes drilling and installation	Open Domestic Bidding	KLR (U) Limited	105,612,360	89	80	82.4	Satisfactory
12.	Kiry592/SRVS/18-19/ 00051	Revenue collection from Kigumba Town Council market	Open Domestic Bidding	Bukenya Ashiraf	2,900,000	17	38	31.9	Unsatisfactory
13.	Kiry592/WRKS/18-19/ 00007	Construction of a 2 classroom block at Opok Primary School	Selective Bidding	Kambugu R. Construction CO. Limited	48,384,000	90	57	66.3	Satisfactory
14.	Kiry592/SPLS/18-19/ 00005	Supply of 160 school desks to Education Department	Selective Bidding	Tibenda Construction Co. Limited	21,000,000	79	71	73.6	Satisfactory
15.	Kiry592/WRKS/18-19/ 00016	Construction of a mini-solar powered piped water at Apodorwa Rural Growth Centre	Open Domestic Bidding	Lubra Contractors Limited	215,984,958	86	75	78	Satisfactory
16.	Kiry592/SPLS/18-19/ 00014	Supply of protective gears to Works and Engineering Department	Selective Bidding	Kabonari General Enterprises Limited	12,950,000	71	71	71.4	Satisfactory
17.	Kiry592/SPLS/18-19/ 00045	Supply of meals and refreshments to Production and	Open Domestic Bidding	Kabagenyi Miria	8,000,000	17	38	31.9	Unsatisfactory

No	Procurement reference number	Subject of procurement	Method of procurement	Provider	Contract value (UGX)	Compliance rating (%)	Performance rating (%)	Overall score (%)	Rating
		Marketing Department	(Framework)						
18.	Kiry592/SPLS/18-19/ 00044	Supply of 4 motorcycles (125 cc and 4 stroke) to Production and Marketing Department	Open Domestic Bidding	Simba Automotives Limited	43,800,000	79	71	73.6	Satisfactory
19.	Kiry592/SPLS/18-19/ 00082	Supply of fuel to Works and Engineering Department	Open Domestic Bidding (Framework)	Rock Global Oils (U) Limited	185,567,500	86	50	60.6	Satisfactory
20.	Kiry592/SPLS/18-19/ 00039	Supply of a generator to Bweyale Town Council	Open Domestic Bidding	Africa Power Equipment Limited	11,800,000	59	25	35.1	Unsatisfactory
21.	Kiry592/ WRKS/ 18-19/ 00036	Construction of a 5 stance lined VIP latrine at Kiigya Parish - Kigumba Sub County	Selective Bidding	Innokia Group Limited.	17,963,942	83	71	74.6	Satisfactory
22.	Kiry592/ WRKS/ 18-19/ 00021	Renovation of a community hall at Mutunda Sub County	Selective Bidding	Ramcon Engineering Services Limited	19,906,800	69	50	55.6	Unsatisfactory
23.	Kiry592/ WRKS/ 18-19/ 00051	Kiryandongo Hospital cleaning services (interior and exterior cleaning)	Open Domestic Bidding	KAD Agencies Limited	38,940,000	83	43	53.8	Unsatisfactory
24.	Kiry592/ WRKS/ 18-19/ 00020	Construction of 2 stances (two blocks each) at Mutunda Sub County	Selective Bidding	Algerma Engineering Services Limited	21,514,976	68	43	49.9	Unsatisfactory

No	Procurement reference number	Subject of procurement	Method of procurement	Provider	Contract value (UGX)	Compliance rating (%)	Performance rating (%)	Overall score (%)	Rating
25.	Kiry592/SPLS/18-19/ 00055	Supply of two laptops and two printers to Planning Unit	Selective Bidding	John Bbosa JB Enterprises	14,000,000	86	71	75.5	Satisfactory
26.	Kiry592/WRKS/18-19/ 00056	Construction of a 2 classroom block without office at Kyamugenyi Church of Uganda Primary school	Selective Bidding	Kamoga Enterprises	49,701,600	58	43	46.9	Unsatisfactory
27.	Kiry592/WRKS/18-19/ 00004	Supply and installation of lightening arrestors at various schools (Mpumwe, Bunyama, Diika and St. Livingstone Primary Schools)	Selective Bidding	Cornerstone Infrastructures Limited	22,185,000	64	53	55.7	Unsatisfactory
28.	Kiry592/WRKS/18-19/ 00004	Construction of a two class room block without an office at Namilyango Primary School	Open Domestic Bidding	Ongmat Enterprises Limited	74,581,447	71	71	71	Satisfactory
TOTAL					1,061,780,453				

Case Summary Performance

No.	Compliance level (%)	Compliance Rating	Number of cases	Value (UGX)
1.	90-100	Highly Satisfactory	-	-
2.	60-89	Satisfactory	14	835,270,557
3.	30-59	Unsatisfactory	14	226,509,896
4.	0-29	Highly Unsatisfactory	-	-

Annex 3: List of persons in the Procurement and Disposal Unit

No	Name	Job Title	Academic Qualification	Procurement Certification	Years of experience
1.	Mr. Ndiroraho Milton	Procurement Officer	Degree and Post Graduate Diploma in Procurement and Supply Chain Management	-	4
2.	Mr. Matovu Rashid	Assistant Procurement Officer	Diploma in Procurement and Supply Chain Management	-	1

Annex 4: List of the Contracts Committee members

No	Name	Job Title	Position on Contracts Committee	Appointment Date by PS/ST	Date of Expiry
1.	Mr. Kirya Edward	Education Officer	Chairman	13 th March 2018	13 th March 2022
2.	Dr, Kisémbó Godfrey	Medical Superintendent Hospital	Member	13 th March 2018	13 th March 2022
3.	Ms. Kafuko Edith	Town Clerk- Kigumba	Member	13 th March 2018	13 th March 2022
4.	Mr. Isingoma Julius	Information Communications Technology Officer	Member	13 th March 2018	13 th March 2022

Annex 5: List of User Departments

No	User Department	Head of Department	Job Title
1.	Health	Mr. Mutyaba Imaam	District Health Officer
2.	Education	Rev. Kiirya Edward	District Education Officer
3.	Production and Marketing	Mr. Bwenkya Isah Hassan	District Production Officer
4.	Community Based Services	Mr. Dabanja Geoffrey	District Community Development Officer
5.	Planning Unit	Mr. Balikagira Julius	District Planner
6.	Administration/ Council Boards and Commissions	Mr. Duncan Denis	Principal Assistant Secretary/ Clerk to Council

No	User Department	Head of Department	Job Title
7.	Internal Audit	Ms. Biingi Elizabeth	Principal Internal Auditor
8.	Works and Engineering	Mr. Muhumuza Samuel	Ag. District Engineer
9.	Trade, Industry and Local Development	Mr. Kakumaba Sam	Principal Commercial Officer
10.	Finance	Mr. Obwona Richard	Chief Finance Officer