



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

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

**MINISTRY OF LOCAL GOVERNMENT**

**NOVEMBER 2021**

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## ACRONYMS

AO	Accounting Officer
BEB	Best Evaluated Bidder
CC	Contracts Committee
EC	Evaluation Committee
FY	Financial Year
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 (PPDA) carried out a procurement and disposal audit of Ministry of Local Government that covered a representative sample of fifteen (15) procurement transactions under Financial Year 2019/20.

The overall objective of the procurement and disposal audit was to assess and establish the degree of compliance of Ministry of Local Government's procurement system and processes with the provisions of the PPDA Act, 2003 and the 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 Ministry of Local Government for the Financial Year 2019/2020 was satisfactory with overall weighted average risk rating of **37.4%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the audit report.

### **The following key exceptions were noted:**

1. The Entity implemented 79.1% of its procurement plan. Services worth UGX 35,421,643,866 were not delivered to the intended beneficiaries.
2. Delays in six (6) procurements worth UGX 16,727,299,840 at the different stages of the procurement process which contravenes Section 43 of the PPDA Act, 2003 as amended. The delays lead to lengthy lead times which consequently hinder timely service delivery.
3. Unfairness during the evaluation of three (3) procurements worth UGX 15,668,844,687. The Evaluation Committee recommended contract award to firms that did not meet the requirements in the bidding document which contravenes Regulation 7 (1) of the PPDA (Evaluation) Regulations, 2014. This may lead to award of contracts to non compliant bidders and hence compromise on the quality of the output.
4. Falsification of documents by bidders in two (2) procurements worth UGX 108,461,700. This act was a breach of Clause 4 of the Code of Ethical Conduct for Bidders and Providers (signed by the bidders) on confidentiality and accuracy of information and a fraudulent practice as defined in the Code of Conduct.
5. Short listing non-prequalified firms in two (2) procurements worth UGX 169,011,700. This is an unfair practice that disadvantages the other bidders that are prequalified with the Entity.

### **In light of the above, the Authority recommends the following:**

1. The Accounting Officer should carry out periodic review of the Entity's procurement plan to ensure full implementation of planned activities in accordance with Section 58 (4) of the PPDA Act, 2003 as amended.
2. The Accounting Officer should also ensure that procurements are conducted in a manner that promotes efficiency and achieves value for money.
3. Evaluation Committees should strictly adhere to the evaluation criteria outlined in the solicitation documents and firms that do not comply should be eliminated in accordance with Regulation 7 (1) of the PPDA (Evaluation) Regulations, 2014.

4. The Authority shall commence the process of suspension of the firms and providers who submitted false bidding documents as stipulated under Section 94 (a) of the PPDA Act, 2003.
5. The Head Procurement and Disposal Unit should ensure that shortlists are prepared in accordance with Regulation 43 (3) and (5) of the PPDA (Rules and Methods for Procuring Supplies, Non-consultancy services and Works) Regulations, 2014.

Ministry of Local Government should implement the recommended action plan on page 17.

## CHAPTER 1: INTRODUCTION

### 1.1. Structure of the Entity

Ministry of Local Government is a Government Ministry responsible for guidance and overall vision of Government in local Governments. The Ministry oversees the Government structures and operations at local levels in Uganda such that they are harmonized and supported to bring about socio-economic transformation of the whole country.

According to Section 26 of the PPDA Act 2003, as amended, the overall responsibility for the successful execution of procurement, disposal and contract management in a Procuring and Disposing Entity is the Accounting Officer.

According to Section 31 (a) of the PPDA Act 2003 as amended, all procurement or disposal activities of the Procuring and Disposing Entity except adjudication and the award of contract are managed by the Procurement and Disposal Unit. The Procurement and Disposal Unit during the financial year under review was headed by Mr. Mike Duncan Tumwikirize.

### 1.2. Background

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out the procurement and disposal audit of Ministry of Local Government that covered a representative sample of fifteen (15) procurement transactions for 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 Public Assets Act 2003 and the PPDA Regulations and Guidelines, 2014.

### 1.3. Main Audit Objectives

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

The specific objectives were to:

- i. Establish the level of compliance by the Entity with the general provisions of the PPDA Act 2003 and Regulations 2014;
- ii. Establish the level of compliance with the PPDA Act 2003 in the conduct of procurement and disposal activities; and
- iii. Assess the level of efficiency and effectiveness in contract implementation.

### 1.4. Audit Scope

The audit involved a review of the procurement and disposal processes, general compliance issues and contract implementation on a sample basis. The audit covered a representative sample of fifteen (15) procurement transactions for Financial Year 2019/20. The list of sampled transactions is contained in **Annex B**.

### 1.5. Audit Methodology

The auditors examined records and documents for each sampled procurement and disposal transaction and obtained the relevant evidence to derive audit conclusions.

This involved a review of the Entity's procurement and disposal planning, initiation, bidding, evaluation, contract placement and processes. At the end of the document review, physical verification was undertaken to ascertain the level of contractual delivery and assess whether the items were fit for purpose. Special attention was given to reporting mechanisms within the Entity and internal controls.

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.

The auditors prepared the management letter, which was sent to the Entity on **23<sup>rd</sup> July 2021** with a request to submit a management response by **11<sup>th</sup> August 2021**. Given the Covid-19 pandemic and the difficulty to conduct exit meetings, the Authority was to consider the management responses submitted by the Entity as final. Despite the constant reminders to the Entity to submit the responses to the Management Letter, the Entity finally submitted the responses on **15<sup>th</sup> October 2021**.

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 with the PPDA Act 2003 and Regulations, 2014 in the conduct of procurement and disposal activities

Procuring and Disposing Entities are required to apply the public procurement and disposal rules set out in the PPDA Act 2003 as amended, Regulations 2014 and PPD Guidelines. The following areas of non-compliance were noted during the audit:

#### 2.1.1 Procurement plan implementation rate

The following table summarizes information about the procurement plan, budget and utilization of funds. The procurement plan implementation rate was 12.5% while the variance was UGX 148,041,084,524 as indicated below:

**Table 1: Procurement Plan Implementation Rate**

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	169,341,903,514
Total procurement spend value inclusive of VAT (UGX)	133,920,259,648
Procurement plan implementation rate (%)	79.1%
Implementation variance (UGX)	35,421,643,866

#### Implication

The Entity failed to deliver services worth UGX 35,421,643,866 to the intended beneficiaries.

#### Management response

*The procurement spend of 12.5% missed out figures spent on donor funded projects like MATIIP-2 which had a procurement expenditure of UGX 65,915,677,975 and PRELNOR with an Expenditure of UGX 46,703,762,683. When these two figures are considered, the performance goes up to 79.1%.*

*The COVID-19 pandemic also undermined the ability of the Ministry to fully implement its planned activities as per the procurement plan, because the pandemic came with a lockdown and a subsequent staff reduction to not exceeding 30%. Even the Contractors were never spared by the lockdown since they had to suspend work to adhere to the Ministry of Health prevention guidelines. This affected the progression of work at numerous sites that translated into very few interim certificates getting presented to the Ministry for payment.*

#### Recommendations

The Accounting Officer should carry out periodic review of the Entity's procurement plan to ensure full implementation of planned activities in accordance with Section 58 (4) of the PPDA Act, 2003.

#### 2.1.2 Efficiency in the procurement process

Section 43 of the PPDA Act 2003 as amended provides that all procurements should be conducted in a manner that promotes economy and efficiency. The Authority however observed that there were delays across the different stages of the procurement process as shown below:

**Table 2: Delayed approval of contract award**

S/no	Subject of Procurement	PPDA Findings
1.	Procurement of services to install, configure a LAN at eight Elogrev roll out sites  Access IT Ltd UGX 129,800,000	Delayed approval of contract award: The evaluation process was concluded on 24 <sup>th</sup> September 2019. However, the Contracts Committee awarded the contract on 14 <sup>th</sup> November 2019, approximately a month and 28 days later.
2.	Procurement of laptops  Express Automation Ltd UGX 19,800,000	Delayed approval of contract award: The evaluation process was concluded on 18 <sup>th</sup> September 2019. However, the Contracts Committee awarded the contract on 10 <sup>th</sup> December 2019, approximately 3 months later.
3.	Printing services of local council courts guidelines  Real Concepts Ltd UGX 128,456,688	Delayed approval of contract award: The evaluation process was concluded on 20 <sup>th</sup> March 2020. However, the Contracts Committee approved contract award on 14 <sup>th</sup> May 2020, approximately a month and 18 days later.
4.	Hotel Services for Lira and Masaka Districts Lot 1-Lira Hotel Ltd and 2-Maria Flo Hotel  UGX Lot 1: UGX 25,429,000 and Lot 2: UGX 38,090,400.	Delayed approval of submission to Contracts Committee: The submission to the Contracts Committee (CC) requesting approval of the method, Evaluation Committee and the bidding document was approved on 12 <sup>th</sup> March 2020 yet the Accounting Officer confirmed funding on 12 <sup>th</sup> February 2020. The Procurement and Disposal Unit made the submission on 10 <sup>th</sup> March 2020.
5.	Supply of assorted value additional facility for Lot 9 (A), Soroti Central Municipal Council, Soroti District  Coronation Developers U Ltd UGX 15,597,077,487	Delayed evaluation: This was as a result of the disagreements between the Entity and the Funder which delayed the evaluation process. The entire evaluation process took one year and 1 month, i.e., the bid closing date was 10 <sup>th</sup> August 2018. However, the evaluation report was submitted on 23 <sup>rd</sup> September 2019. The objective of the procurement which is enhancement of vendor incomes, reduction of post harvest losses and economic growth was ultimately delayed. Such an occurrence not only makes the acquisition process expensive for Government but is also likely to negatively affect the reputation of the Entity.
6.	Consultancy services for design review and construction supervision of Kabale Central Market in Kabale Municipality under MATIP  Sileshi Consult Consulting Architects and Engineers Pvt Co.	Delayed evaluation of the expression of interest. The Entity advertised the expression of interest in order to obtain a shortlist on 25 <sup>th</sup> January 2019 with a deadline of 15 <sup>th</sup> February 2019. However, the evaluation of the expressions of interest was concluded on 27 <sup>th</sup> June 2019, a delay of 4 months.

S/no	Subject of Procurement	PPDA Findings
	Ltd UGX 788,646,265	

### **Implication**

Delays in the procurement process create a lengthy lead time which consequently impedes timely service delivery.

### **Management response**

#### **1. Procurement of services to install, configure a LAN at eight Elogrev roll out sites and Procurement of laptops:**

*During this period, one of the members of the Contracts Committee (the Secretary) was promoted and transferred. Given the field based nature of the Ministry, raising a quorum became a challenge. However, the Secretary was later appointed.*

#### **2. Printing services of local council courts guidelines**

*This was a result of the lockdown period which led to a reduction in the number of staff to 30%. It affected the activities of the Ministry bearing in mind that majority of the Ministry's work is field based.*

#### **3. Hotel Services for Lira and Masaka Districts**

*There was a challenge caused by the fact that workshops were to be held upcountry in the areas where the Ministry did not have prequalified hotel service providers. Time was lost in trying to establish the existence of suitable Hotels with capacity, appropriate facilities and willingness to host the meetings of that kind of size.*

#### **4. Supply of assorted value additional facility for Lot 9 (A), Soroti Central Municipal Council, Soroti District**

*This procurement required prior review by the financing agency (No Objection). Obtaining a No Objection took a long time. The Ministry submitted requests for no objection on 23<sup>rd</sup> August 2018 but received the clearance on 23<sup>rd</sup> September 2019. The correspondences are available for review.*

#### **5. Consultancy services for design review and construction supervision of Kabale Central Market in Kabale Municipality under MATIP**

*This procurement required prior review by the financing agency (No Objection). Obtaining a No Objection took a long time. The Ministry submitted requests for no objection on 27<sup>th</sup> March 2019 but received the clearance on 20<sup>th</sup> June 2019. The correspondences are available for review.*

### **Recommendation**

The Accounting Officer should ensure that procurements are conducted in a manner that promotes efficiency and achieves value for money.

#### **2.1.3. Unfair evaluation**

The Authority observed issues of unfairness during the evaluation process as shown in the table below:

**Table 3: Unfairness during the evaluation process**

S/no	Subject of Procurement	PPDA Findings
1.	Procurement of laptops  Express Automation Ltd UGX 19,800,000	Recommendation of contract award to a firm that did not provide evidence of fulfillment of obligation to pay taxes: Express Automation U Ltd did not submit evidence indicating that the firm was tax compliant. However, the Evaluation Committee recommended the firm for contract award. Although the firm submitted a certificate of registration, the document only provides information on the type of tax registered for and does not in any way show proof of fulfillment of an obligation to pay taxes.
2.	Procurement of furniture  Associated Business Machinery UGX 51,967,200	Recommendation of contract award to a firm that did not provide evidence of fulfillment of obligation to pay taxes: Associated Business Machinery did not submit evidence indicating that the firm was tax compliant. However, the Evaluation Committee recommended the firm for contract award. Although the firm submitted a certificate of registration, the document only provides information on the type of tax registered for and does not in any way show proof of fulfillment of an obligation to pay taxes.
3.	Supply of assorted value additional facility for Lot 9 (A), Soroti Central Municipal Council, Soroti District  Coronation Developers U Ltd UGX 15,597,077,487	Unfair payment terms in the bidding document: The payment terms only considered the supply and not the civil works despite pleas from bidders during the pre-bid meeting which could have disoriented other bidders hence the low turn-up. These were revised later during contract execution. Out of the twenty two bidders that bought solicitation documents at UGX 500,000, only 4 submitted bids.

### **Implication**

Unfairness during evaluation leads to contract award to non-compliant bids and compromises on benefits of maximum competition.

### **Management response**

#### **1. Procurement of laptops and Procurement of furniture**

*There was an omission as a result of using prequalified firms which submitted evidence of tax compliance at the time of prequalification. However, moving forward management will ensure that compliance with this requirement is never compromised.*

#### **2. Supply of assorted value additional facility for Lot 9 (A), Soroti Central Municipal Council, Soroti District**

*The Entity was looking for companies with strong financial capacity given that this was an expensive facility, so a company that would be able to sustain the project to completion was required.*

## **Recommendation**

Evaluation Committees should strictly adhere to the evaluation criteria outlined in the solicitation documents and firms that do not comply should be eliminated in accordance with Regulation 7 (1) of the PPDA (Evaluation) Regulations, 2014.

### **2.1.2.1 Falsification of documents by bidders**

The bidders submitted falsified documents in their bids. This act was a breach of clause 4 of the Code of Ethical Conduct for bidders and providers (signed by the bidders) on confidentiality and accuracy of information and a fraudulent practice as defined in the Code of Conduct. This is explained below:

#### **a. Designing and printing of awareness materials (calendars, dairies and posters) by Leads Initiatives Ltd worth UGX 76,245,700**

- i. Leads Initiatives Ltd submitted an invalid tax clearance certificate Reference Number CR01190175175. The company falsified the information contained in the document submitted to make it appear as though it was issued by URA. However a search on the URA system revealed that the reference number was invalid therefore making the document invalid. This means that the Evaluation Committee recommended the firm that was not tax compliant.

In addition, the firm quoted a price inclusive of VAT of UGX 11,628,900 yet it is not registered to remit that type of tax to URA. Although the Entity did not pay the money, it further exposes the fraudulent acts of the company.

- ii. Resteve International Ltd, a bidder during the process, also falsified the tax clearance certificate submitted in its bid, reference number CR01190011183. Although the document was indeed issued by URA on 7<sup>th</sup> August 2018 for the tax period from 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2019 to the Ministry of Local Government, in order to obtain an advantage, the company altered the issue date to 11<sup>th</sup> October 2019 and the tax period to 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020.
- iii. Libra Uganda Ltd submitted an invalid tax clearance certificate Reference Number CR0119014258.

#### **b. Documentary by Kaska Ltd worth UGX 32,216,000**

- i. Kaska Ltd submitted a transaction tax clearance reference number KYL1190098737. Although the document was indeed issued by URA on 22<sup>nd</sup> February 2019 for the period 1<sup>st</sup> January 2019 to 31<sup>st</sup> December 2019, it was issued to Research Triangle Institute (RTI) and not Ministry of Local Government. In order to obtain an advantage, the company altered the addressee's legal name to reflect the name Ministry of Local Government as opposed to RTI which was the name in the document issued by URA. The issue date also changed from 22<sup>nd</sup> February 2019 to 9<sup>th</sup> July 2019.

In addition, the firm submitted a tax clearance certificate Ref No KYL1200040471 issued by URA on 12<sup>th</sup> September 2019. However, by this time, deadline for bid submission had elapsed on 15<sup>th</sup> July 2019, the evaluation process concluded on 18<sup>th</sup> July 2019 and the contract had already been signed on 15<sup>th</sup> August 2019.

- ii. Multicom Media Ltd submitted an invalid tax clearance certificate Reference Number

CR0119002513. The company falsified the information contained in the document submitted to make it appear as though it was issued by URA. However a search on the URA system revealed that the reference number was invalid therefore making the document invalid. This means that the Evaluation Committee recommended the firm that was not tax compliant. This act was also a breach of clause 4 of the code of ethical conduct for bidders and providers on confidentiality and accuracy of information and a fraudulent practice as defined in the code of conduct.

### Implications

Unfair practices are a breach of the code of ethical conduct for bidders and one of the fundamental principles of public procurement.

### Management Response

*Management welcomes the move of suspending the firms involved. The Ministry has since adapted to checking for document authenticity from URA website for every evaluation.*

### Recommendations

The Authority shall commence the process of suspension of the firms and providers under Section 94 (a) of the PPDA Act, 2003 as amended.

## 2.2 To establish the level of compliance with the PPDA Act, 2003 and Regulations, 2014 in the conduct of procurement and disposal activities

### 2.2.1 Irregularities in the bidding process

The following irregularities were observed during the audit:

**Table 4: Irregularities in the bidding process**

S/no	Subject of Procurement	PPDA Findings	Management Response
1.	Consultancy services for design review and construction supervision of Kabale Central Market in Kabale Municipality under MATIP  Sileshi Consult, Consulting Architects and Engineers Pvt Co. Ltd UGX 788,646,265	Lack of evidence of receipt of the RFP by a consultant: There was no evidence in form of a signed receipt or other confirmation of receipt of the request for proposal from the consultant to whom a request for proposal is issued. Out of the 6 shortlisted firms, only 4 consultants submitted proposals.	
2.	Supply of android tablets, power banks, Samsung chargers for data collection  Savara International Ltd UGX 60,550,000	Short listing non-prequalified firms: None of the firms on the short list was prequalified with the Entity.	<i>Because the Entity doesn't have prequalified list under the category of tablets, power banks and chargers, the choice of the shortlist was influenced by market knowledge since it is not</i>
3.	Documentary		

S/no	Subject of Procurement	PPDA Findings	Management Response
	Kaska Ltd UGX 32,216,000		<i>a regular procurement</i>

**Implication**

This is an unfair practice that disadvantages the other bidders that are prequalified with the Entity.

**Recommendations**

The Head Procurement and Disposal Unit should ensure that shortlists are prepared in accordance with Regulation 43 (3) and (5) of the PPDA (Rules and Methods for Procuring Supplies, Non-consultancy services and Works) Regulations, 2014.

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

**2.3.1 Change in scope during contract management**

In the supply and delivery of computer items for the ministry worth UGX 110,330,000, the Contracts Committee approved the procurement of 18 desktops, 1 laptop, 4 printers and 18 UPS. However, the provider delivered 8 desktops, 1 laptop, 1 printer and 8 UPS. There was no approval of the change in quantities.

**Implication**

This casts doubt on whether the Entity achieved/will achieve value for money.

**Management Response**

*Whereas the approved contract price was UGX 110,330,000, The Ministry experienced a shortfall in the releases and scaled down and issued an LPO of UGX 49,737,000 based on available funds. The delivery was made to the extent of the available funds.*

**Recommendation**

The appointed Contract Managers should make certain that providers perform the contracts in accordance with the terms and conditions specified in the contracts and where there is a breach, the Contract Managers should initiate termination of the contracts in accordance with Regulation 56 of the PPDA (Contracts) Regulations 2014.

### CHAPTER 3: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

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

#### 3.1 Overall Audit Conclusion

The performance of Ministry of Local Government for the Financial Year 2019/20 was **satisfactory** with an overall weighted average risk rating of **37.4%**.

**Table 7: The risk rating is as follows:**

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

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

**Table 8: Summary of performance of Ministry of Local Government**

Risk Rating	No	%	Weight	Weighted score by No.	Value (UGX)	%	Weight	Weighted score by value
	No	Value						
High	1	6.67	0.6	4	64,605,000	0.342723875	0.6	0.205634325
Medium	6	40	0.3	12	16,759,467,040	88.90750693	0.3	26.67225208
Low	3	20	0.1	2	201,080,000	1.066711814	0.1	0.106671181
Satisfactory	5	33.3	0	0	1,825,300,096	9.683057376	0	0
<b>Total</b>	<b>15</b>	<b>100</b>	<b>1</b>	<b>18</b>	<b>18,850,452,136</b>	<b>100</b>	<b>0</b>	<b>26.98455759</b>

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{18}{60} \times 100 = 30\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{26.98}{60} \times 100 = 44.96\%$$

$$\text{Combined Weighted Average} = \frac{30+44.96}{2} = 37.4\%$$

Figure 1: Risk Rating by Number

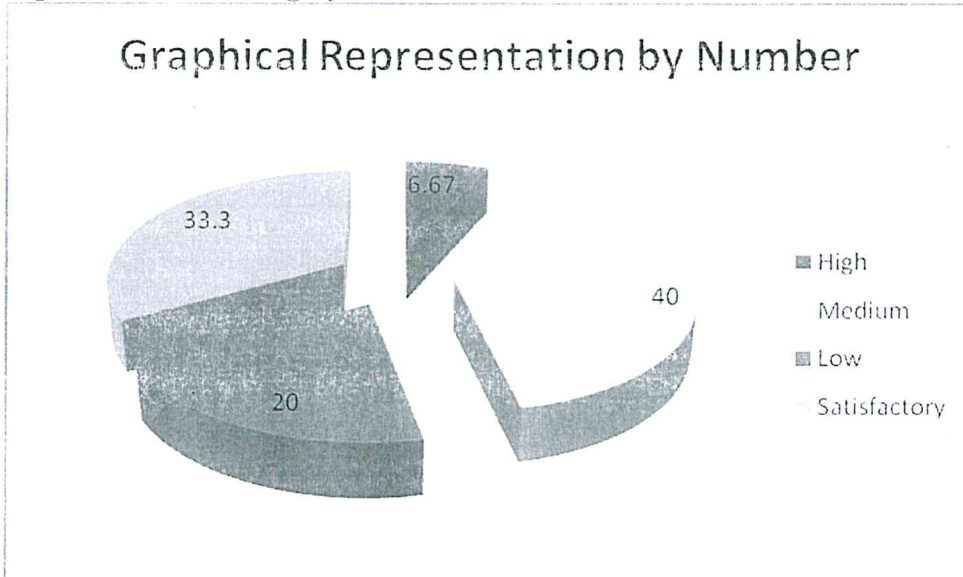
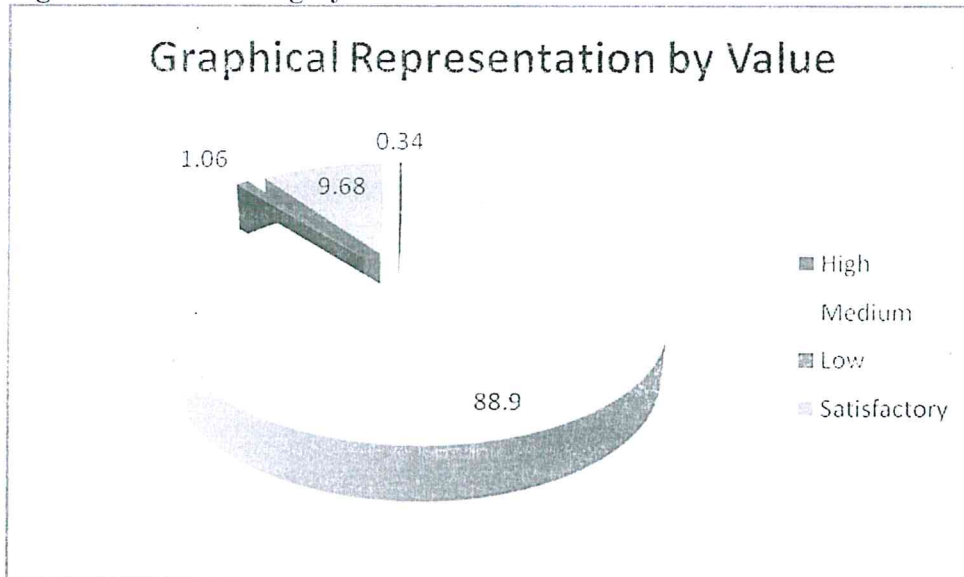


Figure 2: Risk Rating by Value



### 3.2 Recommended Action Plan

Ministry of Local Government should implement the following recommendations in order to improve its performance in procurement and disposal function.

**Table 9: Recommended Action Plan**

No	Observation	Recommendation	Action Date
1.	Delayed approval of contract award	The Accounting Officer should ensure that procurements are conducted in a manner that promotes efficiency and achieves value for money.	Continuous
2.	Unfair evaluation	Evaluation Committees should strictly adhere to the evaluation criteria outlined in the solicitation documents and firms that do not comply should be eliminated in accordance with Regulation 7 (1) of the PPDA (Evaluation) Regulations, 2014.	Continuous
3.	Irregularities in the bidding process	The Head Procurement and Disposal Unit should ensure that shortlists are prepared in accordance with Regulation 43 (3) and (5) of the PPDA (Rules and Methods for Procuring Supplies, Non-consultancy services and Works) Regulations, 2014.	Continuous
4.	Change in scope during contract execution without approval	The appointed Contract Managers should make certain that providers perform the contracts in accordance with the terms and conditions specified in the contracts and where there is a breach, the Contract Managers should initiate termination of the contracts in accordance with Regulation 56 of the PPDA (Contracts) Regulations 2014.	Continuous

## ANNEXES

### Annex A: Summary Case by Case Findings

#### HIGH RISK RATED CONTRACTS

Sn.	High Risk Contracts	Reasons for Risk Rating
1.	Design and print of awareness materials (calendars, diaries and posters) Leads Initiatives Ltd UGX 64,605,000	Falsification of documents by bidders. (Leads initiatives Ltd submitted a price inclusive of VAT yet the firm is not VAT registered, Restive International Ltd submitted a false tax clearance certificate, Libra Uganda Ltd submitted an invalid tax clearance certificate, Kaska Ltd submitted an invalid tax clearance certificate, Multicom media submitted an invalid tax clearance certificate).

#### MEDIUM RISK RATED CONTRACTS

Sn.	Medium Risk Contracts	Reasons for Risk Rating
1.	Hotel Services for Lira and Masaka Districts Lot 1-Lira Hotel Ltd and 2-Maria Flo Hotel  UGX Lot 1: UGX 25,429,000 and Lot 2: UGX 38,090,400.	Delayed approval of contract award
2.	Printing services of local council courts guidelines Real Concepts Ltd UGX 128,456,688	Delayed approval of contract award
3.	Procurement of services to install, configure a local area network(LAN) at eight Elogrev roll out sites Access IT Ltd UGX 129,800,000	Delayed approval of contract award
4.	Procurement of office furniture Associated Business Machinery UGX 51,967,200	Lack of evidence of fulfilment of obligation to pay taxes:

Sn.	Medium Risk Contracts	Reasons for Risk Rating
5.	Consultancy services for design review and construction supervision of Kabale Municipality under MATIP-2 Sileshi Consult, Consulting Architects & Engineers Pvt Co. Ltd UGX 788,646,265	Delayed evaluation of expression of interest
6.	Supply of Assorted Value Additional facility for Lot 9 (A), Soroti Central Municipal Council, Soroti District Coronation Developers (U) Ltd UGX 15,597,077,487	Delayed evaluation

#### LOW RISK RATED CONTRACTS

Sn.	Low Risk Contracts	Reasons for Risk Rating
1.	Documentary Kaska Limited UGX 30,200,000	Short listing non prequalified firms.
2.	Supply of android tablets, power banks, Samsung chargers for data collection Savara International Ltd UGX 60,550,000	Short listing non prequalified firms.
3.	Supply and delivery of Computer items for the ministry Eurasia Business Systems (U) Ltd UGX 110,330,000	Change in scope during contract signing without approval

**SATISFACTORY CONTRACTS**

<b>Sn.</b>	<b>Medium Risk Contracts</b>
1.	Computers for Local Council Desk Officers Kata Technologies UGX 189,862,000
2.	Procurement of laptops Express Automation Ltd UGX 19,800,000
3.	Printing of Ministerial Policy Statement for FY 2020/21 Kangaroo (U) Ltd UGX 41,054,560
4.	Procurement of heavy duty photocopier for policy and planning LG sector secretariat department Eurasia Business Systems (U) Ltd UGX 74,646,800
5.	Contract amendment for the Installation and Commissioning to roll out Elogrev in six (6) new sites Direct procurement method Tucksee PYT Ltd UGX 1,499,936,736

Annex B: Transaction list and rating per case

No.	Reference number	Subject of procurement	Procurement method	Provider	Contract value (UGX)	Risk Rating
1.	MoLG/SRVCS/14-15/00167	Contract amendment for the Installation and Commissioning to roll out Elogrev in six (6) new sites	Direct Procurement	Tucksee PYT Ltd	1,499,936,736	Satisfactory
2.	MoLG/MATIP-2/WRKS/2018-19/00001	Supply of Assorted Value Additional facility for Lot 9 (A), Soroti Central Municipal Council, Soroti District	International Competitive Bidding	Coronation Developers (U) Ltd	15,597,077,487	Medium Risk
3.	MoLG/MATIP-2/CONS/2018-19/00099	Consultancy services for design review and construction supervision of Kabale Municipality under MATIP-2	Request for Expression of Interest	Sileshi Consult, Consulting Architects & Engineers Pvt Co. Ltd	788,646,265	Medium Risk
4.	MOLG/PRELNOR/S RVCS/19-20/0025	Supply of Android tablets, power banks, samsung chargers for data collection	Quotations	Savara International Ltd	60,550,000	Low Risk
5.	MOLG/PRELNOR/S RVCS/19-20/0025	Designing and printing of Awareness materials (calendars, diaries and posters)	Quotations	Leads Initiatives Ltd	76,245,700	Medium Risk
6.	MoLG/NCONS/19-20/00105	Consideration of approval of an Evaluation Report for Hotel Services for Lira and Masaka Districts (Lot 1&2)	Quotations	Lot 1: M/s Lira Hotel Ltd Lot 2: M/S Maria Flo Hotel	Lot 1:25,429,000 Lot 2:38,090,400	Medium Risk
7.	MOLG/NCONS/2019-20/0079/LCD	Printing services of local council courts guidelines	Restricted Domestic Bidding	Real Concepts Ltd	128,456,688	Medium Risk
8.	MoLG/NCONS/19-20/00012/TREP	Procurement of services to install, configure a local	Restricted Domestic	Access IT Ltd	129,800,000	Medium Risk

No.	Reference number	Subject of procurement	Procurement method	Provider	Contract value (UGX)	Risk Rating
		area network(LAN) at eight Elogrev roll out sites	Bidding			
9.	MoLG/SPLS/19-20/00028/P&P	Procurement of heavy duty photocopier for policy and planning LG sector secretariat department	Quotations	Eurasia Business Systems (U) Ltd	74,646,800	Satisfactory
10.	MoLG/SPLS/19-20/00075/F&A	Supply and delivery of Computer items for the ministry	Restricted Domestic Bidding	Eurasia Business Systems (U) Ltd	110,330,000	Low Risk
11.	MoLG/SPLS/19-20/00080/LCD	Computers for Local Council Desk Officers	Restricted Domestic Bidding	Kata Technologies	189,862,000	Satisfactory
12.	MoLG/SPLS/19-20/00083/P&P	Printing of the Ministerial Policy statement for FY 2020/21	Quotations	Kangaroo (U) Ltd	41,054,560	Satisfactory
13.	MoLG/SUPLS/19-20/00030/F&A	Procurement of office furniture	Quotations	Associated Business Machinery	51,967,200	Medium Risk
14.	MoLG/SPLS/19-20/00002/UI	Procurement of laptops	Quotations	Express Automation Ltd	19,800,000	Satisfactory
15.	MOLG/PREL/NOR/S RVCS/19-20/0060	Documentary	Quotations	Kaska Limited	32,216,000	Low Risk
		<b>Total</b>			<b>18,864,108,836</b>	