



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

PROCUREMENT AND DISPOSAL AUDIT REPORT

KIRUHURA DISTRICT LOCAL GOVERNMENT

FINANCIAL YEAR 2018/2019

FEBRUARY 2020

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Acronyms

AO	Accounting Officer
BEB	Best Evaluated Bidder
CIPS	Chartered Institute of Purchasing and Supply
FY	Financial Year
HPDU	Head Procurement and Disposal Unit
DLG	District Local Government
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority

EXECUTIVE SUMMARY

Introduction

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Kiruhura District Local Government. The audit covered twenty (20) procurement transactions that were carried out during the Financial Year 2018/19. The audit involved a review of the procurement system, procurement process, asset disposal process, and the procurement performance indicators following the Public Procurement and Disposal of Assets Act 2003 and PPDA Local Government Regulations, 2006.

From the findings of the procurement audit exercise, the summary performance of your Entity revealed that the compliance score was 77.6%, the performance score was 60% and the overall weighted average performance of **67%** which is **satisfactory** performance as summarized in the table below:

Table 1: Overall Procurement Performance Score

No.	Compliance Indicator	Score %	Weight	Weighted Score
	Average Compliance Indicator Score	77.6	0.4	31.0
	Average Performance Indicator Score	60.0	0.6	36.0
Entity's Weighted Procurement Performance Score				67.0

Despite the satisfactory performance, the following exceptions were noted:

- 1) Only 37% of the sampled procurements were conducted within the timelines in the Entity's procurement plan which is unsatisfactory performance. There was an average delay of 92.5 working days at initiation by the User Departments and another delay period of 42 working days at contract signing.
- 2) The Entity delayed to complete works/goods/services scoring an efficiency ratio of 56% which is unsatisfactory performance. Notably in three (3) procurements worth UGX 218,663,769, there was an average delay of 78 working days.
- 3) The payment ratio was 28% which is unsatisfactory performance. Whereas nine (9) procurements worth UGX 708,978,137 were completed and works certified, payment had not been effected and thus domestic arrears.
- 4) Award of contracts above the planned amounts in 20% of the sampled procurements.
- 5) A low bidder participation rated at 44% leading to low bidder responsive rate. In eleven (11) procurements worth UGX 1,167,405,978, the average number of responsive bids was one (1).
- 6) The Entity failed to implement 75% of the previous audit recommendations. Therefore little effort was put in place to improve the procurement function of the Entity.
- 7) Failure to report all procurements (local revenues worth UGX 1,383,071,000) conducted to the Authority.
- 8) Incomplete bidding documents in six (6) procurements worth UGX 240,171,671.
- 9) Notices of best evaluated bidders did not state the reasons for disqualification of eliminated bidders and there was no evidence that it was issued to all participating bidders in thirteen (13) procurements worth UGX 1,257,355,648.
- 10) In all the twenty (20) sampled procurements worth UGX 1,721,583,880, the Entity did not prepare contract implementation plans.

Recommendations

- The Heads of User Departments should ensure that procurements are conducted within the planned timelines to promote efficiency in service delivery in accordance with Section 48 of the PPDA Act, 2003.
- The Heads of User Departments should ensure that the appointed contract supervisors carry out their roles and responsibilities with regard to contract management in accordance with Regulation 119 of the Local Government (PPDA) Regulations, 2006.
- The Accounting Officer should prevail over the contract supervisors to ensure that all providers are promptly paid in accordance with Regulation 119 (10) (a) (iii) of the LG (PPDA) Regulations, 2006.
- The Accounting Officer should nominate a team to carry out proper market price assessment during planning, at initiation and prior to signing contracts in accordance with Section 26 (4) of the PPDA Act, 2003.
- The Accounting Officer and management should establish reasons why most of the bidders are technically non-compliant in order to improve competition in accordance with Section 46 of the PPDA Act, 2003.
- The Accounting Officer should ensure that all recommendations by the Authority are shared with all departments of the Entity and institute a mechanism to ensure full implementation.
- The Head, Procurement and Disposal Unit should report all procurements on a quarterly basis as stipulated under Local Government (PPDA) Guideline 6/2008 on format for Local Governments procurement and quarterly reports.
- The Head, Procurement and Disposal Unit should prepare bid documents in the proper manner and should place all the evaluation criteria under Section 3 Evaluation Methodology and criteria in accordance with Regulation 48 (4) of the Local Government PPDA Regulations, 2006.
- The Procurement and Disposal Unit should ensure that the notices of best evaluated bidders indicate reasons for disqualification of non-compliant bidders and is issued to all participating bidders in accordance with Regulation 85 (5) of the Local Government (PPDA) Regulations, 2006.
- The contract supervisors should prepare contract implementation plans as part of the contract management records in accordance with Regulation 119 (10) (a) (vii) of the Local Government (PPDA) Regulations, 2006.

Performance rating:

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

Recommended Action plan

Kiruhura District Local Government should implement the recommended action plan on pages 30-33.

CHAPTER 1: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Kiruhura District Local Government. The audit covered a representative sample of twenty (20) procurement transactions that were carried out during the Financial Year 2018/19. The audit involved a review of the procurement system, procurement processes, asset disposal processes, and the procurement performance indicators following the Public Procurement and Disposal of Assets Act 2003 and PPDA Local Government 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 Government Regulations, 2006 and assess the level of procurement performance over the audit period.

The specific objectives were:

- To establish the level of compliance of the internal procurement systems with provisions of the PPDA Act, Regulations and Guidelines and the adequacy for effective procurements and disposals.
- To assess procurement, contracting, and implementation processes based on a representative sample of contracts to confirm the level of compliance with the PPDA Act, Regulations and Guidelines.
- To assess the level of compliance of the asset disposal contracts with the PPDA Act, Regulations and Guidelines.
- To establish the level of procurement performance of the Entity and the achievement of value for money for each of the sampled contracts in terms of time, competition and cost.
- 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 Kiruhura District Local Government from 29th October 2019 to 7th November 2019.

The Entity had a total procurement budget of UGX 4,654,476,779 in the audit period and a total spend of UGX 5,303,941,099.

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, (c) and contract value.

Using guidelines in the Procurement Audit Manual, the sample size was assessed as representative of the population of transactions. The audit covered a representative sample of twenty (20) procurement transactions worth UGX 1,762,463,880 that had been carried out during the Financial Year 2018/19. The list of sampled transactions is contained in **Annex 1**. The distribution of the transaction population and sample is in Table 3 below:

Table 3: Sample Size

Method of Procurement	Population Value (UGX)	Sample Value (UGX)	Percentage	Population No.	Sample No
Open National Bidding	4,615,150,201	1,448,604,882	31%	13	12
Selective National Bidding	134,160,635	127,792,635	95%	9	6
RFQ under Direct Procurement	29,139,863	29,139,863	100%	1	0
Force on Account	525,490,400	156,926,500	30%	24	2
Total	5,303,941,099	1,762,463,880	33%	47	20

1.4 Methodology

The audit questions and criteria were derived from the Public Procurement and Disposal of Assets Act 2003 and Regulations 2006 as well as PPDA Guidelines. The three audit tools used in the audit were: procurement system audit criteria, procurement process audit criteria, and asset disposal audit criteria as contained in the PPDA Procurement Audit Manual.

An entry meeting was held on 29th October 2019. At the meeting, the objectives of the audit were discussed as well as the timelines, roles and responsibilities. The Entity 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.

Two (2) Procurement Auditors under the supervision of the audit manager carried out the audit. During the audit, the auditors had personal interviews with the staff from the Procurement and Disposal Unit and User Departments. The meetings were necessary to obtain qualitative information that was crucial to understand the internal control systems and processes. The list of staff in the PDU during the audit is shown in Annex 2.

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.

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 with the Entity Accounting Officer to conclude pending issues and any records that could not be accessed during the audit.

The Authority prepared the management letter, which was sent to the Entity on **27th November 2019** with a request to submit management response by **3rd December 2019**, which was submitted on **2nd January 2020**. An exit meeting was held on **8th January 2020** to conclude the audit.

CHAPTER 2: KEY FINDINGS AND RECOMMENDATIONS

This chapter presents the findings arising from the audit. The audit was carried out based on the set criteria per the Act, Regulations and 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

Kiruhura District Local Government for the FY2018/19 under review had a substantive Accounting Officer. The compliance level for the Accounting Officer was assessed to be **88%**, a rating which is **satisfactory**.

Exceptions to this score were noted below:

2.1.1 Failure to fully implement previous recommendations

The Authority noted that only 25% of the previous recommendation were fully implemented leaving 12.5% partially implemented and 62.5% not implemented.

S/N	Recommendation	Status
1.	The Accounting Officer should take charge of the procurement function and ensure that framework contracts are well managed, micro procurements are reported and that the procurement process for each requirement is conducted in accordance with the PPDA Act 2003.	Implemented
2.	The Head Procurement and Disposal Unit should ensure that all procurement action files are complete, entailing the whole procurement process in accordance with Section 31 (o) of the PPDA Act 2003.	Partially implemented
3.	The Head Procurement and Disposal Unit should ensure that Evaluation Committee members strictly adhere to the criteria set out in the solicitation document.	Not implemented
4.	The Procurement and Disposal Unit should not conduct procurements outside the plan as stipulated in section 58 (7) of the PPDA Act 2003. Where this is not practical, updates to the plan should be made in accordance with Section 58 (4) of the PPDA Act.	Not implemented
5.	The Heads of User Departments should ensure that contract managers are appointed for all procurements and that contract management reports are prepared with copies provided to the PDU for contract monitoring.	Not implemented
6.	The Heads of User Departments should ensure that appointed contract managers monitor providers, for the providers to perform in accordance with the contract terms and conditions. Contract managers should report any departures from contract terms in accordance with Regulation 53 of the Local Government PPDA (Contracts) Regulations 2014	Not implemented
7.	The Accounting Officer and management should formulate strategies to increase the procurement attractiveness of the Entity.	Not implemented
8.	The Internal Audit Department should review the procurement process as required under Regulation 32 of the PPDA Regulations 2014.	Implemented

Implication

This implies that the Entity does not have a mechanism for implementation of recommendations.

Management Response

Management was in agreement with the Authority's findings and stated that it shall attend to these in future.

Recommendation

The Accounting Officer should ensure that all recommendations by the Authority are shared with all departments of the Entity and institute a mechanism to ensure full implementation.

2.1.2 Bidder Participation

In eleven (11) procurements worth UGX 1,167,405,978, the Authority noted that there was low bidder responsiveness, that is, the number of bids that passed technical evaluation:

No.	Subject of procurement	Contract amount (UGX)	Number of participating bidders	Number of responsive bidders
1.	Construction of a classroom block at Kijuma Primary School	74,769,647	4	1
2.	Construction of school facilities at Kyabahura II Primary School	158,056,744	3	1
3.	Construction of an institutional rain harvesting tanks	76,744,452	2	1
4.	Excavation of a dam at Kitura Sub County	82,343,142	2	1
5.	Construction of school facilities at Naama Primary School	189,331,57	3	1
6.	Construction of school facilities at Burunga Primary School	238,599,890	2	1
7.	Construction of school facilities at Kataraza Primary School	157,370,944	3	1
8.	Construction of 2 (2) stance VIP latrine in Kakatsi Sub County	13,612,528	2	1
9.	Construction of a classroom block at Mbuga Primary School	74,943,567	3	2
10.	Sitting, drilling and installation of boreholes	234,503,170	3	1
11.	Supply of borehole spare parts	56,272,506	3	2
TOTAL		1,167,405,978		

Implications

- This indicated that most bidders that participated in the procurement process were incompetent and incapable of meeting the Entity's specifications and requirements.
- This may imply that the evaluation criteria was unrealistic and unfair.
- It can also be an indicator of collusion among bidders.

Management Response

Management was in agreement with the Authority's findings.

Recommendation

The Accounting Officer and management should establish reasons why most of the bidders are technically non-compliant in order to improve competition in accordance with Section 46 of the PPDA Act, 2003.

2.1.3 Signing a contract above the market estimate

In the supply of borehole spare parts, the Accounting Officer signed a UGX 42,894,180 contract that was higher than the assessed market price of UGX 36,000,000 causing a variance of UGX 7,894,180 (22 %).

Implication

This implies that there was no market price assessment conducted prior to signing the contracts.

Management Response

Management stated that it had conducted a market price assessment for the year under review and presented a report thereon.

Recommendation

The Authority noted and reviewed the Entity's submission, however borehole spare parts were not addressed and as such recommends that the Accounting Officer should nominate a team to carry out proper market price assessment during planning, at initiation and prior to signing contracts in accordance with Section 26 (4) of the PPDA Act, 2003.

2.1.4 Delays at contract signing

The Authority noted that there was an average delay period of 91 working days between the planned and actual date of contract signing in two (2) procurements worth UGX 309,272,817 (see details below)

No.	Subject of procurement	Contract value (UGX)	Planned date	Actual date	Delay (working days)
1.	Sitting and drilling of 10 boreholes	234,503,170	12 th September 2018	25 th October 2018	31
2.	Construction of a classroom block at Kijuma Primary School	74,769,647	12 th September 2018	26 th November 2018	53
TOTAL/AVERAGE		309,272,817			42

Implication

Such delays affect service delivery and could lead to low budget absorption due to non-payment by the end of the financial year.

Management Response

Management was in agreement with the Authority's findings and stated that it shall follow timelines in the future procurements.

Recommendation

The Accounting Officer should ensure that the planned timelines are adhered to in order to promote efficiency in service delivery in accordance with Section 48 of the PPDA Act, 2003.

2.2. Procurement and Disposal Unit

The Procurement and Disposal Unit at Kiruhura District Local Government was rated **satisfactory** at **73%**. The areas of exception noted with regard to the performance of the Procurement and Disposal Unit were:

2.2.1 Exclusion of bidders on the shortlist already approved by Contracts Committee

In the consultancy services for design of Kabigyera Road worth UGX 15,000,000, the Authority noted that the Procurement and Disposal Unit did not invite all the shortlisted bidders as approved by the Contracts Committee. The PDU further invited two (2) bidders that were not approved by CC including the Best Evaluated Bidder, Design Allied World Engineering.

Subject of procurement	Shortlist approved by CC	Bidders invited
Consultancy services for design of Kabigyera Road worth UGX 15,000,000	<ol style="list-style-type: none">1. J.R Technical Services Ltd2. Binco Consult Ltd3. M.B.J Technologies Ltd4. M&E Associates Ltd	<ol style="list-style-type: none">1. J.R Technical Services Ltd2. Binco Consult Ltd3. Design Allied World Engineering4. Techno Design Engineering Ltd

Implication

This hinders the principles of transparency and fairness in the procurement process. It is also an indicator of corrupt tendencies in the procurement process.

Management Response

Management stated that MBJ Technologies declined the invitation while M&E Associates could not be reached hence the replacement of these with Design Allied World Engineering and Techno Design Engineering Ltd.

Recommendation

The Authority noted the Entity's response. However it recommends that the Head, Procurement and Disposal Unit should ensure that all bidders on the shortlist approved by the Contracts Committee are invited to bid in accordance with Regulation 66 (2) (c) of the Local Government (PPDA) Regulations, 2006.

2.2.2 Lack of evidence of receipt of invitations by all invited bidders

The Authority noted that there was no evidence that all invited bidders received invitation in all sampled procurements conducted under selective bidding method worth UGX 127,792,635

Implication

There is a possibility of some bidders not receiving the invitation hence affecting the level of participation.

Management Response

Management was in agreement with the Authority's findings and stated that it had since established a register for acknowledging receipt of invitations.

Recommendation

The Head Procurement and Disposal Unit should ensure that all the invited bidders receive invitations to improve participation in the bidding process.

2.2.3 Incomplete Bidding Document

The Authority noted that the Bidding Document on file did not have Section 3 attached (Evaluation methodology and criteria) in six (6) procurements worth UGX 240,171,671:

Table 4: Incomplete Bidding Documents

No.	Subject of procurement	Contract amount (UGX)
1.	Supply of twin desks to Primary Schools	67,149,670
2.	Supply of laptops	40,157,760
3.	Supply of borehole spare parts	56,272,506
4.	Supply of motorcycles	41,679,000
5.	Construction of 2 (2) stance VIP latrine in Kikatsi Sub County	13,612,528
6.	Construction of a 5 stance VIP latrine at Kikatsi	21,300,207
TOTAL		240,171,671

Implication

This implies that the Evaluation Committee did not have clear evaluation criteria to guide them during evaluation which may lead to hiring of providers without sufficient capacity.

Management Response

Management was in agreement with the Authority's findings.

Recommendation

The Head, Procurement and Disposal Unit should prepare bid documents in the proper manner and should place all the evaluation criteria under Section 3 Evaluation Methodology and criteria in accordance with Regulation 48 (4) of the Local Government PPDA Regulations, 2006.

2.2.4 Preparation of inconsistent documents

In the construction of a 5 stance VIP latrine at Kikatsi worth UGX 21,300,207, the Best Evaluated Bidder (Tamsak Development Link (U) Ltd) purchased a solicitation document on 27th March 2019 as per the revenue receipt No. 1285 and submitted its bid on the same day i.e. 27th March 2019. However, the evaluation report was back dated to indicate that the bidder was issued with the solicitation document (date unstated) and bid receipt and opening were on 20th March 2019.

Implication

This implies that there inconsistencies in the preparation of procurements documents.

Management Response

Management was in agreement with the Authority's findings.

Recommendation

The Head Procurement and Disposal Unit should be keen in preparation of procurement documents to ensure that they are consistent and understandable.

2.2.5 Failure to report all procurements conducted to the Authority

Although the Entity planned to collect revenue worth UGX 1,383,071,000 and collected UGX 912,537,000 from Local Service Tax, Land fees, group registration fees, market fees, tax park fees, business license, ground rent and interest from private entities, none were reported to the Authority in the Financial Year 2018/19.

Implication

This is a sign of lack of transparency which affects implementation of activities funded under local revenue.

Management Response

Management was in agreement with the Authority's findings.

Recommendation

The Head, Procurement and Disposal Unit should report all procurements on a quarterly basis as stipulated under Local Government (PPDA) Guideline 6/2008 on format for Local Governments procurement and quarterly reports.

2.2.6 Failure to issue the notice of best evaluated bidder (NoBEB) to all participating bidders

The NoBEB does not state the reason for disqualification of eliminated bidders and there was no evidence that it was issued to all participating bidders in thirteen (13) procurements worth UGX 1,257,355,648:

Table 5: NoBEBs that are silent on the reason for disqualification of eliminated bidders

No.	Subject of procurement	Contract amount (UGX)
1.	Construction of a classroom block at Kijuma Primary School	74,769,647
2.	Construction of school facilities at Kyabahura II Primary School	158,056,744
3.	Construction of an institutional rain harvesting tanks	76,744,452
4.	Excavation of a dam at Kitura Sub County	82,343,142
5.	Construction of school facilities at Naama Primary School	189,331,57
6.	Construction of school facilities at Burunga Primary School	238,599,890
7.	Construction of school facilities at Kataraza Primary School	157,370,944
8.	Construction of 4 (2) stance VIP latrine in Nkungu, Buremba and Kashongi Sub Counties	22,800,000
9.	Construction of 2 (2) stance VIP latrine in Kakatsi Sub County	13,612,528
10.	Construction of a classroom block at Mbuga Primary School	74,943,567
11.	Sitting, drilling and installation of boreholes	234,503,170
12.	Supply of twin desks (No. 497) to Primary Schools	67,149,670
13.	Supply of borehole spare parts	56,272,506
TOTAL		1,257,355,648

Implication

This hinders the principle of transparency.

Management Response

Management was in agreement with the Authority's findings.

Recommendation

The Procurement and Disposal Unit should ensure that the NoBEB indicates reasons for disqualification of non-compliant bidders and is issued to all participating bidders in accordance with Regulation 85 (5) of the Local Government (PPDA) Regulations, 2006.

2.2.7 Failure to obtain performance securities from contractors

There was no evidence that the contractors submitted the performance security after contract signing as required in the bidding document. This was noted in twelve (12) of the 20 sampled procurements worth UGX 1,407,724,882 conducted under open domestic bidding where the Entity requested for performance security.

Implication

Failure to submit performance security exposes the Entity to non-performing contractors who may abandon or fail to perform the contracts in accordance with the specified terms.

Management Response

Management stated that successful bidders had submitted performance bond that had been withdrawn at the time of the audit.

Recommendation

The Authority noted the Entity's response, however, it recommends that the Procurement and Disposal Unit should ensure that performance securities are furnished before contracts are signed in accordance with Regulation 102 of the Local Government (PPDA) Regulations, 2006.

2.3. Contracts Committee

The Contracts Committee members for the audit period under review are shown Annex 3. The compliance level for the Contracts Committee was **75%**, a **satisfactory** rating.

However, the following exception was noted:

2.3.1 Wrongful approval of variation

The Contracts Committee on 29th January 2019, approved a contract variation of 55% (UGX 29,139,863) from the original contract worth UGX 53,203,279. The variation was done one month to the expiry of the original contractual period due to a change in the design on excavation of a dam at Kitura Sub County. The procurement was not opened up for competition in light of the changes to the designs. In addition the new price was proposed by the Entity thus limiting the achievement of Value for Money.

Implication

This implies that the extra works were conducted without a contract in place and also exceeded the 15% requirement recommended by the PPDA law.

Management Response

Management stated that the Contracts Committee took the decision to award the variation above 15% due to the limited time required to execute the project before expiry of the dry season.

Recommendation

The Accounting Officer should caution the Contracts Committee for failure to approve contract variations in accordance with Regulation 120 (12 and 13) of the Local Government (PPDA) Regulations, 2006.

2.4. User Departments

User Departments (Annex 4) were rated **satisfactory** at **65%**. The main areas of non-compliance under User Departments were:

2.4.1 Delayed initiation

On average, the User Departments delayed by 92.5 working days to initiate two (2) of the sampled procurements.

Table 6: Delayed initiation

No.	Subject of procurement	Contract value (UGX)	Planned date	Initiation date	Delay (working days)
1.	Supply of laptops for health department	40,157,760	26 th July 2018	22 nd January 2019	124
2.	Construction 2No. 2-stance pit latrine in Kikatsi Sub County	13,612,528	1 st November 2018	29 th January 2019	61
TOTAL/AVERAGE		53,770,288			92.5

Implication

This implies a delay in service delivery to the intended beneficiaries leading to ad-hoc procurements which tend to be costly.

Management Response

Management was in agreement with the Authority's finding.

Recommendation

The Heads of User Departments should ensure that procurements are initiated within the planned timelines to promote efficiency in service delivery in accordance with Section 48 of the PPDA Act, 2003.

2.4.2 Delayed commencement of works

There was delayed commencement of works in the construction of school facilities at Kyabahura II Primary School worth UGX 158,056,744 by Geses (U) Ltd, construction of school facilities at Burunga Primary School UGX 238,599,890 by Geses (U) Ltd and School facilities at Naama Primary School worth UGX 189,331,579 by Central Contractors Ltd. Whereas the contractors signed contracts on 4th January 2019, commencement took effect on 8th February 2019, a delay period of 26 working days.

Implication

Such delays affect service delivery and could lead to low budget absorption due to non-payment by the end of the financial year.

Management Response

Management attributed the delay to a request by council to participate in the site handover.

Recommendation

The Authority noted managements' response, however, recommends that the Heads of User Departments should ensure that the planned timelines are adhered to in order to promote efficiency in service delivery in accordance with Section 48 of the PPDA Act, 2003.

2.4.3 Failure to prepare contract implementation plans

The Authority noted that the contract supervisors did not prepare contract implementation plans

Implication

Failure to prepare contract implementation plans puts contract execution at the risk since providers may not meet the contractual requirements to enable the Entity achieve value for money.

Management Response

Management was in agreement with the Authority's findings.

Recommendation

The contract supervisors should prepare contract implementation plans as part of the contract management records in accordance with Regulation 119 (10) (a) (vii) of the Local Government (PPDA) Regulations, 2006.

2.4.4 Delayed completion

The Authority noted a 78 working days average delay from contractual completion to actual completion dates in three (3) procurements worth UGX 218,663,769

Table 7: Delayed completion

No.	Subject of procurement	Contract value (UGX)	Contractual completion date	Actual completion date	Delay (working days)
1.	Supply of twin desks to Primary Schools	67,149,670	8 th February 2019	19 th June 2019	88
2.	Completion of a classroom block at Kijuma Primary School	74,769,647	11 th February 2019	15 th April 2019	45
3.	Construction of 12No. institutional rain harvesting ferro cement tanks	76,744,452	23 rd January 2019	19 th June 2019	101
TOTAL/AVERAGE		218,663,769			78

Implication

Delayed completion of works leads to delayed service delivery to the intended beneficiaries.

Management Response

Management attributed the delays to the contractors who sought time extension.

Recommendation

The Authority noted management's response, however, it recommends that the Heads of User Departments should ensure that the appointed contract supervisors carry out their roles and responsibilities with regard to contract management in accordance with Regulation 119 of the Local Government (PPDA) Regulations, 2006.

2.4.5 Outstanding payments

The Authority noted that the following nine (9) procurements worth UGX 708,978,137 were undertaken and completed by the Entity. However, providers were not fully paid with a total outstanding balance of UGX 708,978,137.

Table 8: Outstanding payments

No.	Subject of procurement	Contract amount (UGX)	Outstanding balance (UGX)
1.	Construction of a classroom block at Mbuga Primary School	74,943,567	74,943,567
2.	Excavation of a dam at Kitura	82,343,142	82,343,142
3.	Supply of 497 No. Desks to primary schools	67,149,670	67,149,670
4.	Mechanised maintenance of Kibega- Ngiira-Kanyanya road	87,926,500	87,926,500
5.	Construction of school facilities at Naama Primary school	189,331,579	189,331,579
6.	Construction of school facilities at Kataraza Primary School	157,370,944	157,370,944
7.	Consultancy services for the design of Kabigyema Road	15,000,000	15,000,000
8.	Construction of a 5 stance VIP Latrine at Kitatsi	21,300,207	21,300,207
9.	Construction of 2No. 2 –stance VIP latrines in Kitatsi Sub County	13,612,528	13,612,528
TOTAL		708,978,137	708,978,137

Implication

Failure to pay providers affects service delivery since it affects their cash flow which in the future as it leaves potential providers disgruntled and could further lead to legal litigations.

Management Response

Management stated that all completed projects had been fully paid.

Recommendation

The Authority noted management's response, however, no evidence was provided for the above procurements and thus recommends that the Accounting Officer should prevail over the contract supervisors to ensure that all providers are promptly paid in accordance with Regulation 119 (10) (a) (iii) of the LG (PPDA) Regulations, 2006.

2.4.6 Issues noted at physical verification

The following issues were noted during physical verification:

Table 9: Issues noted at physical verification

No.	Subject of procurement	Contract amount (UGX)	Findings	<u>Management Response</u>
1.	Excavation of a dam at Kitura Date of contract signature: 12 th December 2018	82,343,142	<ol style="list-style-type: none"> 1. There are no access roads 2. Though the dam construction is still on-going, it is being used for grazing cattle because there is no fence 3. There are no sign posts 4. There is need for stone pitching to avoid washing away of the tributary 5. The dam is on private property and is prone to a risk of possession. 	<p>Management stated that;</p> <ol style="list-style-type: none"> 1. It had been negotiating an access road with the neighbors and a memorandum of understanding has since been signed. 2. The dam construction is phased and fencing will be in the last phase. 3. Stone pitching was to be done in the second phase of the project. 4. Part of the dam sits in a wetland which is government land and that the other part was pledged to the president by Mr. Kamukama
2.	Mechanized maintenance of Kaikoti – Ruhengyere road Completion date: 27 th November 2018	69,000,000	<ol style="list-style-type: none"> 1. The roadsides and drainages are covered in bushes. 2. The road was last maintained a year ago. 3. The culverts laid across different sections were not guarded by headwalls and are prone to erosion. 4. The road was divided by shrubs at different sections. 	Management was in agreement with the Authority's findings

No.	Subject of procurement	Contract amount (UGX)	Findings	Management Response
3.	Construction of a 5 stance VIP Latrine at Kitatsi	21,300,207	1. The project is finished but not in use. 2. It is not engraved.	Management stated that the contractor had not yet handed over the project to the beneficiaries
4.	Construction of 2No. 2 –stance VIP latrines in Kitatsi Sub County	13,612,528	The facility at Akabale Primary School is the only toilet for a population of 183 pupils and 8 teachers.	Management was in agreement with the Authority's findings
5.	Construction of school facilities at Naama Primary school	189,331,579	The staff quarters and latrines are not engraved.	Management was in agreement with the Authority's findings
TOTAL		375,587,456		

Implications

- This implies that there was poor contract management which affects value for money and quality service delivery.
- The excavation of a Dam at Kitura was not protected from Users until completion which could lead to unnecessary defects.

Recommendations

- The contract supervisors should carry put their supervisory role in accordance with Regulation 105 (1) of the Local Government (PPDA) Regulations, 2006.
- The Heads of User Departments should ensure that the members nominated as contract supervisors possess the appropriate technical skills and experience in accordance with Regulation 119 (2) of the Local Government (PPDA) Regulations, 2006.
- The responsible contract supervisors should ensure that the defects are cleared and evidence of this should be submitted to the Authority.
- The Entity should plan for another latrine for Akabale Primary School.

2.5. Evaluation Committees

Evaluation Committees at Kiruhura District Local Government were assessed and rated **satisfactory** at **71%**. The main area of non-compliance under Evaluation Committees was:

2.5.1 Failure to participate in the evaluation process

- a) Kananura Jonathan and Agume Robert were approved by Contracts Committee on 25th July 2018 as part of the Evaluation Committee to evaluate bids for the supply of twin desks to Primary Schools worth UGX 67,149,670. However, the two (2) neither participated nor signed the evaluation report.
- a) Abaho Fortunate was approved by Contracts Committee on 25th July 2018 as part of the Evaluation Committee to evaluate bids for the construction of a classroom block at Mbuga Primary School worth UGX 74,943,567 and Kijuma Primary School at UGX 74,769,647. However, she neither participated nor signed the evaluation report.

Implication

This implies they did not carry out their roles as part of the Evaluation Committee.

Management Response

Management was in agreement with the Authority's findings.

Recommendation

The Secretary to the Evaluation Committee should state members that are absent and reason for not signing the evaluation report in accordance with Regulation 81 (2) of the Local Government (PPDA) Regulations, 2006.

2.5.2 Failure to follow the evaluation criteria stated in the bidding document

- a) In the supply of twin desks to Primary Schools worth UGX 67,149,670, the Evaluation Committee did not follow the stated evaluation criteria stated in the bidding document. Per the SBD under ITB 11.1 (h), bidders were requested to submit a complete price schedule, VAT registration and evidence of experience showing supplies worth 200,000,000. However, the Evaluation Committee waived them during evaluation and so was the technical criteria.
- b) In the supply of borehole spare parts worth UGX 42,894,180, the Evaluation Committee did not follow the stated evaluation criteria stated in the bidding document. Per the SBD under ITB 11.1 (h), bidders were requested to submit a complete price schedule and VAT registration which were waived during evaluation.

Implication

This hinders the principles of fairness and transparency during evaluation.

Management Response

Management was in agreement with the Authority's finding.

Recommendation

The Evaluation Committees should ensure that Section 45 of the PPDA Act, 2003 is adhered to during evaluation.

2.5.3 Failure to communicate arithmetic corrections

There was no evidence that arithmetic corrections were communicated to bidders in the following procurements:

No.	Subject of procurement	Bidder	Quoted amount (UGX)	Corrected amount (UGX)	Variance (UGX)
1.	Supply of twin desks to Primary Schools	Geomuk Enterprises Ltd	140,171,000	140,133,260	37,740
2.	Construction of a classroom block at Mbuga Primary School	Landmark International Ltd	67,996,696	60,332,596	7,664,100
TOTAL			208,167,696	200,465,856	7,701,840

Implication

This implies that the provider was not notified or given an opportunity to accept or reject the arithmetic corrections made during evaluation.

Management Response

Management was in agreement with the Authority's finding.

Recommendation

The Chairperson Evaluation Committee should always communicate arithmetic correction to all bidders in accordance with Regulation 74 (3) of the Local Government (PPDA) Regulations, 2006 and to ensure prompt responses from bidders in accordance with Regulation 74 (6) of the Local Government (PPDA) Regulations, 2006.

2.6. Internal Controls

An assessment was made of the internal control systems for Procurement and Disposals and the Entity attained a **satisfactory** at **80%**. The main area of non-compliance under internal controls was:

2.6.1 Record keeping

Regulation 46 of the Local Government (PPDA) Regulations, 2006 details the records to be kept by the Procuring and Disposing Entity for inspection by the Authority. The following records were not on file during the audit period:

Table 10: Missing documents

S/N	Subject of procurement	Contract Amount (UGX)	Missing documents
1.	Construction of 12No. Institutional rain harvesting ferro cement tanks	76,744,452	<ul style="list-style-type: none">• Remittance of WHT worth UGX 3,716,438• Contract management reports
2.	Construction of school facilities at Naama Primary school	189,331,579	Interim & final completion certificates
3.	Construction of school facilities at Kataraza Primary School	157,370,944	Interim & final completion certificates
4.	Construction of 4No.2-stance VIP latrines in sub counties of Kashongi. Nkungu and Buremba	22,800,000	<ul style="list-style-type: none">• Evidence of receipt of invitation by bidders• Contract management records following the notices of abandonment and the response there too
5.	Construction of a 5 stance VIP Latrine at Kitatsi	21,300,207	<ul style="list-style-type: none">• Evidence of invitation of bidders and evidence of receipt of invitations• Evidence of a submission of a shortlist to the CC and its approval of the same• Contract management records

Implication

This affects the audit trail and the key principle of accountability.

Recommendations

The Accounting Officer should ensure that the Procurement and Disposal Unit procurement action files are complete with all documents in accordance with Section 31 (o) of the PPDA Act 2003.

2.7. Procurement plan implementation

The Authority assessed the Entity's procurement plan. The table below detail information about the plan and utilization of funds. The procurement plan absorption rate was **114%** with an excess of **UGX 649,464,320**

Table 11: Procurement plan implementation

<i>Analysis of procurement spend</i>	
Total procurement budget/plan value inclusive VAT (UGX)	4,654,476,779
Total procurement spend value inclusive VAT (UGX)	5,303,941,099
Procurement plan implementation (%)	114%
Budget Variance (UGX)	649,464,320

2.7.1 Failure to update the procurement plan

The audit team noted that the Entity had an excess of UGX 649,464,320 above its procurement plan.

Recommendation

The Accounting Officer and management should constantly review the budget and procurement plan to ensure that all procurements planned and budgeted for are undertaken. However, where need requires, a review of the plan and budget should be done in accordance with Section 58(4) of the PPDA Act, 2003.

2.7.2 Conducting procurements outside the procurement plan

The audit team revealed that the following three (3) procurements worth UGX 113,044,659 were conducted outside the procurement plan.

No.	Subject of procurement	Contract amount (UGX)
1.	Consultancy services for designing Kabigyera Road	15,000,000
2.	Construction of 12No.Institutional rain harvesting ferro cement tanks	76,744,452
3.	Construction of a 5 stance VIP latrine at Kikatsi	21,300,207
TOTAL		113,044,659

Implication

This impacts on procurements that were actually planned for which may in turn lead to domestic arrears.

Management Response

Management was in agreement with the Authority's finding.

Recommendation

The Head Procurement and Disposal Unit should ensure to update the procurement plan to include emergency procurements and provisional budgets in accordance with Section 58 (4) of the PPDA Act, 2003.

CHAPTER 3: PROCUREMENT PERFORMANCE INDICATORS

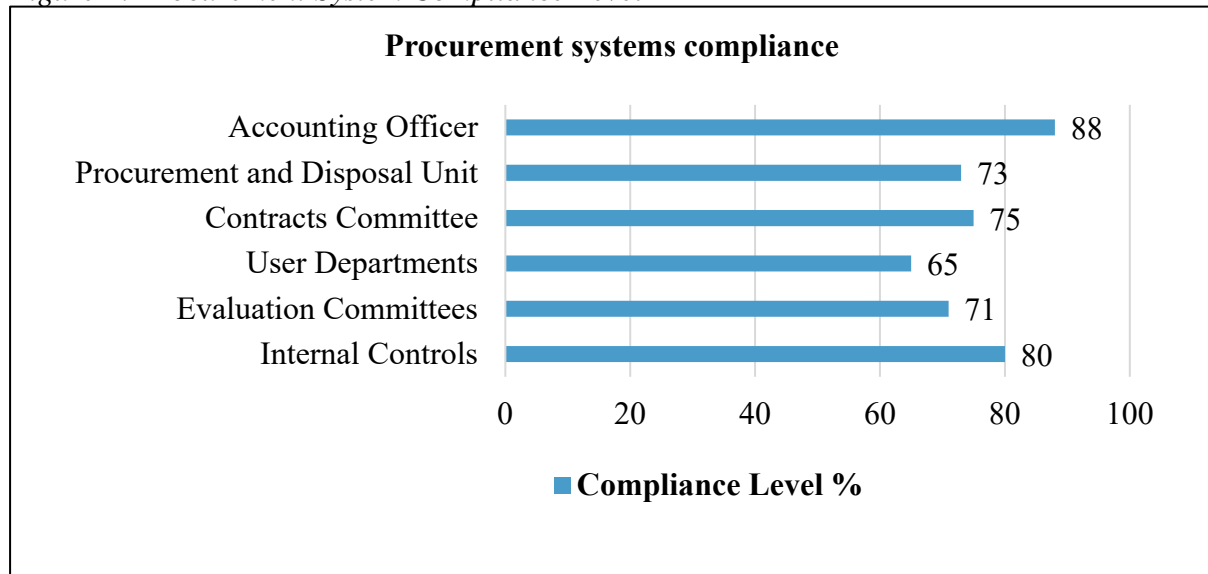
3.1 Compliance score

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 75%. Thus, the Entity's performance regarding procurement system was **satisfactory**.

Figure 1 shows that the Entity had relatively lower compliance levels for the User Departments, Evaluation Committees, Procurement and Disposal Unit, and Contracts Committee.

Figure 1: Procurement System Compliance Level



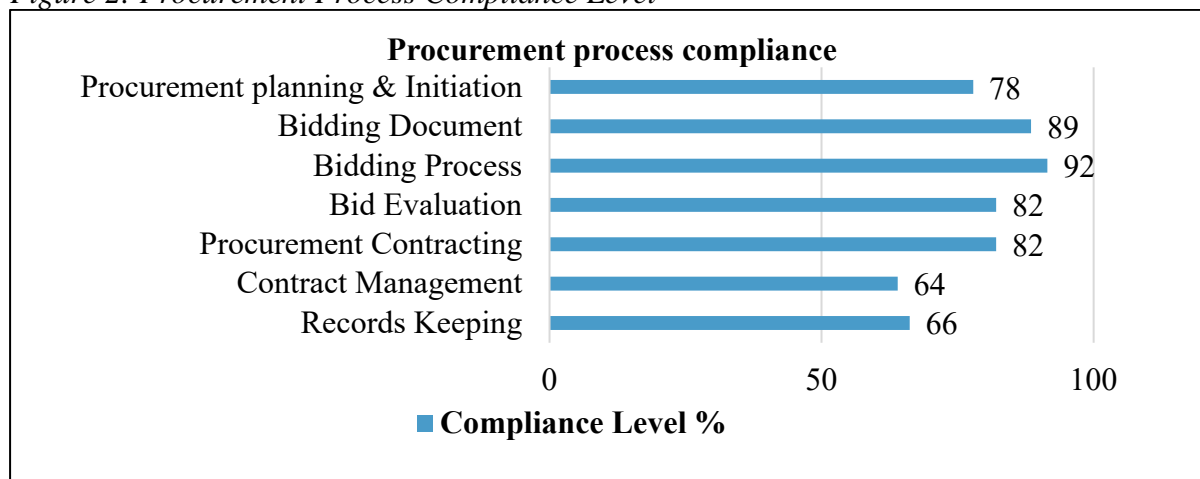
Recommendation

Kiruhura District Local Government should implement the recommendations contained in this audit report. The target is to increase the compliance levels for procurement system from the current 75% to a target level of 100% in the next audit period.

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 **78.9%**. Thus, the Entity's performance was rated **satisfactory** regarding procurement processes.

Figure 2: Procurement Process Compliance Level



Recommendation

Kiruhura District Local Government should implement the recommendations contained in this audit report. The target is to increase the compliance levels for procurement system from the current 78.9% to a target level of 100% in the next audit period.

3.1.3 Disposal process levels of compliance

The compliance score for the disposal process was assessed as NIL

Table 12: Compliance Indicator Score

	COMPLIANCE INDICATOR	Score (%)	Weights	Weighted Compliance Score
1	Procurement System Compliance Level	75.0	0.3	28.25
2	Procurement Process Compliance Level	78.9	0.5	49.31
3	Asset Disposal Process Compliance Level	Nil	Nil	Nil
4	Average Compliance Indicator			77.6

The Weighted Compliance Indicator was **77.6%** which is **satisfactory**.

3.2. Performance indicators

The dimensions of the Entity's performance of economy, efficiency, efficacy, effectiveness, competition, value for money and equity were analyzed as indicated in Table 8:

Table 13: Performance Indicators

	PERFORMANCE INDICATOR	Score (%)
1	Procure Ratio:	37
	[Actual procurement time divided by planned procurement time in days.]	
2	Completion Ratio:	56
	[Actual completion time divided by contractual completion time in days.]	
3	Payment Ratio:	28
	[Actual payment time divided by contractual payment time in days.]	
4	Number of Received Bids:	44

	PERFORMANCE INDICATOR	Score (%)
	[If the number of received bids is 3 or more]	
5	Bid Responsive Rate: [The number of bids that pass technical evaluation as a percentage of the number of received bids]	61
6	Plan Ratio: [The total value of the awarded contract divided by the cost estimate in the procurement plan inclusive of VAT.]	83
7	Procurement Plan Implementation: [The actual value of the procurement spend as a percentage of the procurement budget]	114
8	Cost Ratio: [The actual final contract amount paid divided by the original contract amount.]	80
	Average Performance Indicator	60

3.2.1 Efficacy (Procure Ratio): This measured the ability to provide goods or services in accordance with the planned timelines. The audit established that only 37% of the audited procurements were conducted within the planned timelines implying a non-compliance of 63%.

Recommendation

The Entity should ensure that the timelines set in the procurement plan are set and adhered to.

3.2.2 Efficiency (Completion Ratio): This analyzed the time taken to execute contracts from start date to contract closure. The audit revealed that only 56% of the audited procurements were completed within the contractual completion time. Thus, the Entity did not complete 44% of the procurements within the contractual completion time.

Recommendation

The Accounting Officer should ensure that contracts are completed in the timeframe agreed.

3.2.3 Effectiveness (Payment Ratio): This assessed the Entity's commitment to pay contractors within the contractual payment period. The Entity paid 28% of the contractors in the audited procurements within the contractual payment period with 72% of the payments delayed. Delayed payments may result into reduced interests and future participation by bidders.

Recommendation

The Accounting Officer should ensure that payment to providers is done in the contracted timeframe.

3.2.4 Competition (Number of Bids Received)

The Entity received more than two (2) bids in only 44% of the sampled procurements, and less than three (3) bids were received in 56% of its procurements. The Entity's competition level are still unsatisfactory.

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

The audit revealed that 61% of the audited bids received passed technical evaluation with 39% non-responsive. 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 audit revealed that 83% of the sampled cases were awarded within the cost estimate in the procurement plan and thus cost escalations in 27% of the sampled cases.

3.2.7 The actual value of the procurement spend as a percentage of the procurement budget (Procurement Plan Implementation)

The audit revealed that there was a 114% plan implementation rate with an excess of UGX 649,464,320 above the procurement budget of UGX 4,654,476,779.

3.2.8 This measured the final contract cost on completion as opposed to the total contract award price inclusive VAT (Cost Ratio)

The audit revealed that the actual final contract amount paid did not vary from the original contract amount in 80% of the sampled contracts; however, variations were noted in 20% of the procurements executed.

3.3. Overall procurement performance

The overall procurement performance score was the sum of the two weighted indicators as summarized in table 14:

Table 14: Overall procurement performance Score

No.	COMPLIANCE INDICATOR	SCORE (%)	WEIGHT	WEIGHTED SCORE
1.	Average Compliance Indicator Score	77.6	0.4	31.0
2.	Average Performance Indicator Score	60.0	0.6	36.0
	Entity's Procurement Performance Score			67.0

From the above analysis, the audit team noted that the Entity had an overall weighted average performance of **67%** in FY 2017/18 which performance was **satisfactory**.

CHAPTER 4: RECOMMENDED ACTION PLAN

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

4.1 Procurement process and systems

No.	Observation	Recommendation	Action date
1	Failure to fully implement previous recommendations	<ul style="list-style-type: none">The Accounting Officer should ensure that all recommendations by the Authority are shared with all departments of the Entity and institute a mechanism to ensure full implementation.	March 2020
2	Bidder Participation	<ul style="list-style-type: none">The Accounting Officer and management should establish reasons why most of the bidders are technically non-compliant in order to improve competition in accordance with Section 46 of the PPDA Act, 2003.	March 2020
3	Signing a contract above the market estimate	<ul style="list-style-type: none">The Accounting Officer should nominate a team to carry out proper market price assessment during planning, at initiation and prior to signing contracts in accordance with Section 26 (4) of the PPDA Act, 2003.	March 2020
4	Delays at contract signing	<ul style="list-style-type: none">The Accounting Officer should ensure that the planned timelines are adhered to in order to promote efficiency in service delivery in accordance with Section 48 of the PPDA Act, 2003.	March 2020
5	Exclusion of bidders on the shortlist already approved by Contracts Committee	<ul style="list-style-type: none">The Head, Procurement and Disposal Unit should ensure that all bidders on the shortlist approved by the Contracts Committee are invited to bid in accordance with Regulation 66 (2) (c) of the Local Government (PPDA) Regulations, 2006.	March 2020
6	Lack of evidence of receipt of invitations by all invited bidders	<ul style="list-style-type: none">The Head Procurement and Disposal Unit should ensure that all the invited bidders receive invitations to improve participation in the bidding process.	March 2020
7	Incomplete Bidding Document	<ul style="list-style-type: none">The Head, Procurement and Disposal Unit should prepare bid documents in the proper manner and should place all the evaluation criteria under Section 3 Evaluation Methodology and criteria in accordance with Regulation 48 (4) of the Local Government PPDA Regulations, 2006.	March 2020
8	Preparation of inconsistent documents	<ul style="list-style-type: none">The Head Procurement and Disposal Unit should be keen in preparation of procurement documents to ensure that they are consistent and understandable.	March 2020

No.	Observation	Recommendation	Action date
9	Failure to report all procurements conducted to the Authority	<ul style="list-style-type: none"> The Head, Procurement and Disposal Unit should report all procurements on a quarterly basis as stipulated under Local Government (PPDA) Guideline 6/2008 on format for Local Governments procurement and quarterly reports. 	March 2020
10	Failure to issue the notice of best evaluated bidder (NoBEB) to all participating bidders	<ul style="list-style-type: none"> The Procurement and Disposal Unit should ensure that the NoBEB indicates reasons for disqualification of non-compliant bidders and is issued to all participating bidders in accordance with Regulation 85 (5) of the Local Government (PPDA) Regulations, 2006. 	March 2020
11	Failure to obtain performance securities from contractors	<ul style="list-style-type: none"> The Procurement and Disposal Unit should ensure that performance securities are furnished before contracts are signed in accordance with Regulation 102 of the Local Government (PPDA) Regulations, 2006. 	March 2020
12	Wrongful approval of variation	<ul style="list-style-type: none"> The Accounting Officer should caution the Contracts Committee for failure to approve contract variations in accordance with Regulation 120 (12 and 13) of the Local Government (PPDA) Regulations, 2006. 	March 2020
13	Delayed initiation	<ul style="list-style-type: none"> The Heads of User Departments should ensure that procurements are initiated within the planned timelines to promote efficiency in service delivery in accordance with Section 48 of the PPDA Act, 2003. 	March 2020
14	Delayed commencement of works	<ul style="list-style-type: none"> The Heads of User Departments should ensure that the planned timelines are adhered to in order to promote efficiency in service delivery in accordance with Section 48 of the PPDA Act, 2003. 	March 2020
15	Failure to prepare contract implementation plans	<ul style="list-style-type: none"> The contract supervisors should prepare contract implementation plans as part of the contract management records in accordance with Regulation 119 (10) (a) (vii) of the Local Government (PPDA) Regulations, 2006. 	March 2020
16	Delayed completion	<ul style="list-style-type: none"> The Heads of User Departments should ensure that the appointed contract supervisors carry out their roles and responsibilities with regard to contract management in accordance with Regulation 119 of the Local Government (PPDA) Regulations, 2006. 	March 2020

No.	Observation	Recommendation	Action date
17	Outstanding payments	<ul style="list-style-type: none"> The Accounting Officer should prevail over the contract supervisors to ensure that all providers are promptly paid in accordance with Regulation 119 (10) (a) (iii) of the LG (PPDA) Regulations, 2006 	March 2020
18	Issues noted at physical verification	<ul style="list-style-type: none"> The contract supervisors should carry put their supervisory role in accordance with Regulation 105 (1) of the Local Government (PPDA) Regulations, 2006. The Heads of User Departments should ensure that the members nominated as contract supervisors possess the appropriate technical skills and experience in accordance with Regulation 119 (2) of the Local Government (PPDA) Regulations, 2006. The responsible contract supervisors should ensure that the defects are cleared and evidence of this should be submitted to the Authority. The Entity should plan for another latrine for Akabale Primary School. 	March 2020
19	Failure to participate in the evaluation process	<ul style="list-style-type: none"> The Secretary to the Evaluation Committee should state members that are absent and reason for not signing the evaluation report in accordance with Regulation 81 (2) of the Local Government (PPDA) Regulations, 2006. 	March 2020
20	Failure to follow the evaluation criteria stated in the bidding document	<ul style="list-style-type: none"> The Evaluation Committees should ensure that Section 45 of the PPDA Act, 2003 is adhered to during evaluation. 	March 2020
21	Failure to communicate arithmetic corrections	<ul style="list-style-type: none"> The Chairperson Evaluation Committee should always communicate arithmetic correction to all bidders in accordance with Regulation 74 (3) of the Local Government (PPDA) Regulations, 2006 and to ensure prompt responses from bidders in accordance with Regulation 74 (6) of the Local Government (PPDA) Regulations, 2006. 	March 2020
22	Record keeping	<ul style="list-style-type: none"> The Accounting Officer should ensure that the Procurement and Disposal Unit procurement action files are complete with all documents in accordance with Section 31 (o) of the PPDA Act 2003. 	March 2020
23	Failure to update the procurement plan	<ul style="list-style-type: none"> The Accounting Officer and management should constantly review the budget and procurement plan to ensure that all 	March 2020

No.	Observation	Recommendation	Action date
		procurements planned and budgeted for are undertaken. However, where need requires, a review of the plan and budget should be done in accordance with Section 58(4) of the PPDA Act, 2003.	
24	Conducting procurements outside the procurement plan	<ul style="list-style-type: none"> The Head Procurement and Disposal Unit should ensure to update the procurement plan to include emergency procurements and provisional budgets in accordance with Section 58 (4) of the PPDA Act, 2003. 	March 2020

4.2 Procurement Performance

	Recommendation	Action date
Efficiency, Efficacy and Effectiveness	<ul style="list-style-type: none"> The Entity should ensure that the timelines set in the procurement plan are set and adhered to. The Accounting Officer should ensure that contracts are completed in the timeframe agreed. The Accounting Officer should ensure that payment to providers is done in the contracted timeframe. 	March 2020

ANNEXES

Annex 1. Transaction list of audited contracts

No	Subject of procurement	Procurement method	Provider	Contract Value (UGX)	Process Compliance Score (%) A	Performance Indicator Score (%) B	Overall weighted score (%) C	Rating
1	Construction of a classroom block at Mbuga Primary School	Open Domestic Bidding	Central Contractors Ltd	74,943,567	73	52	59.1	Unsatisfactory
2	Construction of 12No.Institutional rain harvesting ferro cement tanks	Open Domestic Bidding	Geses (U) Ltd	76,744,452	79	30	46.0	Unsatisfactory
3	Sitting and drilling of 10 No. boreholes	Open Domestic Bidding	East Africa Boreholes Ltd	234,503,170	78	33	47.8	Unsatisfactory
4	Excavation of a dam at Kitura	Open Domestic Bidding	M.F Friend Interlocking Tils and Construction company Ltd	82,343,142	80	64	69.4	Satisfactory
5	Construction of a classroom block at Kijuma Primary School	Open Domestic Bidding	M.M Development (U) Ltd	74,769,647	73	75	74.4	Satisfactory
6	Supply of 497 No. Desks to primary schools	Open Domestic Bidding	Samtu Enterprises Ltd	67,149,670	71	57	61.7	Satisfactory
7	Mechanized maintenance of Kaikoti – Ruhengyere road	Force Account mechanism	N/A	69,000,000	86	100	95.2	Highly Satisfactory
8	Mechanised maintenance of Kibega- Ngiira- Kanyanya road	Force Account mechanism	N/A	87,926,500	85	100	94.6	Highly Satisfactory

No	Subject of procurement	Procurement method	Provider	Contract Value (UGX)	Process Compliance Score (%) A	Performance Indicator Score (%) B	Overall weighted score (%) C	Rating
9	Construction of school facilities at Naama Primary school	Open Domestic Bidding	Central Contractors Ltd	189,331,579	84	76	78.6	Satisfactory
10	Construction of school facilities at Kyabahura II Primary School	Open Domestic Bidding	Geses (U) Ltd	158,056,744	81	76	77.6	Satisfactory
11	Construction of school at Burunga Primary School	Open Domestic Bidding	Rhimos Development (U) Ltd	238,599,890	86	50	61.6	Satisfactory
12	Construction of school facilities at Kataraza Primary School	Open Domestic Bidding	Tamsak Development Link (U) Ltd	157,370,944	84	62	68.9	Satisfactory
13	Supply of laptops	Open Domestic Bidding	Darch Investments Ltd	40,157,760	87	71	76.4	Satisfactory
14	Consultancy services for the design of Kabigyema Road	Selective Bidding	Design Allied World Engineering Ltd	15,000,000	86	17	39.5	Unsatisfactory
15	Construction of 4No.2-stance VIP latrines in sub counties of Kashongi, Nkungu and Buremba	Selective Bidding	Cornerstone Infrastructures Ltd	22,800,000	80	43	55.0	Unsatisfactory
16	Supply of borehole spare parts	Open Domestic Bidding	Samtu Enterprises Ltd	42,894,180	87	67	73.3	Satisfactory
17	Supply of printed stationery	Selective Bidding	Roma Services Ltd	13,400,000	78	43	54.1	Unsatisfactory
18	Construction of a 5 stance VIP Latrine at Kitatsi	Selective Bidding	Tamsak Development Link (U) Ltd	21,300,207	44	43	43.3	Unsatisfactory
19	Construction of 2No. 2 –stance VIP latrines in Kitatsi Sub County	Selective Bidding	Narvac Investments Ltd	13,612,528	63	50	54.2	Unsatisfactory

No	Subject of procurement	Procurement method	Provider	Contract Value (UGX)	Process Compliance Score (%) A	Performance Indicator Score (%) B	Overall weighted score (%) C	Rating
20	Supply of 3 No. Motorcycles	Selective Bidding	Toyota Uganda Ltd	41,679,900	92	57	68.5	Satisfactory

KEY:

Performance rating

No	Performance Score (%)	Performance Rating	Abbreviation	Compliance rating by population	Compliance rating by amount (UGX)
1	90-100	Highly Satisfactory	HS	2	156,926,500
2	60-89	Satisfactory	S	10	1,092,353,456
3	30-59	Unsatisfactory	U	8	472,303,924
4	0-29	Highly Unsatisfactory	HU	0	0

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

S/ no	Name	Job Title	Academic Qualification	Procurement Certification	Years of Experience
1	Kukkiriza Milly	Procurement Officer	Bachelor of Business Administration (Procurement Option)	None	10 Years

Annex 3. List of the Contracts Committee members

No	Name	Date of Appointment	Committee Position
1	Muganzi Benon	4 th November, 2019	Chairperson
2	Mwiine Lamech	4 th November, 2019	Member
3	Namara Deborah	10 th January, 2020	Member
4	Atwiine Johnson	10 th January, 2020	Member
5	Tibaingana Moses	10 th January, 2020	Member

Annex 4. List of User Departments

The Entity comprises of the following Departments:-

1. Administration
2. Finance
3. Statutory Bodies
4. Health
5. Works & Technical Services
6. Production
7. Education
8. Community Based Services
9. Natural Resources
10. Trade, Industry & Local Economic Development
11. Planning Unit

Annex 5. Physical verification

Procurement Reference Number: KIRU562/WRKS/18-19/00017	Contract value (UGX): 82,343,142
Contract: Excavation of a dam at Kitura	
Provider: M.F Friend Interlocking Tiles & Construction Co. Ltd	
Status of Work: On-going	



Contract: Mechanized maintenance of Kaikoti – Ruhengyere road
Contract value (UGX): 69,000,000
Status of Work: Completed



Procurement Reference Number: KIRU562/WRKS/18-19/00031	Contract value (UGX): 21,300,207
Contract: Construction of a 5 stance VIP Latrine at Kitatsi	
Provider: Tamsak Dev't Link (U) Ltd	
Status of Work: Completed	



Procurement Reference Number: KIRU562/WRKS/18-19/00039	Contract value (UGX): 13,612,528
Contract: Construction of 2No. 2 –stance VIP latrines in Kitatsi Sub County	
Provider: Narvac Investments Ltd	
Status of Work: Completed	



Procurement Reference Number: KIRU562/WRKS/18-19/00021	Contract value (UGX): 189,331,579
Contract: Construction of school facilities at Naama Primary school	
Provider: Central Contractors Ltd	
Status of Work: Completed	



Procurement Reference Number: KIRU562/SUPLS/2018-19/00013	Contract value (UGX): 41,679,000
Contract: Supply of motorcycles	
Provider: Toyota (U) Ltd	Contract Manager: Asiimwe Grace
Scope of Work (As per Bills of Quantities): Two motorcycles	
Status of Work: Completed	



Procurement Reference Number: KIRU562/SUPLS/2018-19/00014	Contract value (UGX): 40,157,760
Contract: Supply of laptops	
Provider: Darch Investments Ltd	Contract Manager: Asiimwe Grace and Kanya Ivan
Scope of Work (As per Bills of Quantities): 14 laptops	
Status of Work: Completed	

