



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

**PROCUREMENT AND DISPOSAL AUDIT REPORT FOR  
FINANCIAL YEAR 2019/20**

**BUKWO DISTRICT LOCAL GOVERNMENT**

**JUNE 2021**

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## ACRONYMS

AO	Accounting Officer
CC	Contracts Committee
EC	Evaluation Committee
FY	Financial Year
GPP	Government Procurement Portal
LPO	Local Purchase Order
BEB	Best Evaluated Bidder
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 Bukwo District Local Government that covered a representative sample of seventeen (17) procurement transactions under the Financial Year 2019/20.

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of Bukwo District Local Government's procurement system and processes with the provisions of the PPDA Act, 2003 and the Central Government (PPDA) Regulations, 2014 and assess the level of procurement performance over the audit period.

From the findings of the procurement audit exercise, the performance of Bukwo District Local Government for the Financial Year 2019/20 was **Satisfactory** with overall weighted average risk rating of **43.8%** as detailed in chapter 3 of the report.

Despite the Satisfactory performance, the following exceptions were noted:

1. The Entity failed to implement 31% of the procurement plan which implies that services were not delivered to the intended beneficiaries as a result of unimplemented projects.
2. Three (3) procurement transactions worth UGX 46,950,000 were conducted outside the Entity's approved procurement plan and therefore lacked strategy which would include market survey and determining the appropriate procurement method and timing requirements. These may result in domestic arrears for the Entity.
3. The Entity did not conduct a disposal process for obsolete assets that are lying idle and littered within the district premises. This implies that residual value of the assets is lost through continuous depreciation.
4. The Head Procurement and Disposal Unit prepared inadequate solicitation documents with ambiguous evaluation criteria in four (4) procurement transactions worth UGX 268,075,100. The document requested for qualified technical personnel and experience in similar works but did not indicate the level of qualification required or the volume of works required. This led to challenges during evaluation and contract implementation resulting in shoddy works highlighted in the report.
5. The Evaluation Committee(s) failed to adhere to evaluation criteria by passing non-compliant bidders in seven (7) procurement transactions worth UGX 166,912,200. The Entity passed bidders who did not present requirements such as bank statements, audited books of account and evidence of similar works performed. This led to the awarding contracts to bidders without capacity to undertake the works required thus resulting in failure to realize value for money.
6. The Evaluation Committee(s) evaluated incomplete bids in four (4) procurement transactions worth UGX 132,447,200. Bidders did not fill out vital sections of their bids such as bid validity and completion periods. This may imply collusion between the bidders and the Entity.
7. The Procurement and Disposal Unit prepared inadequate contract forms that lacked the sections showing the General and Special Conditions of Contract implying a lack of checks & balances in the process and this resulted in poor contract execution by the bidders leading to shoddy works.
8. Contract supervisors failed to monitor contract implementation in three (3) procurement transactions worth UGX 46,413,920 that resulted in compromised quality and inability of beneficiaries to receive the desired effects of the services delivered.

In conclusion, the Authority observed a capacity gap in the public procurement structures of the Entity which may have contributed to irregularities at preparation of statement of requirements, bidding, evaluation and contracts management.

### **Recommendations**

Bukwo District Local Government should implement the following recommendations in order to improve the Entity performance:

1. The Accounting Officer and Management should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58(4) of the PPDA Act, 2003.
2. The Accounting Officer should ensure that the disposal process is expedited and carried out in line with the PPDA Act, 2003 and Regulations to avoid further loss in value of the assets.
3. The Head Procurement and Disposal Unit should ensure that the solicitation documents prepared define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity and have the most appropriate evaluation methodology and criteria in accordance with Regulations 48 (2) and 48(4) of the Local Governments (PPDA) Regulations, 2006.
4. The Evaluation Committee(s) should ensure that the determination of a bid's compliance and responsiveness is based on the contents of the bid and a substantially compliant bid is one that conforms to all set criteria in the bidding document without material deviation or omission in accordance with Regulation 73 (1) and (2) of the Local Government (PPDA) Regulations, 2006.
5. The Head, Procurement and Disposal Unit should prepare contract documents in accordance with Regulation 88 of the Local Governments (PPDA) Regulations, 2006.
6. The contract supervisors should ensure that the implemented works are technically assessed for quality before issuing payment certificates to pay the contractors.
7. The Accounting Officer should liaise with the Authority to conduct capacity building on public procurement processes for the User Departments, Contracts Committee and Procurement and Disposal Unit and other stakeholders.

Bukwo District Local Government should implement the recommended action plan on **pages 28-29**

## CHAPTER 1: INTRODUCTION

### 1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out the procurement and disposal audit of Bukwo District Local Government that covered a representative sample of seventeen (17) procurement transactions under the Financial Year 2019/20. The audit involved a review of procurement structures, procurement and asset disposal processes, as well as contract performance following the provisions of the Public Procurement and Disposal of Assets Act 2003 and Central Government (PPDA) Regulations 2014.

### 1.2 Main Audit Objectives

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of Bukwo District Local Government's procurement system and processes with the provisions of the PPDA Act 2003 and Regulations 2014 and assess the level of procurement performance over the audit period.

The specific objectives were:

1. To establish the level of compliance by the PDE with the general provisions of the PPDA Act 2003 and Central Government (PPDA) Regulations, 2014;
2. To establish the level of compliance with the PPDA Act, 2003 and Central Government (PPDA) Regulations, 2014 in the conduct of procurement and disposal activities; and
3. To assess the level of efficiency and effectiveness in contract implementation.

### 1.3 Audit Scope

The audit involved a review of the procurement process, disposal process, general compliance issues and contract implementation on sample basis. The audit covered a representative sample of seventeen (17) procurement transactions under the Financial Year 2019/20. The list of sampled transactions is contained in **Annex 1**.

The distribution of the transaction population and sample is in Table 1.

**Table 1: Distribution of the transaction population and sample**

Procurement method	Popn Value (UGX)	Sample value (UGX)	% by Value	Population no.	Sample no.	% no.
Open National Bidding	3,199,545,318	727,998,122	22.7	20	4	20
Selective Bidding	949,074,701	210,115,920	22.1	30	13	43.3
Direct method	-	-	-	-	-	-
Micro	-	-	-	-	-	-
<b>Total</b>	<b>4,148,620,019</b>	<b>938,114,042</b>	<b>22.6</b>	<b>50</b>	<b>17</b>	<b>34</b>

### 1.4 Audit Methodology

The auditors examined records and documents for each sampled procurement transaction and/or disposal and obtained the relevant evidence to derive audit conclusions. This involved a review of

the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and processes. At the end of the document review, a physical verification was undertaken to ascertain the level of contractual delivery and fit for purpose.

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

A debrief meeting to clear all pending issues that arose during the audit was held with the Entity management and staff on **23<sup>rd</sup> February 2021** before the auditors could embark on preparation of the management letter. The auditors prepared the management letter, which was sent to the Entity on **15<sup>th</sup> April 2021** with a request to submit a management response by **19<sup>th</sup> April 2021**, which was submitted on **18<sup>th</sup> May 2021**. The exit meeting was held on **18<sup>th</sup> May 2021** at PPDA Eastern Regional Offices.

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

## CHAPTER 2: AUDIT FINDINGS

### 2.1 To establish the level of compliance by the PDE with the general provisions of the PPDA Act, 2003 and Regulations, 2006

#### 2.1.1 Procurement structures

The Entity had a substantive Accounting Officer, a fully stuffed Procurement and Disposal Unit with only one staff for the period under review, a Contracts Committee consisting of five members and adhoc Evaluation Committees appointed for each procurement transaction.

##### i. Accounting Officer

The Entity's substantive Accounting Officers during the Financial Year were the Chief Administrative Officers, Mr. Franco Olaboro for Quarter one and two and Mr. Swaibu Balaba for Quarter three and four.

The audit revealed the following exceptions with regard to the procurement structures:

#### 2.1.2 Failure to implement 31% of the procurement plan

The following table summarizes information about the procurement plan and utilization of funds. The procurement plan implementation rate was 69% while the implementation variance was UGX 1,857,592981 above the procurement plan.

**Table 2: Procurement Plan Implementation Rate**

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	6,006,213,000
Total procurement spend value inclusive of VAT (UGX)	4,148,620,019
Procurement plan implementation rate (%)	69%
Implementation variance (UGX)	1,857,592981
Implementation variance (%)	31%

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

#### Implication

This may imply that services were not delivered to the intended beneficiaries.

#### Recommendation

The Accounting Officer and Management should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 to ensure improved performance.

#### Management response

- 1. Inability to complete and fully pay the Upgrade of Mutishet HC2 to HC3 due to the effect of Covid-19 and the Lock Down*
- 2. Stage Implementation and Payment for the Construction of Chebinyiny Seed Secondary School by MOES for three FYs under UgiFT Program*

3. *Non Execution and Implementation of the Road Chokes under the ACDP program by the MIAAF since the policy and Authority to the Districts to undertake the Procurements had not been fully granted*
4. *Non absorption of Funds which were meant to pay for Contract Retentions during the defects liability Periods of 6 months for Various Projects which had not expired.*

### **2.1.3 Reporting to PPDA**

#### **Failure to report on micro procurements conducted at Lower Local Governments and those conducted by User Departments**

The Authority noted that although User departments and Lower Local Governments had been delegated the function of handling micro procurements, they did not submit monthly reports for the micro procurements conducted to the Contracts Committee through the PDU for ratification and further reporting to the Authority contrary to Regulation 41 (8) of the Local Governments (PPDA) Regulations, 2006.

#### **Implication**

This puts the Entity at risk of fraudulent practices, compromises accountability and could be an indicator of lack of transparency in the procurement process.

#### **Recommendations**

- The User departments and Divisions should report on all micro procurements undertaken to the PDU for onward submission to the Contracts Committee and to PPDA in accordance with Regulation 41 (8) of the Local Governments (PPDA) Regulations, 2006.
- The Accounting Officer should caution the User departments and Divisions in writing for failure to submit monthly reports for the micro procurements conducted to the Contracts Committee.

#### **Management Response**

*Management has noted the issue raised by the audit, the User Departments have since been cautioned to ensure they adhere to the provisions of the LG PPDA Regulation. Management also noted that some User Departments still have knowledge and skills capacity gaps on Government Procurement and Disposal Procedures, we therefore, request for a capacity building training from PPDA to address this gaps, since there has never been any such training in the Entity before.*

### **2.1.4 Failure to conduct disposal**

The Entity had several obsolete assets at the Headquarters due for disposal as approved by the PS/ST on 20/3/2020 and included in the disposal plan but they did not conduct any disposal during the financial year under review. The assets are therefore lying idle and littered within the district subjected to rain, vandalism and abuse.

**Table 3: Undisposed Assets**

<b>No.</b>	<b>Asset subject to disposal</b>
1.	Sale of Motor vehicles 4 WD Double cabin pickups UAJ 009X, UG 3801M, Toyota Land cruiser (Ambulance)
2.	Sale of motorcycles UG 2253, LG 001759, UG 1339R, UG 3446M, UG 3406, UG 3348, UG 1587, LG0003-018, LG0015-59, LG 0021-59

3.	Sale of multipurpose thresher
4.	Sale of laptops
5.	Sale of desktop computers
6.	Sale of filing cabinets
7.	Sale of plastic water harvesting tank (500litres)



*Images above show assets due for disposal*

**Implication**

Failure to dispose of assets whose use ceased inhibits achievement of value for money as funds are held up in assets and also lost through further depreciation of these assets.

**Management Response**

*It's true, management had planned to dispose of the assets listed above. However, due to the effects of Covid-19 and the lockdown at the time when the activity was supposed to be undertaken, we were unable to bring the Government Valuer to the Entity, However, plans are underway to*

*dispose of these assets once the Government Valuer and the Chief Mechanical Engineer completes to conduct his/her assessment.*

### **Recommendation**

The Accounting Officer should ensure that the disposal process is expedited and carried out in line with the PPDA Act, 2003 and Regulations.

## **2.2 To establish the level of compliance with the PPDA Act, 2003 and Local Governments (PPDA) Regulations, 2006 in the conduct of procurement and disposal activities**

### **2.2.1 Failure to confirm availability of funding**

In the supply of 7 heifers to farmers to Chepkwasta Sub County worth UGX 10,500,000, the Accounting Officer did not confirm availability of funding at initiation.

### **Implication**

Failure to confirm availability of funds and confirming the availability of funds on behalf of the Accounting officer without delegated authority could result in committing the Entity into contractual obligations that were unplanned or not funded.

### **Recommendation**

As per Section 26 (1) (f) of the PPDA Act 2003, the Accounting Officer is responsible for certifying availability of funds to support the procurement or disposal activities and where delegation of authority by the Accounting Officer is sought, this should be formally done in accordance with Regulation 65 (7) of the PPDA Local Government Regulations 2006.

### **Management response**

*Management appreciates the audit team for the finding here with attached is the LGPP Form 1, and letter of delegation of Authority by the Accounting Officer for audit verification-Annex 2*

The Authority notes that Annex 2 attached to the Entity's response included a delegation of Authority for confirmation of funding from the Accounting Officer and not a signed initiation form.

### **2.2.2 Inadequate format of the Notices of Best Evaluated Bidders**

The Authority noted that the Notices of Best Evaluated Bidder in all sampled procurements did not show the unsuccessful bidders all the reasons why their bids being unsuccessful. The Notice of Best Evaluated Bidder also did not indicate the day it was displayed and the period for which it would be displayed making it difficult to ascertain whether it was displayed for the stipulated ten (10) days before contract signing.

### **Implication**

This hinders the principle of transparency in the procurement process.

### **Recommendation**

The Procurement and Disposal Unit should ensure that the Notice of Best Evaluated Bidder is prepared and issued in accordance with Regulation 85 (5) of the Local Government (PPDA) Regulations, 2006.

**Management response**

*The PDU prepared and issued the BEB in accordance with Regulation 85 (5) of the Local Government (PPDA) Regulations, 2006. However, it was only customized without changing the contents of the standard BEB template so that it easy to display many **successful/unsuccessful Bidders and respective procurements requirements** at once due to limited space on the district notice boards, herewith are the BEB notices for Audit verification. **Annex 3***

The Authority notes that the Notice of Best Evaluated Bidder presented did not include dates of display as well as the reasons for failure of unsuccessful bidders. This is not the standard notice issued by the Authority.

**2.2.3 Inconsistencies between the Special Conditions of Contract in the issued solicitation document and those in other contract documents**

In the construction of council hall and DEC office worth UGX 34,300,000, the Authority noted that crucial clauses that had been included in the issued solicitation documents were changed in the documents prepared after contract signing with the providers as detailed below:

**Table 4: Procurements with inconsistencies in the Special Conditions of Contract**

No	Subject of procurement	Clauses in the issued solicitation document	Clauses in other contract documents
1.	Construction of council hall and DEC office worth UGX 34,300,000	GCC 48.1 highlighting retention, the solicitation document indicated that no percentage of the contract would be retained  The issued solicitation document had a completion date of 30/6/2020	The payment certificate however indicated that a 5% retention was deducted at payment.  The contract implementation plan had a completion date of 15/6/2020

**Implication**

Such inconsistencies brought about by change of vital clauses in the contract documents, for example a reduction in contractual completion period and wrongful deduction of retention may negatively affect bidder participation at the Entity.

**Recommendation**

The Head, Procurement and Disposal Unit should prepare bidding documents with consistency in accordance with Regulation 48 (4) of the Local Governments (PPDA) Regulations, 2006.

**Management response**

*GCC 48.1 in the solicitation documents issued provided that, 5% of the contract value was to be retained to cater for the defects during the defects liability period in line with what was in the payment certificate unfortunately, there could have been a mix up during audit.*

The Authority reviewed the solicitation document for the procurement and noted that GCC 48.1 Retention indicated that ‘No proportion of any payments shall be retained.

#### **2.2.4 Failure to cost Bills of Quantities at initiation**

In the following three procurements worth UGX 116,947,200, the User Departments failed to attach costed Bills of Quantities at initiation the User Departments simply attached their procurement work plans implying that there was no basis for the market price assessed.

**Table 5: Procurements that lack costed Bills of Quantities at initiation**

<b>No.</b>	<b>Subject of procurement</b>	<b>Contract Value (UGX)</b>
1.	Construction of a bridge at Sukwo Stream	51,647,200
2.	Rehabilitation/ renovation of two (2) classroom blocks at Amanang Primary School	31,000,000
3.	Construction of council hall and DEC office	34,300,000
<b>TOTAL</b>		<b>116,947,200</b>

#### **Implication**

This implies that there was no basis for the market price assessed.

#### **Recommendation**

User Departments should always prepare and submit costed Bills of Quantities to accompany requisitions at initiation in accordance with Regulation 65 of the Local Governments (PPDA) Regulations, 2006.

#### **Management response**

*The User departments actually prepared and submitted to PDU costed Bills of Quantities at initiation. Most BOQs were kept in a separate file at PDU marked specifically for Bills of Quantities with copies retained by User Departments.*

The Authority notes that the Works Department attached work plans at initiation and did not attach Bills of Quantities.

#### **2.2.5 Inadequate contract formats**

In all procurements sampled by the Authority, the contracts prepared by the Procurement and Disposal Unit and approved by the Contracts Committee lacked the sections showing the General Conditions and the Special Conditions of the contract.

#### **Implication**

Inadequate contract documents imply a lack of checks & balances in the process and could result in poor contract execution by the bidders leading to shoddy works.

#### **Recommendations**

- The Head, Procurement and Disposal Unit should prepare contract documents in accordance with Regulation 88 of the Local Governments (PPDA) Regulations, 2006.
- The Contracts Committee should carry out its oversight function in accordance with Regulation 48 of the Local Governments (PPDA) Regulations, 2006 to ensure that contract documents are prepared and issued to bidders.

### Management response

*The Head, Procurement and Disposal Unit prepared contract documents in accordance with Regulation 88 of the Local Governments (PPDA) Regulations, 2006, including all the sections showing the General Conditions and the Special Conditions of the contract and approved by the Contracts Committee.*

The Authority notes that the contract form signed by both the contractor and the Entity did not include the Special Conditions of Contract and the General Conditions of Contract.

### 2.2.6 Failure to adhere to evaluation criteria by passing non-compliant bidders

The Authority noted the following irregularities at evaluation in seven (7) procurements below worth UGX 166,912,200:

**Table 6: Procurements for which there was failure to adhere to evaluation criteria**

No	Subject of procurement	Irregularity
1.	Construction of a bridge at Sukwo Stream worth UGX 51,647,200	<b>Passing a non-compliant bidder</b> The BEB, Bakasaku Agencies attached a transaction tax clearance certificate belonging to Kapchorwa Distributors but was still passed at evaluation.
2.	Rehabilitation/ renovation of 2 classroom blocks at Amanang Primary School worth UGX 31,000,000	<b>Passing a non-compliant bidder</b> The BEB did not provide for the bid validity period, when works will commence and the period of completion in the bid data sheet.  The solicitation document required the BEB to submit bank statements for six months from the date of bidding (November) However, the BEB, Bukwo (BM) Ltd only submitted statements for the month of July and April.  The solicitation document required audited books of accounts for 2017 and 2018 however the BEB did not present these in his bid.  The solicitation document also required the bidder to submit a PPDA ROP certificate however the BEB did not submit any.
3.	Supply of agricultural demonstration materials to	<b>Passing a non-compliant bidder</b>

No	Subject of procurement	Irregularity
	Production Department worth UGX 15,500,000	<p>The solicitation document required the BEB to submit bank statements for six months from the date of bidding (November) However, the BEB, Bukwo (BM) Ltd only submitted statements for the month of July and April.</p> <p>The solicitation document required audited books of accounts for 2017 and 2018 however the BEB did not present these in his bid.</p>
4.	Supply of brick making equipment to Riwo Sub County worth UGX 8,000,000	<p><b>Passing a non-compliant bidder</b> The BEB, Bukwo (BM) did not attach completion certificates as evidence of similar works as requested for in the solicitation document but was passed as compliant.</p>
5.	Supply of 7 heifers to farmers to Chepkwasta Sub County worth UGX 10,500,000	<p><b>Passing a non-compliant bidder</b> Kapmayemayi Investments Ltd, the BEB, did not provide the audited accounts for the last two years 2017 and 2018 which was a requirement in the solicitation document.</p> <p>The BEB also did not provide evidence of similar works performed in their bid as required by the solicitation document.</p> <p>The BEB did not provide bank statements within the last six months from date of the issue of the solicitation document.</p>
6.	Supply of 3 maize shelters to Kortek to Kortek Sub County and 2 maize shelters to Chesower Sub County worth UGX 17,000,000	<p><b>Passing a non-compliant bidder</b> Bukwo (BM) General Enterprises Ltd did not provide completion certificates of similar works performed but was passed as compliant.</p>
7.	Construction of five stance VIP latrine at Tulel P/S Bukw567/Wrks/19-20/00011 Chesower Constructors and Supplies Ltd worth UGX 23,265,000	<p><b>Passing a non-compliant bidder</b> The Best Evaluated Bidder, Chesower Constructors and Supplies Limited, the certificate of incorporation indicated that the company was registered on 6<sup>th</sup> July 2018 however the bidder's audited books of accounts indicated operations in the year 2017 which implies that the audited books of accounts were forged.</p>

### Implication

Failure to adhere to evaluation criteria results into passing non-compliant bidders during evaluation thus awarding of contracts to bidders without capacity to undertake the works hence exposing the Entity to failure to perform, loss of money in shoddy works and loss of time due to repetition of process.

## **Recommendation**

The Evaluation Committee should ensure that the determination of a bid's compliance and responsiveness is based on the contents of the bid and a substantially compliant bid is one that conforms to all the set criteria in the bidding document without material deviation or omission in accordance with Regulation 73 (1) and (2) of the Local Government (PPDA) Regulations, 2006.

## **Management response**

*The Evaluation methodology approved by Contracts Committee and applied by the Evaluation Committee was Technical Compliance Selection, recommending scoring bidders on Pass/fail basis and since most of the invited bidders were already shortlisted/prequalified by the Entity, the Evaluation Committee considered passing and waiving off some parameters especially at preliminary stage, mostly if they were not material or could not affect the final execution of the contract.*

*Also Most Bidders who show interest to bid in up country Entities such as Bukwo, have low capacity and lack adequate knowledge and skills in preparing responsive bids, there is therefore, an urgent need to train them.*

### **2.2.7 Inadequate evaluation criteria**

In the following four (4) procurements worth UGX 268,075,100, the solicitation document had inadequate evaluation criteria and subsequently the competences of the bidders were not fully analyzed at evaluation as explained below:

**Table 7: Procurements with inadequate evaluation criteria**

<b>No</b>	<b>Subject of procurement</b>	<b>Findings</b>
1.	Construction of a bridge at Sukwo Stream worth UGX 51,647,200	<b>Inadequate technical criteria</b> Under Commercial and Technical criteria, the assessment of responsiveness only considered the acceptance of the conditions of the proposed contract, acceptable completion schedule and acceptability of the proposed program. All technical requirements were placed under the post qualification section.
2.	Rehabilitation/ renovation of two (2) classroom blocks at Amanang Primary School worth UGX 31,000,000	<b>Ambiguous criteria</b> The solicitation document simply requested for technical personnel qualification or academic transcripts/ certificates without stating the exact level of education required. The solicitation document also requested for completion certificates of similar works without stating the volume required
3.	Construction of Council Hall and DEC office finishing worth UGX 34,300,000	<b>Ambiguous criteria</b> The solicitation document simply requested for technical personnel qualification or academic transcripts/ certificates without stating the exact level of education required. The solicitation document also requested for completion

No	Subject of procurement	Findings
		certificates of similar works without stating the volume required.
4.	Tasakya Gravity flow scheme extension(RT-Kwirwot GFS – Phase 2 worth UGX 151,127,900	<p><b>Ambiguous criteria</b></p> <p>The solicitation document simply requested for technical personnel qualification or academic transcripts/ certificates without stating the exact level of education required.</p> <p>The Entity also requested for major items of construction equipment proposed to carry out the Contract without giving details of actual equipment and tools required.</p>

### **Implication**

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

### **Recommendations**

- The Head Procurement and Disposal Unit should ensure that the solicitation documents prepared, define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity and have the most appropriate evaluation methodology and criteria in accordance with Regulations 48(2) & 48(4) of the Local Governments (PPDA) Regulations.
- The Contracts Committee should ensure that the bidding documents are scrutinized for quality before approval.

### **Management Response**

*We noted this capacity gap, this has since been addressed in the FY2020/21 and going forward, we request that, PPDA supports the Entity to train the PDU Staff, the CC and the Evaluation committee, to enhance their skills and knowledge capacity in this area.*

### **2.2.8 Evaluating an incomplete bid.**

In the following four (4) procurements worth UGX 132,447,200, the Evaluation committee(s) evaluated bids that had missing relevant sections.

**Table 8: Procurements with incomplete bids evaluated.**

No.	Subject of procurement	Incomplete sections in the bid
1.	Construction of a bridge at Sukwo Stream worth UGX 51,647,200	The BEB, Bakasaku Agencies submitted an incomplete bid that did not have relevant sections filled out. The incomplete sections include: Bill of Quantities, Bid security, Qualification Form
2.	Rehabilitation/ renovation of 2 classroom blocks at Amanang Primary School worth UGX 31,000,000	The BEB, Bukwo (MD) Ltd submitted an incomplete bid submission sheet within their bid. The company did not provide a bid validity

No.	Subject of procurement	Incomplete sections in the bid
		period, when works will commence and the period of completion.
3.	Construction of a council hall and DEC office finishing worth UGX 34,300,000	The BEB, Kortek General Agencies Ltd did not submit Bills of Quantities. There was therefore no basis for the quoted bid price.
4.	Supply of agricultural demonstration materials to Production Department worth UGX 15,500,000	The BEB, Bukwo BM did not provide a bid validity period, when works will commence and the period of completion.

### **Implication**

This affects the principle of transparency and may be an implication of collusion between the Entity and the bidders.

### **Recommendation**

The Evaluation Committee (s) should determine the compliance and responsiveness based on the contents of the bid in accordance with Regulation 73 of the Local Governments (PPDA) Regulations, 2006.

### **Management response**

*These gaps can be attributed the low capacity by the local bidders to comprehend and prepare responsive bids.*

### **2.2.9 Conducting procurements outside the procurement plan**

The Authority noted that the Entity conducted three (3) procurements worth UGX 46,950,000, outside the procurement plan for the Financial Year under review. These procurements therefore lacked strategy which would include market survey and determining the appropriate procurement method and timing requirements:

**Table 9: Procurements conducted outside the plan**

No.	Subject of procurement	Contract Value (UGX)
1.	Rehabilitation/ Renovation of two (2) classroom blocks at Amanang Primary School	31,000,000
2.	Supply of brick making equipment to Riwo Sub County	8,000,000
3.	Supply of welding equipment to Kamet Sub County	7,950,000
<b>TOTAL</b>		<b>46,950,000</b>

### **Implication**

Unplanned procurements lead to unplanned expenditures resulting in creation of domestic arrears.

### **Recommendation**

The Accounting Officer should ensure that all items are aggregated into the annual procurement plan of the Entity and where necessary the plan is updated to include emergency procurements in accordance with Section 58(4) of the PPDA Act, 2003.

### **Management response**

*The audit team could have used the initial procurement plan for FY2019/20 during audit, however, there was a reviewed and updated procurement plan which captured/addressed all the gaps raised. The updated procurement plan for the FY2019/2020 is here presented for audit verification.*

The Authority notes that the attached procurement plan was dated 26<sup>th</sup> February 2020 while the audit team reviewed the most updated plan dated 5<sup>th</sup> August 2020 that did not include the above procurements.

### **2.2.10 Records management**

#### **Failure to maintain complete procurement action files**

The Entity did not maintain complete procurement action files for the following eleven (11) procurements files worth UGX 699,187,200;

**Table 10: Procurements with incomplete files**

<b>No</b>	<b>Subject of Procurement</b>	<b>Amount (UGX)</b>	<b>Missing record</b>
1	Construction of a bridge at Sukwo Stream	51,647,200	Bid invitation notice
2	Rehabilitation/renovation of two (2) classroom blocks at Amanang Primary School	31,000,000	Progress reports
3	Construction of Council Hall and DEC office finishing	34,300,000	Progress reports
4	Construction of shade, loading/offloading ramp at Amermer coffee market	20,105,000	Initiation form, Certificate of completion, Payment certificate
5	Construction of two stance VIP latrine at Amanang P/S	14,420,000	Contract progress reports
6	Construction of five stance VIP latrine at Tulel Primary School	23,265,000	Contract progress reports
7	Supply of gravel, road tools, cement and related supplies	480,000,000	CC approval of procurement, bidding document & evaluation committee
8.	Supply of brick making equipment to Riwo Sub County	8,000,000	Delivery note was not on file.
9.	Supply of 7 heifers to farmers to Chepkwasta Sub County	10,500,000	Payment documents.

No	Subject of Procurement	Amount (UGX)	Missing record
10.	Supply of welding equipment to Kamet Sub County	7,950,000	Payment documents were not on file, Delivery note was not on file.
11.	Collection and management of revenue from Suam Sub County	18,000,000	Notice of Best Evaluated Bidder

### **Implication**

Incomplete files don't provide an audit trail of the procurement and disposal activities of the Entity which compromises the principles of transparency and accountability.

### **Recommendations**

- The Head Procurement and Disposal Unit should ensure that procurement action files are complete with all documents in accordance with Section 31 (o) of the PPDA Act 2003.
- The Accounting Officer should direct the Finance Department to always share copies of payments records with the Procurement and Disposal Unit in order for procurement action files to be closed off.

### **Management Response**

*Management attributes this gap to the inadequate procurement record system. This is due to limited staff, and office space which are soon going to be addressed. However, all the missing documents have since been retrieved, herewith attached for Audit Verification.*

The Authority notes that documents presented were reviewed and the above documents were still missing.

### **2.2.11 Low bidder participation**

The Authority noted that there was low bidder participation in nine (9) of the sampled procurements worth UGX 181,377,200 with an average of 1.1 bids received contrary to Section 43 (c) of the PPDA Act,2003:

**Table 11: Procurements with low bidder participation**

No.	Subject of procurement	Contract value (UGX)	Number of bidders invited	Number of bids received
1.	Construction of a bridge at Sukwo Stream	51,647,200	Open Bidding	1
2.	Rehabilitation/ renovation of two (2) classroom blocks at Amanang Primary School	31,000,000	4	1
3.	Construction of Council Hall and DEC office finishing	34,300,000	4	1

No.	Subject of procurement	Contract value (UGX)	Number of bidders invited	Number of bids received
4.	Collection and management of revenue in Suam Sub County	18,000,000	Open Bidding	2
5.	Supply of brick making equipment to Riwo Subcounty	8,000,000	3	1
6.	Supply of 7 heifers to farmers to Chepkwasta Subcounty	10,500,000	8	1
7.	Supply of wielding equipment to Kamet Sub County	7,950,000	3	1
8.	Supply of solar systems for DHOs office	9,980,000	3	1
9.	Supply of 3(three) maize shelters to Kortek to Kortek Sub County	10,000,000	2	1
<b>TOTAL/AVERAGE</b>		<b>181,377,200</b>		<b>1.1</b>

### **Implication**

This could be an indicator of lost trust in Entity by bidders which deters competition, may lead to costly procurements and deters achievement of value for money since there are limited options.

### **Recommendation**

The Accounting Officer and Management should conduct an investigation into why the providers do not want to do business with the Entity and put in place measures that promote competition and value for money in accordance with Section 43 (c) of the PPDA Act, 2003.

### **Management Response**

*Management has learnt that, the challenge of low bidder participation in the procurement process during the FY2019/2020 was largely attributed to the effects of Covid -19, other factors may have included collusion by bidders, and changes in enforcement of Tax Processes and Procedures by URA among others. Most Bidders also lack adequate knowledge and skills in the procurement processes and procedures. Management will make an effort to address these gaps and request other stakeholders such as PPDA and URA to give necessary support, especially building bidders capacity through training.*

### **2.2.12 Failure to form associations for management and collection of revenue**

The Accounting Officer failed to assist vendors to form vendors' associations contrary to Ministry of Local Government Policy on sale of Market's land, Development and Management in the City, Municipalities and Towns and subsequently the contract was awarded to an individual.

### **Implication**

Failure to foster competition exposes the Entity to entering of contracts at uncompetitive prices thereby leading to failure for the Entity to attain value for money in these procurements.

### **Recommendations**

- The Accounting Officer should ensure that each market is openly tendered out to associations individually so as to implement the Ministry of Local Government Policy on the Sale of Market’s Land, Development and Management in the City, Municipalities and Towns and the revised policy guidelines on the management and levying of parking fees in Local Government’s Public Service Vehicle Parking Areas.
- The Accounting Officer should assist vendors to form vendors’ associations that shall be allowed to develop or manage markets in accordance with policy F of the sale of markets’ land, development and management in the City, Municipalities and Towns issued by the Ministry of Local Government.

### **Management response**

*The Ministry of Local Government Policy was a new arrangement at the time, the Entity sought the services of the local provider since time for the collection of local revenue was running out, coupled with the difficulty, and the queer nature of our community social orientation, which made it hard for such associations to be formed and operate, However, plans are underway to ensure the Ministry policy is implemented to the dot.*

The Authority notes that the policy was issued in May 2012.

### **2.3 To assess the level of efficiency and effectiveness in contract implementation.**

The audit team analyzed the ability of the Entity to execute procurement activities within the stipulated timelines to ensure timely delivery of services to the intended beneficiaries in compliance with section 48 of the PPDA Act, 2003. The following non-conformities were noted:

#### **2.3.1 Delays at contract signing**

In the following three (3) procurements worth UGX 222,630,922, there was an average delay period of 120.6 working days at contract signing.

**Table 12: Procurements with delays at contract signing**

<b>No.</b>	<b>Subject of procurement</b>	<b>Date as per plan</b>	<b>Actual date of contract signature</b>	<b>Delay (Working Days)</b>
1.	Construction of Council Hall and DEC office finishing	10/9/2019	5/3/2020	123
2.	Tasakya Gravity flow scheme extension(RT-Kwirwot GFS – Phase 2	3/6/2019	30/09/2019	83
3.	Supply of solar systems for DHOs office	5/8/2019	14/3/2020	156

#### **Implication**

Delayed contract signing results into failure to attain value for money and delayed service delivery to the intended beneficiaries.

### Recommendation

The Accounting Officer should ensure that all activities are conducted according to the timelines in the procurement plan.

### Management response


*Delays in contract signing during this period were mainly due to the effects of Covid-19 pandemic and lockdown, which hampered office operations, specifically on travels, meetings and touching of paper as per the Standard Operating Procedures by the Ministry of Health.*



The Authority noted that the delays before the country was struck by the Covid 19 pandemic.

### 2.3.2 Poor contract implementation

The audit team conducted physical verification on five (5) of the sampled procurements worth UGX 259,044,842 and shoddy works were noted in following three (3) procurements worth UGX 46,413,920;

**Table 13: Procurements with poor contract implementation**

1.	Renovation of 2 classroom blocks at Amanang Primary School M/s Bukwo (BM) and General Enterprises Ltd UGX 27,000,000	 The image block contains three photographs. The leftmost photo shows a close-up of a concrete floor with a prominent vertical crack. The middle photo shows a similar floor with a horizontal crack and a person's blue shoe visible. The rightmost photo shows the exterior of a school building with a corrugated metal roof and a sign on the wall.
Exceptions		
<ul style="list-style-type: none"><li>• Cracked floors</li><li>• Trees were not planted at the school</li></ul>		
2.	Construction of 2 stance VIP latrine at Amanang Primary School M/s Kortek General Agencies Ltd UGX 14,420,000	

	 <p>Exceptions</p> <ul style="list-style-type: none"> <li>• Cracked floors</li> <li>• Investment was not marked</li> </ul>
3.	<p>Fencing of Kwirwot Primary School in Suam Sub County M/s Chesower Contractors and Supplies Ltd UGX 4,993,920</p>  <p>Exceptions</p> <ul style="list-style-type: none"> <li>• The wooden poles used for fixing the barbed wire were untreated and of poor quality.</li> </ul>

### **Implication**

Irregularities at contract implementation compromise quality and the intended beneficiaries do not get the desired effects of the services delivered.

### **Management response**

1. Renovation of 2 classroom blocks at Amanang Primary School worth UGX 27,000,000  
The 5% Retention meant for the defects liability had not been paid, the contractor has since put the defects right.

2. Construction of 2 stance VIP latrine at Amanang Primary School worth UGX 14,420,000

*The 5% Retention meant for the defects liability had not been paid, the contractor has since put the defects right*

*3.Fencing of Kwirwot Primary School in Suam Sub County worth UGX 4,993,920*

*The Fencing poles used were recommended in the Bills of Quantities, as good enough to withstand the termites, the decision was in line with the Sub County work plan and the available funds meant for the Project.*

The Authority notes that the Entity did not provide evidence of correction of these defects.

### **Recommendation**

The contract supervisors should ensure that the implemented works are technically assessed for quality before issuing payment certificates to pay the contractors.

### **2.3.3 Underpayment of a contractor due to improper computations of the amounts payable**

The Entity in effecting payments deducts the retention amount (5%) off the invoice/ contract value; subjects With Holding Tax to the residual balance after retention; and pays the balance of residual amount net of With Holding Tax however, in the construction of two stance VIP latrine at Amanang Primary School by Kortek General Agencies Ltd worth UGX 14,420,000, the contractor was underpaid by UGX 1,597,060 due to wrong computations.

### **Implication**

This may discourage bidders from doing business with the Entity resulting in low bidder participation.

### **Management response**

*The Chief Financial Officer has been asked to review this anomaly based on correct and pay the contractor the right amounts.*

### **Recommendation**

The Entity should ensure proper calculation of the amount payable to contractors.

### CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

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

#### 3.1. Entity's risk assessment

The table below shows the Entity's performance per risk category:

**Table 2: Summary of risk assessment of Bukwo District Local Government**

Risk category	Number of sampled procurements	%Number	Value	%Value
High Risk	6	35.29	140,338,120	14.96
Medium Risk	7	41.18	270,595,922	28.84
Low Risk	1	5.88	9,980,000	1.1
Satisfactory	3	17.65	517,200,000	55.1
<b>Total</b>	<b>17</b>	<b>100</b>	<b>938,114,042</b>	<b>100</b>

#### 3.2. Entity's weighted Performance

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

**Table 3: Weighted score**

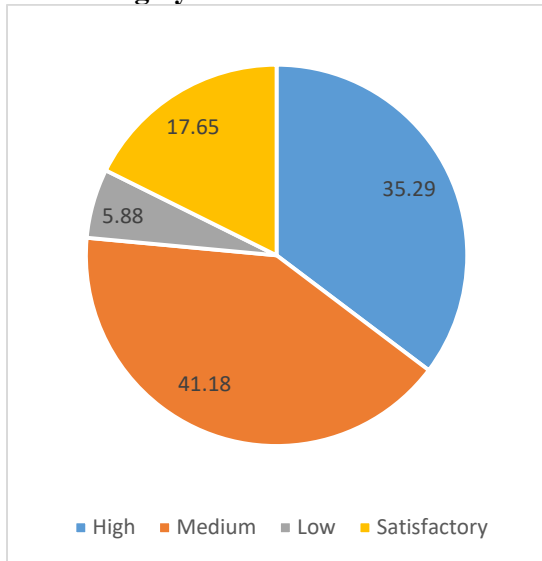
Risk category	Rating (By Number)	Weights	Total weighted Average	Rating (By Value)	Weights	Total weighted Average
High	35.29	0.6	21.17	14.96	0.6	8.97
Medium	41.18	0.3	12.35	28.84	0.3	8.65
Low	5.88	0.1	0.58	1.1	0.1	0.11
Satisfactory	17.65	0	0	55.1	0	0
<b>Total</b>	<b>100</b>	<b>1</b>	<b>34</b>	<b>100</b>	<b>1</b>	<b>18.7</b>

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{34 \times 100}{60} = 56.6\%$$

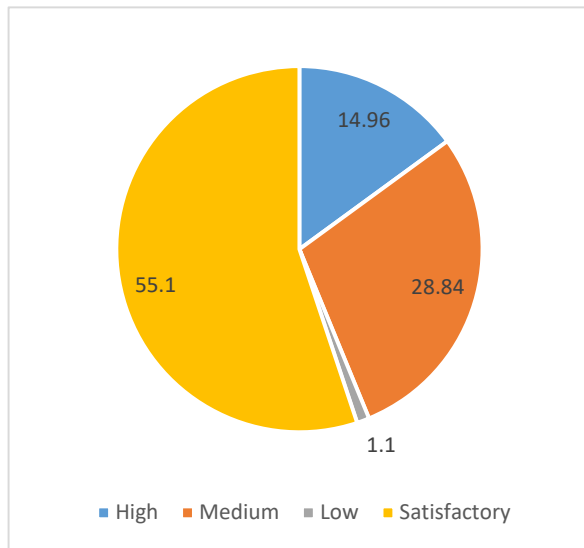
$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{18.7 \times 100}{60} = 31\%$$

$$\text{Combined Weighted Average} = \frac{56.6 + 31}{2} = 43.8\%$$

**Risk rating by number**



**Risk rating by value**



**Table 4: Risk rating criteria:**

Risk Rating	Description of Performance
0-20%	Highly Satisfactory
21-50%	Satisfactory
51-80%	Unsatisfactory
81-100%	Highly Unsatisfactory

The Entity’s performance was therefore assessed to be **Satisfactory** at **43.8%**.

**Recommendation**

Bukwo District Local Government should implement the recommendations on page 31 in order to improve the Entity’s performance.

### 3.3. Recommended Action Plan

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

**Table 5: Action plan**

No.	Recommended Action	Target Date
1.	The Accounting Officer and Management should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act, 2003 to ensure improved performance.	October 2021
2.	i) The Accounting Officer should report on all micro procurements undertaken to the PDU for onward submission to the Contracts Committee and to PPDA in accordance with Regulation 41 (8) of the Local Governments (PPDA) Regulations, 2006. ii) The Accounting Officer should caution the User Departments and Divisions in writing for failure to submit monthly reports for the micro procurements conducted to the Contracts Committee.	October 2021
3.	The Accounting Officer should ensure that the disposal process is expedited and carried out in line with the PPDA Act, 2003 and Regulations	October 2021
4.	The Head procurement and Disposal Unit should ensure that the solicitation documents prepared define the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in regard to the requirements of the Entity and have the most appropriate evaluation methodology and criteria in accordance with Regulations 48 (2) and 48 (4) of the Local Governments (PPDA) Regulations.	October 2021
5.	The Evaluation Committee(s) should ensure that the determination of a bid's compliance and responsiveness is based on the evaluation criteria in the solicitation document in accordance with Regulation 73 (1) and (2) of the Local Governments (PPDA) Regulations, 2006.	October 2021
6.	The Accounting Officer should ensure that each market is openly tendered out to co-operative societies individually so as to implement the Ministry of Local Government Policy on the sale of Market Land, Development and Management in the City, Municipalities and Towns and the revised policy guidelines on the management and levying of parking fees in Local Government's Public Service Vehicle Parking Areas.	October 2021
7.	The contract supervisors should ensure that the implemented works are technically assessed for quality before issuing payment certificates to pay the contractors.	October 2021

<b>No.</b>	<b>Recommended Action</b>	<b>Target Date</b>
8.	The Accounting Officer should liaise with the Authority to conduct capacity building on public procurement processes for the User Departments, Contracts Committee and Procurement and Disposal Unit and other stakeholders.	October 2021

**Annex A: Findings and rating on the individual contracts reviewed  
PROCUREMENTS WITH A HIGH RISK RATING**

No	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	<p>Rehabilitation/ Renovation of 2 classroom blocks at Amanang Primary School</p> <p>M/s Bukwo (BM) and General Enterprises Ltd</p> <p>UGX 27,000,000</p>	<p><b>Planning and initiation</b></p> <ul style="list-style-type: none"> <li>• Conducted outside the procurement plan</li> <li>• Failure to cost BOQs attached at initiation</li> </ul> <p><b>Bidding</b></p> <ul style="list-style-type: none"> <li>• Low bidder participation with only 1 bidder participating</li> </ul> <p><b>Evaluation</b></p> <ul style="list-style-type: none"> <li>• Evaluating an incomplete bid. The BEB had an incomplete bid submission sheet within their bid. The company did not provide a bid validity period, when works will commence and the period of completion.</li> <li>• Ambiguous evaluation criteria. The solicitation document requested for completion certificates of similar works without stating the volume required</li> <li>• Passing a non-compliant bidder. The solicitation document required the BEB to submit bank statements for six months from the date of bidding (November). However, the BEB, Bukwo (BM) Ltd only submitted statements for the month of July and April</li> </ul> <p><b>Contract management</b></p> <ul style="list-style-type: none"> <li>• Shoddy works with cracked floors observed</li> </ul> <p><b>Records Keeping</b></p> <ul style="list-style-type: none"> <li>• Missing documents such as progress reports</li> </ul>
2.	<p>Construction of 2 stance VIP latrine at Amanang Primary School</p> <p>M/s Kortek General Agencies Ltd</p> <p>UGX 14,420,000</p>	<p><b>Contract management</b></p> <ul style="list-style-type: none"> <li>• Underpayment of the contractor by UGX 1,597,060 due to wrong computations.</li> <li>• Shoddy works with cracked floors</li> </ul> <p><b>Record Keeping</b></p> <ul style="list-style-type: none"> <li>• Missing records such as progress reports</li> </ul>
3.	<p>Fencing of Kwirwot Primary School in Suam Sub County</p> <p>M/s Chesower Contractors and Supplies Ltd</p> <p>UGX 4,993,920</p>	<p><b>Contract management</b></p> <ul style="list-style-type: none"> <li>• Shoddy works with poor quality poles</li> </ul>

No	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
4.	<p>Construction of Council Hall and DEC offices finishing phase</p> <p>M/s Kortek General Agencies Ltd</p> <p>UGX 34,300,000</p>	<p><b>Initiation</b></p> <ul style="list-style-type: none"> <li>• Failure to cost BOQs at initiation</li> </ul> <p><b>Bidding</b></p> <ul style="list-style-type: none"> <li>• Low bidder participation with only 1 bidder participating</li> <li>• Inconsistencies between the Special Conditions of Contract in the solicitation document and other contract documents such as whether retention should be paid or not.</li> </ul> <p><b>Contract</b></p> <ul style="list-style-type: none"> <li>• Delay of 123 working days at contract signing</li> </ul> <p><b>Evaluation</b></p> <ul style="list-style-type: none"> <li>• Evaluation of an incomplete bid that did not have Bills of Quantities attached.</li> <li>• Ambiguous evaluation criteria since the solicitation document simply requested for technical personnel qualification or academic transcripts/ certificates without stating the exact level of education required. The solicitation document also requested for completion certificates of similar works without stating the volume required.</li> </ul> <p><b>Record keeping</b></p> <p>Missing documents on the file including: evaluation sheets and progress reports</p>
5.	<p>Construction of a bridge at Sukwo Stream</p> <p>Bakasaku Agencies Limited</p> <p>UGX 51,647,200</p>	<p><b>Initiation</b></p> <ul style="list-style-type: none"> <li>• Failure to attach costed BOQs at initiation.</li> </ul> <p><b>Bidding</b></p> <ul style="list-style-type: none"> <li>• Low bidder participation with only 1 bidder participating.</li> </ul> <p><b>Evaluation</b></p> <ul style="list-style-type: none"> <li>• Evaluating an incomplete bid that lacked relevant sections filled in such as the bid submission sheet.</li> <li>• Inadequate evaluation criteria that placed all technical requirements under post qualification.</li> <li>• Passing a non-compliant bidder. The BEB, Bakasaku Agencies attached a transaction tax clearance certificate belonging to Kapchorwa Distributors</li> </ul> <p><b>Record Keeping.</b></p> <p>Missing records such as the invitation for bids.</p>

No	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
6.	Supply of welding equipment to Kamet Sub County  Chesower Constructors and Supplies Limited  UGX 7,950,000	<b>Planning and initiation</b> <ul style="list-style-type: none"> <li>Conducted outside the procurement plan.</li> </ul> <b>Bidding</b> <ul style="list-style-type: none"> <li>Low bidder participation with only 1 bidder participating.</li> </ul> <b>Record Keeping</b> Missing records such as payments and a delivery note.

#### PROCUREMENTS WITH A MEDIUM RISK RATING

No	MEDIUM RISK CONTRACTS	REASON FOR MEDIUM RISK
7.	Supply of agricultural demonstration materials to Production Department  Bukwo (BM) and General Enterprise Limited  UGX 15,500,000	<b>Evaluation</b> <ul style="list-style-type: none"> <li>Evaluating an incomplete bid. The BEB, Bukwo BM did not provide a bid validity period.</li> <li>Passing a non-compliant bidder. The BEB to submit bank statements for six months from the date of bidding (November) However, the BEB, Bukwo (BM) Ltd only submitted statements for the month of July and April.</li> </ul>
8.	Supply of 7 heifers to farmers to Chepkwasta Sub County  Kapmayemay Investment Company Limited  UGX 10,500,000	<b>Planning and initiation</b> <ul style="list-style-type: none"> <li>Failure to confirm availability of funding by the Accounting Officer.</li> </ul> <b>Bidding</b> <ul style="list-style-type: none"> <li>Low bidder participation with only 1 bidder participating.</li> </ul> <b>Evaluation</b> <ul style="list-style-type: none"> <li>Passing a non-compliant bidder. The BEB also did not provide evidence of similar works performed in their bid as required by the solicitation document.</li> </ul> <b>Record keeping</b> <ul style="list-style-type: none"> <li>Missing records such as payments</li> </ul>
9.	Construction of five stance VIP latrine at Tulel Primary School  Chesower Constructors and Supplies Limited  UGX 23,265,000	<b>Evaluation</b> <ul style="list-style-type: none"> <li>Passing a non-compliant bidder. The Best Evaluated Bidder, Chesower Constructors and Supplies Limited, the certificate of incorporation indicates the company was registered on 6<sup>th</sup> July 2018 however the bidder's audited books of accounts indicate operations in the year 2017 which implies that the audited books of accounts were forged.</li> </ul> <b>Record keeping</b>

		<ul style="list-style-type: none"> <li>Missing records such as progress reports</li> </ul>
10.	<p>Supply of 3 maize shelters to Kortek Sub County and 2 maize shelters to Chesower Sub County</p> <p>Bukwo (BM) and General Enterprise Limited</p> <p>UGX 17,000,000</p>	<p><b>Bidding</b></p> <ul style="list-style-type: none"> <li>Low bidder participation with only 1 bidder participating.</li> </ul> <p><b>Evaluation</b></p> <ul style="list-style-type: none"> <li>Passing a non-compliant bidder. The BEB, Bukwo (BM) General Enterprises Ltd did not provide completion certificates of similar works performed but was passed as compliant.</li> </ul>
11.	<p>Collection and management of revenue from Suam Sub County</p> <p>UGX 18,000,000</p>	<ul style="list-style-type: none"> <li>Failure to form association for the management and collection of revenue</li> </ul> <p><b>Bidding</b></p> <ul style="list-style-type: none"> <li>Low bidder participation with only 2 bidders participating.</li> </ul> <p><b>Record keeping</b></p> <ul style="list-style-type: none"> <li>Missing records such as missing Notice of Best Evaluated Bidder.</li> </ul>
12.	<p>Supply of brick making equipment to Riwo Sub County</p> <p>Bukwo (BM) and General Enterprise Limited</p> <p>UGX 8,000,000</p>	<p><b>Planning and initiation</b></p> <ul style="list-style-type: none"> <li>Conducted outside the procurement plan.</li> </ul> <p><b>Bidding</b></p> <ul style="list-style-type: none"> <li>Low bidder participation with only 1 bidder participating.</li> </ul> <p><b>Evaluation</b></p> <ul style="list-style-type: none"> <li>Passing a non-compliant bidder. The BEB, Bukwo (BM) did not attach completion certificates as evidence of similar works as requested for in the solicitation document but was passed as compliant.</li> </ul> <p><b>Record Keeping.</b></p> <ul style="list-style-type: none"> <li>Missing records such as delivery note.</li> </ul>
13.	<p>Tasakya – Akwirwot Gravity Flow Scheme Extension – Phase 2</p> <p>M/s Build Base Associates Uganda Ltd</p> <p>UGX 178,330,922</p>	<p><b>Initiation</b></p> <ul style="list-style-type: none"> <li>Delay of 43 working days at initiation.</li> </ul> <p><b>Evaluation</b></p> <ul style="list-style-type: none"> <li><b>Ambiguous evaluation criteria.</b> The solicitation document simply requested for technical personnel without requesting for the level of education required.</li> </ul> <p><b>Contract</b></p> <ul style="list-style-type: none"> <li>Delay of 83 working days at contract signing.</li> </ul>

#### PROCUREMENTS WITH A LOW RISK RATING


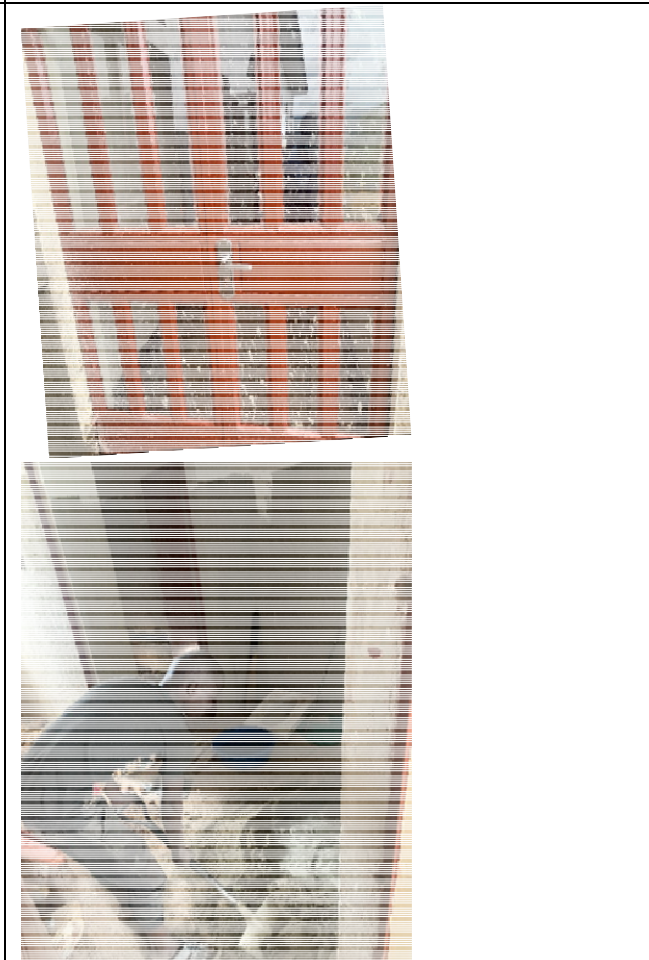
No.	LOW RISK CONTRACTS	REASON FOR LOW RISK
14.	Supply of solar systems for DHO's office	<b>Bidding</b>

	Bukwo (BM) and General Enterprise Limited  UGX 9,980,000	<ul style="list-style-type: none"> <li>• Low bidder participation with only 1 bidder participating in the process.</li> </ul> <b>Contracting</b> <ul style="list-style-type: none"> <li>• Delay of 156 working days at contract signing.</li> </ul>
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### SATISFACTORY PROCUREMENTS

No.	Subject of Procurement	Contract Value (UGX)
15.	Supply of 14 dairy heifers to Senender Sub County	21,000,000
16.	Supply of 27 desks to Riwo and 27 desks to Suam Primary School in Bukwo District	16,200,000
17.	Supply of gravel, road tools, cement and related supplies	480,000,000

### ANNEX B: WORKS WITH DEFECTS CORRECTED AFTER THE AUDIT

Procurement	Before the audit	Improvements made after the audit
<p><b>Construction of Council Hall and DEC offices finishing phase</b></p> <p>M/s Kortek General Agencies Ltd</p> <p>UGX 34,300,000</p> <p>The floor was cracked and the doors were unable to close because of poor framing however after the audit, the cracks have been corrected and the doors were correctly fitted within the frames to allow them to properly close.</p>		

**Tasakya – Akwirwot  
Gravity flow scheme  
extension – Phase 2  
M/s Build Base Associates  
Uganda Ltd**

UGX 178,330,922

The audit team found no running water at the visited home steads benefiting from the gravity flow system however after the audit this was rectified



**Annex C: Transaction list and risk rating per case**

<b>No.</b>	<b>Subject of Procurement</b>	<b>Method of Procurement</b>	<b>Provider</b>	<b>Contract Value (UGX)</b>	<b>Risk rating</b>
1.	Rehabilitation/ renovation of two (2) classroom block at Amanang Primary School	Selective bidding	Bukwo (BM) and General Enterprise Limited	31,000,000	High risk
2.	Construction of two stance VIP latrine at Amanang Primary School	Selective bidding	Kortek General Agencies Limited	14,420,000	High risk
3.	Fencing of Kwirwot Primary School in Suam Sub County	Selective bidding	Chesower Constructors and Supplies Ltd	4,993,920	High risk
4.	Construction of council hall and DEC office finishing	Selective bidding	Kortek General Agencies Limited	34,300,000	High risk
5.	Construction of a bridge at Sukwo Stream	Open Domestic Bidding	Bakasuku Agencies Limited	51,647,200	High risk
6.	Supply of welding equipment to Kamet Sub County	Selective bidding	Chesower Constructors and Supplies Limited	7,950,000	High risk
7.	Tasakya- Akwirwot Gravity Flow Scheme Extension Phase 2	Open domestic bidding	Build Base Associates Uganda Limited	178,350,922	Medium risk
8.	Supply of agricultural demonstration materials to Production Department	Selective bidding	Bukwo (BM) and General Enterprise Limited	15,500,000	Medium risk
9.	Supply of 7 heifers to farmers to Chepkwasta Sub County	Selective bidding	Kapmayemay Investment Company Limited	10,500,000	Medium risk
10.	Construction of five stance VIP latrine at Tulel Primary School	Selective bidding	Chesower Constructors and Supplies Limited	23,265,000	Medium risk
11.	Collection and management of revenue from Suam Sub County	Open domestic bidding		18,000,000	Medium risk
12.	Supply of 3 maize shelters to Kortek Sub County and 2 maize shelters to Chesower Sub County	Selective bidding	Bukwo (BM) and General Enterprise Limited	17,000,000	Medium risk
13.	Supply of brick making equipment to Riwo Sub County	Selective bidding	Bukwo (BM) and General Enterprise Limited	8,000,000	Medium risk

No.	Subject of Procurement	Method of Procurement	Provider	Contract Value (UGX)	Risk rating
14.	Supply of solar systems for DHOs office	Selective bidding	Bukwo (BM) and General Enterprise Limited	9,980,000	Low risk
15.	Supply of 14 heifers to Senender Sub County	Selective bidding	Kapmayemay Investment Company Limited	21,000,000	Satisfactory
16.	Supply of gravel, road tools, cement and related supplies	Open Domestic Bidding	Somax Construction and Engineering Company Limited	480,000,000	Satisfactory
17.	Supply of 27 desks to Riwo and 27 desks to Suam Primary Schools in Bukwo District	Selective bidding	Bukwo (BM) and General Enterprise Limited	16,200,000	Satisfactory

#### Annex D: User Departments

No	Title of the User Department	Job Title of Head of Department
1	Management and Administration	Deputy Chief Administration Officer
2	Education and Sports	District Education Officer
3	Health	District Health Officer
4	Finance	Chief Finance Officer
5	Community Based Services	District Community Development Officer
6	Production	District Production and Marketing Officer
7	Works and Technical Services	District Engineer
8	Statutory Bodies	Clerk to Council
9	Natural Resources	District Natural Resources Officer

#### Annex E: Composition of Procurement and Disposal Unit

No.	Name	Position	Highest Qualification	Date of Appointment
1.	Joseph Araptai	Head Procurement and Disposal Unit	Master's in Business Administration	20/9/2010
2.	Cherop Emily	Assistant Procurement Officer	Bachelor's Degree in Procurement and Supply Chain Management	12/10/2017

#### Annex F: Composition of the Contracts Committee

No.	Name	Job Title	Date of Appointment	Committee Position
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1.	Chemonges John Wafula	Inspector of Schools	26/9/2018	Chairperson
2.	Araptai Joseph	Head, PDU	17/2/2019	Secretary
3.	Irene Toskin	Principal Human Resource Officer	17/2/2019	Member
4.	David Aliwa	Principal District Planner	17/2/2019	Member
5.	Ali Chemutai	Senior Town Engineer	17/2/2019	Member