



**PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY**
"Procurement That Delivers"

**PROCUREMENT AND DISPOSAL AUDIT REPORT FOR THE
UGANDA NATIONAL BUREAU OF STANDARDS FOR THE
FINANCIAL YEAR 2022/2023**

SEPTEMBER 2024

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Acronyms

AO	Accounting Officer
CC	Contracts Committee
EC	Evaluation Committee
FY	Financial Year
HPDU	Head, Procurement and Disposal Unit
LPO	Local Purchase Order
NOBEB	Notice of Best Evaluated Bidder
ODB	Open Domestic Bidding
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
SBD	Standard Bidding Document
UNBS	Uganda National Bureau of Standards

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out a performance audit of the Uganda National Bureau of Standards (UNBS). The audit covered a representative sample of 15 procurement transactions under the Financial Year 2022/2023.

The overall objective of the audit was to assess and establish the degree of compliance of the Uganda National Bureau of Standards' procurement system, process, and disposal process with the provisions of the PPDA Act, Cap. 205, PPDA Regulations 2014, and PPDA Guidelines and assess the level of procurement performance over the audit period.

From the findings of the performance audit exercise, the performance of the Uganda National Bureau of Standards in the Financial Year 2022/2023 was **satisfactory** with an overall weighted average risk rating of **25.4%**. The risk rating was weighted to determine the overall risk level of the Entity as detailed in Chapter 3 of the audit report.

During the course of the procurement and disposal audit, the Authority identified a number of key positives and best practices exhibited by the Entity in the conduct of procurement and disposal processes. These included:

1. The Procurement and Disposal Unit diligently performs its functions and powers in accordance with Sections 33 and 34 of the PPDA Act Cap 205; and
2. Reporting to the Authority: The Entity is commendably compliant in the submission of their monthly reports on procurements and disposals undertaken by the Entity in accordance with Regulation 15 (1) of the PPDA (Procuring and Disposing Entities) Regulations, 2023. There was no month where the Entity did not report on their transactions.
3. Record keeping: The Entity has commendable record keeping, especially in the Procurement and Disposal Unit in accordance with Section 44 of the PPDA Act, Cap. 205. Whatever documents were required by the audit team were on file or readily availed
4. Adherence to procurement procedures: The Entity largely adhered to procurement and disposal procedures in accordance with Section 34 (c) of the PPDA Act, Cap. 205, except for the few exceptions noted by the audit.

The following key exceptions were noted:

1. The Entity did not implement four (50%) out of the eight recommendations made contrary to Section 10 of the PPDA Act, Cap 205. This affects improved performance of the procurement function;
2. The Entity did not implement 59.5% of the procurement plan equivalent to UGX 8,110,594,655 and no effort was made to update the plan contrary to Regulation 4 of the

PPDA (Procurement Planning) Regulation, 2023 which deprived service delivery to the intended beneficiaries;

3. Low bidder participation rate in three procurements worth UGX 187,005,962. Whereas on average five bidders were invited under the Request for Quotation method, the Authority noted that averagely 1.6 bids were received on each procurement. This hinders effective competition and achievement of value for money;
4. The Procurement and Disposal Unit delayed to submit documents to the Contracts Committee for approval of the procurements for supply and delivery of 9 double cabin pickups and supply and delivery of Laboratory and scientific equipment - Real time qPCR machine by 25 and 75 working days respectively contrary to Section 51 of the PPDA Act, Cap. 205. These documents included the procurement methods, bidding documents, shortlists, and the composition of the Evaluation Committees. Delays in the procurement process create lengthy lead times which consequently impedes timely service delivery;
5. Delays in the procurement process from when the requisition were initiated by the User Departments to when the Accounting Officer confirmed availability of funds. In the procurement for supply and delivery of set of check pump measures (5L, 10L & 20L), there was a delay of 64 days and in the procurement for equipment maintenance, servicing and repairs under framework, there was a delay of 21 days contrary to Section 5 of the PPDA Act, Cap 205. This creates lengthy lead times which consequently impede timely service delivery;
6. Delayed signing of contracts with providers contrary to Section 51 of the PPDA Act, Cap. 205. In the two procurements worth UGX 292,445,583, it was noted that an average of 38.5 days was taken from the Best Evaluated Bidder expiry date to contract signing date. Delays in contract signing impede timely service delivery;
7. Delayed completion of contracts in seven procurements worth UGX 2,306,087,327 contrary to Regulation 54 (1) of the PPDA (Contracts) Regulation, 2023. It was noted that an average of 51 days was taken from the date of expected contractual delivery to the actual delivery which delayed service to its intended beneficiaries.

In light of the above exceptions, the Authority recommends the following:

1. The Accounting Officer should;
 - i. Monitor the implementation of all the Authority's recommendations in accordance with Section 28 of the PPDA Act, Cap 205;
 - ii. Regularly review and update the procurement plan and send a copy sent to the Authority in accordance with Section 60 (8) of the PPDA Act, Cap 205;

- iii. Organize symposiums with bidders to encourage them to participate in the Entity's procurement processes so as increase competition in accordance with Section 49 of the PPDA Act, Cap. 205.
 - iv. Engage the Authority for capacity building of User Departments in preparation of statement of requirements in accordance with Regulations 34 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy services) Regulations, 2023;
 - v. Ensure that contracts are signed in a manner that enhances efficiency for effective service delivery in accordance with Section 51 of the PPDA Act, Cap 205.
 - vi. Provide a plan to the Authority on how he intends to eliminate delays in the procurement process.
2. The Head Procurement and Disposal Unit should;
- i. Update the procurement plan whenever necessary in accordance with Regulations 4 of the PPDA (Planning) Regulations, 2023.
 - ii. Consider using the PPDA Register of Providers available on the Electronic Government Procurement system (eGP) to widen the scope of participating bidders in accordance with Regulation 53 (3) (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
3. User Departments should;
- i. Prepare and submit statement of requirements in a timely manner to enable the PDU make timely submissions to the Contracts Committee in accordance with Section 51 of the PPDA Act, Cap.205.
 - ii. Ensure that the delivery timelines stated in the contracts are realistic basing on the available circumstances.
 - iii. Ensure that the planned timelines are adhered to in order to promote efficiency in service delivery in accordance with Section 51 of the PPDA Act, Cap 205.
4. The Contract Managers should ensure that a provider meets all performance or delivery obligations in accordance with Regulations 52(3)(i) of the PPDA (Contracts) Regulations, 2023.

Uganda National Bureau of Standards should implement the recommended action plan on **pages 14 and 15.**

CHAPTER 1: INTRODUCTION

1.1 Structure of the Entity

According to Section 28 of the PPDA Act, Cap. 205, the Accounting Officer has the overall responsibility for the successful execution of procurement, disposal, and contract management in a Procuring and Disposing Entity.

The Permanent Secretary/Secretary to the Treasury of the Ministry of Finance, Planning & Economic Development approved the members of the Contracts Committee listed in Table 1 below:

Table 1: Membership of the Contracts Committee

No	Name	Designation	Position on Committee	Date of appointment
1.	Eng. John Paul M	Deputy Executive Director	Chairperson	11 th March 2022
2.	Mr. Johnson Allan S	Technical Executive Assistant	Secretary	11 th March 2022
3.	Mr. Hakim Mufumbiro	Principle Standards Officer	Member	11 th March 2022
4.	Ms. Lydia Kasule	Principle Human Resources	Member	11 th March 2022
5.	Ms. Margret Tushemereirwe	Legal Officer	Member	11 th March 2022

According to Section 34 of the PPDA Act, Cap. 205, all procurement or disposal activities of the Procuring and Disposing Entity except adjudication and the award of contract are to be managed by the Procurement & Disposal Unit. The Procurement and Disposal Unit during the financial year under review was headed by Mr. Godfrey Babalanda (Principal Procurement Officer).

1.2 Background

The Public Procurement and Disposal of Public Assets Authority carried out a performance audit of the Uganda National Bureau of Standards that covered a representative sample of fifteen (15) procurement transactions. 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 PPDA Regulations, 2023.

1.3 Main Audit Objectives

The overall objective of the performance audit was to assess and establish the degree of compliance of the Uganda National Bureau of Standard's procurement and disposal system and processes with the provisions of the PPDA Act, Cap. 205, and the PPDA Regulations, 2023 and to assess the level of procurement performance over the audit period.

The specific objectives were to establish:

- i. The level of compliance with the PPDA Act, Cap. 205 and PPDA Regulations, 2023 in the conduct of procurement activities for the audit period;
- ii. The level of compliance with the PPDA Act, Cap. 205 and PPDA Regulations, 2023 in the conduct of disposal activities for the audit period; and
- iii. The level of efficiency and effectiveness in contract implementation of the procurement and disposal activities undertaken in the audit period including the application of Environmental, Social, Health, and Social safeguards (ESHS) where applicable.

1.4 Audit Scope

The audit involved a review of the procurement process, disposal process, general compliance issues, and contract implementation of the 15 transactions under Financial Year 2022/23 contained in **Annex C**.

1.5 Audit Methodology

The auditors examined records and documents for each sampled procurement transaction 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.

During the audit, the auditors held interviews with the staff from the Procurement and Disposal Unit (PDU) and User Departments that were necessary for 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 **10th June 2024** before the auditors could embark on the preparation of the management letter. The auditors prepared the management letter, which was sent to the Entity on **25th June 2024** with a request to submit a management response by **28th June 2024**, which was submitted on **2nd July 2024**. The exit meeting was held on **2nd July 2024** at PPDA Head Office, PPDA-URF Tower, Nakasero Road, Kampala. A rejoinder to the Management response was submitted on **3rd July 2024**.

On completion of data collection and before writing the report, the Audit Manager reviewed the working papers for completeness. The working papers contain a 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 Compliance with the PPDA Act, Cap. 205 and PPDA Regulations, 2023 in the conduct of procurement activities in FY 2021/2022 & 2022/2023

Procuring and Disposing Entities are required to apply the public procurement and disposal rules set out in the PPDA Act, Cap. 205, Regulations, 2023, and Guidelines, 2014. The following areas of non-compliance were noted during the audit:

2.1.1 Failure to fully implement the previous audit recommendations

The Entity was issued with a compliance audit report for the Financial Year 2021/2022 on 18th November 2022. Out of the eight recommendations made, four (50%) were not fully implemented, as indicated in Table 2 below:

Table 2: Status of implementation of previous audit recommendations

No.	Recommended Action	Implementation Status	Response
1	The Accounting Officer should ensure that the Entity puts in place mechanisms to implement recommendations made by the Authority to improve on the functionality of the procurement function	Partially implemented	The Accounting Officer is now committed to ensure that the PPDA recommendations are implemented for appropriate procurement function.
2	The Accounting Officer should ensure efficiency in the procurement processes in accordance with Section 43(e) of the PPDA, Act 2003.	Partially implemented	The procurement system is effective but needs refresher training on PPDA amendments
3	Contract Managers should ensure that the contract terms and conditions are adhered to by both the providers and the Entity such as providing the Performance Security to protect the Entity against contract non-performance	Partially implemented	PDU and Contract Managers are closely working with providers to ensure the contractual terms are adhered to by the Service provider
4	The Accounting Officer should task Heads of User Departments and Contract Managers to ensure that contracts are implemented within the contractual terms and condition in accordance with Regulation 53 of the PPDA (Contracts) Regulations, 2023.	Partially implemented	Contract Managers are closely working with Providers to ensure the contractual terms are adhered to by the service provider

Risk implication

Implementation of audit recommendations aids strengthening of internal controls within the Entity and where recommendations are not fully implemented. Failure to fully implement audit recommendations affects improved performance of the procurement function

Recommendation

The responses were noted, the Accounting Officer is further urged to monitor the implementation of all the Authority's recommendations in accordance with Section 10 of the PPDA Act, Cap. 205.

2.1.2 Failure to implement 59.5% of the procurement budget of the Entity

The Authority assessed the Entity's procurement plan for the FY 2022-23. Table 3 below details information about the plan and utilization of funds. The procurement plan implementation rate was 40.5% with a variance of UGX 8,110,594,655 (59.5%).

Table 3: Procurement Plan Implementation

Analysis of procurement spend	
Total procurement plan value inclusive of VAT (UGX)	13,652,547,972
Total procurement spend value inclusive of VAT (UGX)	5,541,953,317
Procurement plan implementation rate (%)	40.5%
Implementation variance (UGX)	8,110,594,655

Risk implication

Procurements worth UGX 8,110,594,655 (59.5%) were not implemented which deprived service delivery to the intended beneficiaries.

Management Response

In the fiscal year 2022-2023, the Uganda National Bureau of Standards (UNBS) faced significant budget cuts, with its allocation reduced from UGX 64 billion to UGX 46 billion.

This drastic reduction severely hampered all operational activities. Furthermore, the development budget approved at UGX 4.592 billion was not fully disbursed, with only UGX 3.199 billion being released, resulting in a deficit of UGX 1.393 billion.

These unforeseen budgetary constraints impacted not only the procurements planned for the year but also those carried over from previous years, which were expected to be finalized within the same fiscal year. Consequently, the total value of unfulfilled procurements amounted to UGX 8.110 billion by the end of the financial year on June 30, 2023. Throughout this period, UNBS has maintained ongoing discussions with the Ministry of Finance, Planning and Economic Development (MOFPED) to secure adequate and prompt budget allocations in line with the agreed-upon budget.

The Accounting Officer in liaison with the Head of Finance and Head of PDU will monitor the fund releases by MOFPED and update the procurement plan quarterly to reflect available funds

Recommendation

- The response is noted, however; the Accounting Officer should ensure that the procurement plan is regularly reviewed, updated and a copy sent to the Authority in accordance with Section 60 (8) of the PPDA Act, Cap. 205.
- In the event that amendments are made to the procurement plan due to prevailing circumstances, the Head Procurement and Disposal Unit should update the procurement plan in accordance with Regulations 4 of the PPDA (Planning) Regulations, 2023.

2.2 Level of compliance with the PPDA Act, Cap. 205 and Regulations, 2023 in the conduct of procurement and disposal activities

2.2.1 Low bidder participation

The Authority noted a low bidder participation rate in three procurements worth UGX 187,005,962 listed in Table 4 below:

Table 4: Procurements with a low bidder participation rate

No	Subject of Procurement	Procurement method	Number of Bidders Invited	Bidder Responsive Rate
1.	Renovation of Regional Laboratory block at Mbarara UNBS/WRKS/2022-2023/00003 Basama Enterprises & Engineering Limited UGX 58,740,990 VAT Inclusive.	Request for Quotations	4	2
2.	Supply and Delivery of 500L and 200L Prover Tanks UNBS/SUPLS/2022-2023/00079 BAKMARK CROWN HOLDINGS LTD UGX 56,249,997 VAT Inclusive.	Request for Quotations	6	2
3.	Supply and delivery of Fraction weights UNBS/SUPLS/2022-2023/00047 Palin Corporation Ltd UGX 72,014,975	Request for Quotations	5	1
	Total Value of the project UGX 187,005,962			

Risk implication

Low bidder participation affects competition and hinders the achievement of value for money.

Management response

The issue of low bidder turnover is a challenge acknowledged by us. We usually invite a minimum of 4 bidders via the E-GP system but end up receiving 1 or 2 bidders and at times none. We thought after enrolment onto the e-GP system, the issue of low bidder turn-up was going to be history but it has continued to persist

Recommendation

- The Accounting Officer should organize symposiums with bidders to encourage them to participate in the Entity's procurement processes.
- The Head Procurement and Disposal Unit should consider using the PPDA Register of Providers available on the Electronic Government Procurement system (eGP) to widen the scope of participating bidders in accordance with Regulation 53 (3) (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.2.2 Delay to seek Contract Committee approvals

Section 51 of the PPDA Act, Cap. 205 provides that; "All procurement and disposal shall be conducted in a manner which promotes economy, efficiency, and value for money." The Authority noted that in two procurements worth UGX 2,172,062,803, the Procurement and Disposal Unit delayed to submit necessary documents to the Contracts Committee for approval. This information included the procurement methods, bidding documents, shortlists, and the composition of the Evaluation Committees. The Authority found that this was attributed to delayed submission of Statements of Requirements by User Departments for completion of the bidding documents and determination of the shortlist., as detailed in Table 5 below;

Table 5: Procurements with delayed submissions by the Procurement and Disposal Unit

No	Subject of procurement	Contract Value (UGX)	Accounting Officer confirmation of funding	Date of PDU's submission to CC	Delay (working days)
1	Supply and delivery of 9 double cabin pickups. UNBS/SUPLS/2022-2023/00046 Open domestic bidding MAC East Africa Ltd	1,822,500,000	3 rd August 2022	6 th September 2022	25 working days
2	Supply and delivery of Laboratory and scientific equipment - Real time qPCR machine UNBS/SUPLS/2022-2023/00046 Kobian Scientific Uganda Ltd	349,562,803	20 th October 2022	3 rd February, 2023	75 working days
	TOTAL	2,172,062,803			

Risk implication

Delays in the procurement process create lengthy lead times which consequently impede timely service delivery.

Management response

UNBS has a Capacity-building plan to train User Departments on drafting specifications, Terms of References/Scope of Work, and conducting market price assessments to simplify documentation processing.

Recommendation

- The Accounting Officer should engage the Authority for Capacity building of User Departments in preparation of statement of requirements in accordance with Regulations 34 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy services) Regulations, 2023.
- User Departments should prepare and submit requirements in a timely manner to enable the PDU make timely submissions to the Contracts Committee in accordance with Section 34 of the PPDA Act, Cap. 205.

2.2.3 Delays in the procurement process

Section 51 of the PPDA Act, Cap. 205 provides that; *"All procurement and disposal shall be conducted in a manner which promotes economy, efficiency, and value for money."* The Authority noted in two procurements worth UGX 339,950,308 there were delays from when the requisition was initiated to when the Accounting Officer confirmed availability of funds as shown in Table 6 below:

Table 6: Delays in the of the procurement process

S/N	Subject of Procurement	Issues noted
1	Supply and delivery of set of check pump measures (5L, 10L & 20L UNBS/SUPLS/22-23/00045 Palin Corporation Limited 220,430,608	There was a delay by the Accounting Officer to approve the form 5 where the procurement was initiated on 19 th October 2022 and the Accounting Officer confirmed availability of funds and approved the procurement on 13 th January 2023 causing a 64 days delay.
2	Equipment Maintenance, Servicing and Repairs - Equipment Maintenance and Repairs Under Framework by Educational Scientific and Technical Equipment Company Limited (ESTEC Ltd) UNBS/SUPLS/2022-2023/00003 UGX 119,519,700	There was a delay by the Contracts Committee to approve the bidding document, Evaluation Committee and the procurement method as the PDU made a submission to Contracts Committee on 24 th August 2022 and Contracts Committee approved the submissions on 22 nd September 2022 causing a delay 21 working days delay.

Risk Implication

Delays in the procurement process create lengthy lead times which consequently impede timely service delivery.

Management response

The delay was caused by an e-GP System upgrade which could not allow the Accounting Officer to approve the Form 5 in time. The same applied to the Contracts Committee.

Recommendation

The response has been noted; however, despite the issues with e-GP, the number of days recorded in the two procurements was too long, and no supporting evidence was provided by the Entity that indeed the e- GP system was being upgraded for 64 days in the procurement for the Supply and delivery of set of check pump measures (5L, 10L & 20L) and 21 working days in the procurement for the Equipment Maintenance, Servicing and Repairs - Equipment Maintenance and Repairs Under Framework by Educational Scientific and Technical Equipment Company Limited (ESTEC Ltd). Therefore, this was maintained.

The Authority recommends that the Accounting Officer should ensure that delays in procurement at various stages are addressed in accordance with Section 51 of the PPDA Act, Cap. 205.

2.2.4 Delay to sign contracts with providers

Section 51 of the PPDA Act, Cap. 205 provides that; *“All procurement and disposal shall be conducted in a manner which promotes economy, efficiency, and value for money.”* The Authority noted delays to sign the contract in two procurements worth UGX 292,445,583 as indicated in the table 7 below;

Table 7: Delays in signing contracts

S/N	Subject of Procurement	Noted issues
1.	Supply and delivery of fraction weights; UNBS/SUPLS/2022-2023/00047 RFQ Palin Corporation Ltd UGX 72,014,975	The Best Evaluated Bidder Notice expired on 30 th December 2022 and the contract was signed on 23 rd February 2023 citing a delay of 38 working days
2.	Supply and delivery of set of check pump measures (5L, 10L & 20L) UNBS/SUPLS/2022-2023/00045 Palin Corporation Ltd UGX 220,430,608	The Best Evaluated Bidder Notice expired on 24 th March, 2023 and the contract was signed on 18 th May, 2023 citing a delay of 39 working days.

Risk Implication

Delays in contract signing may lead to delayed service delivery.

Management response

Funds were not readily available at the time of award of the contract. Accounting Officer had to wait for the release of the funds before committing to the Entity.

Recommendation

The response is noted, however, the evidence of late release of funds was not availed. Therefore, the Accounting Officer should ensure that contracts are signed in a manner that enhances efficiency for effective service delivery in accordance with Section 51 of the PPDA Act, Cap. 205.

2.3 Level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health, and Safety safeguards (ESHS) where applicable.

2.3.1 Delayed delivery of supplies

Regulation 54 (1) of the PPDA (Contracts) Regulations, 2023 provided that “a Procuring and Disposing Entity may at any time after signing the contract issue a change order to the provider, in accordance with the contract requiring the provider to make changes within the time of performance or duration of the contract”. However, the audit revealed that in seven procurements worth UGX 2,306,087,327 there were delays in the delivery of goods as indicated in Table 8 below;

Table 8: Procurements with inefficiencies in delivery

No.	Subject of Procurement	Finding	Management Response
1	Equipment maintenance UNBS/NCONS/2022-2023/00099 Zera GmbH UGX 55,396,884	The provider took 122 days from contract signature to complete the service contrary to 30 days that were stated in the Special Conditions of Contract. Whereas the contract was signed on 19 th December 2022, the services were completed on 16 th April 2023 i.e a delay of 92 days from the required completion period of 30 days.	A duration of 30 days was proposed by the service provider Zera GmbH (German firm) to service the portable electricity meters within its premises. The employer UNBS had to ship the equipment by using a Courier service provider (DHL) that put conditions of payment of arrears plus the cost of shipment of equipment to and from Germany. The clearance by URA also took time.
2	Laboratory and Scientific Equipment-Customized Mass Standards M2 (20KG) UNBS/SUPLS/2022-2023/00044 Labx Scientific Ltd UGX. 124,932,824.5	Delayed delivery of 14 weeks. Contract was signed on 12 th June 2023 and delivery was to be affected within 8 weeks from the date of contract signing i.e 6 th September 2023. However, delivery was made on 12 th December 2023.	The goods arrived at the airport in time. However, the process of obtaining the COC and PVOC coupled with customs clearance delayed by 14 days.
3	Renovation of Regional Laboratory block at Mbarara, UNBS/WRKS/22-23/00003 Basana Enterprises and Engineering Limited	The Procuring and Disposing Entity did not apply liquidated damages to the provider who completed the works in eight months contrary to the contractual period of 60 days. The Liquidated damages were stated under SCC 28 of the	The contract period took longer than required because the 3 phases Power required for the works were not available in the building. Neighbors denied access to power from their plots. At same time UMEME and

	UGX 58,740,990	contract	Basama Enterprises Ltd had to agree on installation of a Transformer to the site which quite costly.
4	Supply and delivery of fraction weights, UNBS/SUPLS/2022-2023/00047 RFQ Palin Corporation Ltd UGX 72,014,975	40 days delay to deliver. The contract was signed on 23 rd February 2023. Delivery was to be effected within 8 weeks from contract signature. i.e. 23 rd April, 2023. However, delivery was made on 20 th June 2023.	The provider had sought for extension of the contract period which was approved and issued
5	Laboratory supplies and fixtures - Culture media, supplements and other consumables (LOT 3) Frame work contract UNBS/SUPLS/2022-2023/00037 Good will School Lab supplies (U) Ltd 172,501,653	50 days delay to deliver. A call off order was issued to Chemmart (U) Ltd on 2 nd August 2023, delivery was to be effected within 8 weeks, i.e by 2 nd October 2023. However, the deliveries were concluded on 14 th December, 2023.	Part of the call off order items were delivered on time.
6	Supply and delivery of 10 double cabin pick ups UNBS/SUPLS/2022-2023/00002 MAC East Africa Ltd UGX 1,822,500,000	The attached delivery notes indicated that the nine vehicles were delivered to the Entity on 11 th August, 2023 contrary to GCC 12 in the contract which stated that " <i>delivery shall be with 3 months after contract signing</i> ". The contract was signed on 9 th March 2023. This indicated that the contract was valid up to 9 th June 2023. GCC 28 of the liquidate damages required that the Entity would charge 0.05% per week or 10% of the contract price but this was not evoked.	The vehicles arrived on time in Uganda but the branding of the vehicles with UNBS logo and labels took time for acceptable delivery.

Risk Implications

- Delayed contract execution results in delayed service delivery to the intended beneficiaries.
- Such delays affect service delivery and could lead to low budget absorption due to non – payment by the end of the financial year.

Recommendations

The responses provided in table 8 above were noted. However, the Entity did not provide documentary evidence that change orders for contract extension were issued to the providers. Therefore this was maintained on all the items in table 8 above.

The Authority recommends that;

- The Head Procurement and Disposal Unit and User Departments should ensure that the delivery terms in the contracts are realistic basing on the available circumstances.
- The Contract Managers should ensure that a provider meets all performance or delivery obligations in accordance with the terms and conditions of the contract in accordance with Regulation 52 (3) (a)(i) of the PPDA (Contracts) Regulations, 2023.
- Heads of User Departments should ensure that the planned timelines are adhered to in order to promote efficiency in service delivery in accordance with section 51 of the PPDA Act, Cap. 205.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3 This Section presents the scores per area assessed under different audit risk computation

Overall Performance Audit Conclusion

The performance of the Uganda National Bureau of Standards for the performance audit of FY 2022/2023 was **satisfactory** with an overall weighted average risk rating of **25.4%**. The risk rating is as follows:

Table 8: Risk Rating

Risk Rating (%)	Description of Performance
0 –30	Satisfactory
31 – 70	Moderately satisfactory
71 – 100	Unsatisfactory

3.1 Entity's 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:

3.2 Risk Computation

Table 9: Risk Computation

Risk category	No.	No. %	Value (UGX)	Value %	Weights	Total weighted Average	
						By No.	By Value
High	0	0	0	0	0.6	0	0
Medium	5	33.3	2,293,206,273	45.3	0.3	9.99	13.59
Low	5	33.3	1,806,830,861.04	35.7	0.1	3.33	3.57
Satisfactory	5	33.4	964,925,167	19	0	0	0
Total	15	100	5,064,962,301	100	1	13.32	17.16

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{13.32}{60} \times 100 = 22.2\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{17.16}{60} \times 100 = 28.6\%$$

$$\text{The average weighted risk rating} = \frac{22.2+28.6}{2} = 25.4\%$$

3.3 Chart Representation of Risk Rating

Figure 1: Chart Representation of Risk Rating by Number

GRAPHICAL REPRESENTATION BY NUMBER

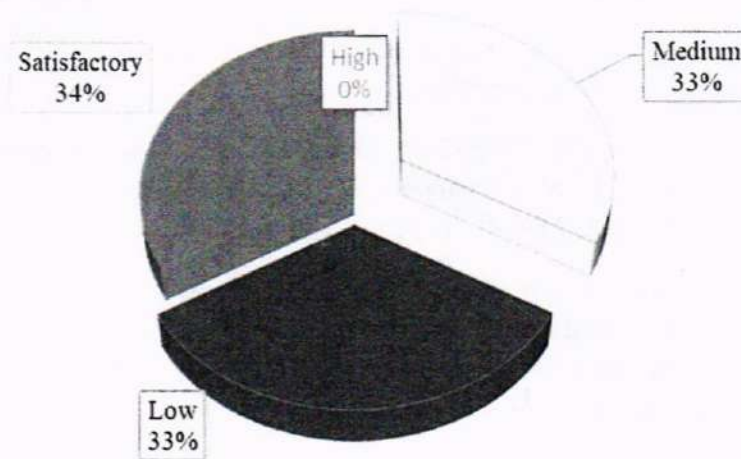
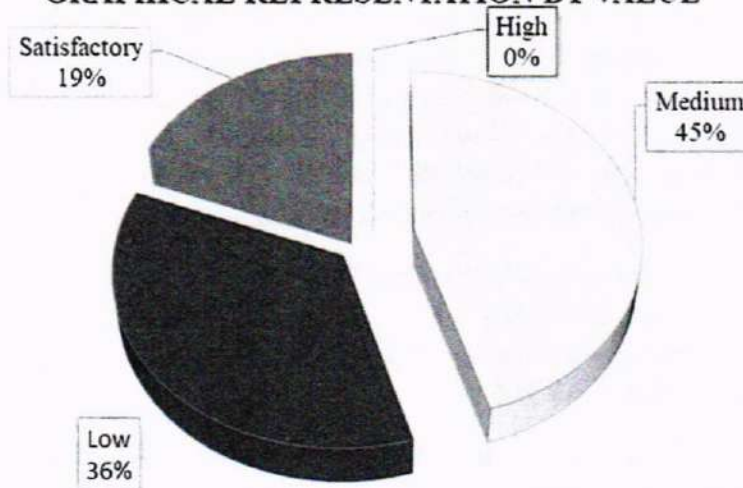


Figure 2: Chart Representation of Risk Rating by Value

GRAPHICAL REPRESENTATION BY VALUE



Uganda National Bureau of Standards should implement the recommended action plan on **pages 14 and 15**.

3.4 Recommended Action Plan

The Uganda National Bureau of Standards should implement the following recommendations within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 11: Action plan

Origin	Recommended Action	Time frame for implementation
Accounting Officer	The Accounting Officer should;	
	i. Monitor the implementation of all the Authority's recommendations in accordance with Section 9 (1) of the PPDA Act, Cap 205;	Continuous
	ii. Regularly review and update the procurement plan and send a copy sent to the Authority in accordance with Section 60 (8) of the PPDA Act, Cap 205;	Continuous
	iii. Organize symposiums with bidders to encourage them to participate in the Entity's procurement processes so as increase competition in accordance with Section 49 of the PPDA Act, Cap. 205.	Immediate
	iv. Engage the Authority for capacity building of User Departments in preparation of statement of requirements in accordance with Regulations 34 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy services) Regulations, 2023;	Immediate
	v. Ensure that contracts are signed in a manner that enhances efficiency for effective service delivery in accordance with Section 51 of the PPDA Act, CAP 205.	Immediate
vi. Provide a plan to the Authority on how he intends to eliminate delays in the procurement process.	Immediate	

Origin	Recommended Action	Time frame for implementation
Procurement and Disposal Unit	<p>The Head Procurement and Disposal Unit should;</p> <ul style="list-style-type: none"> i. Update the procurement plan whenever necessary in accordance with Regulations 4 of the PPDA (Planning) Regulations, 2023. ii. Consider using the PPDA Register of Providers available on the Electronic Government Procurement system (eGP) to widen the scope of participating bidders in accordance with Regulation 53 (3) (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. 	<p>Continuous</p> <p>Immediate</p>
User Departments	<p>User departments should;</p> <ul style="list-style-type: none"> i. Prepare and submit statement of requirements in a timely manner to enable the PDU make timely submissions to the Contracts Committee in accordance with Section 51 of the PPDA Act, Cap.205. ii. Ensure that the delivery timelines stated in the contracts are realistic basing on the available circumstances. iii. Ensure that the planned timelines are adhered to in order to promote efficiency in service delivery in accordance with Section 51 of the PPDA Act, Cap 205. 	<p>Immediate</p> <p>Continuous</p> <p>Continuous</p>
Contract Manager	<p>The Contract Managers should ensure that a provider meets all performance or delivery obligations in accordance with Regulations 52(3)(i) of the PPDA (Contracts) Regulations, 2023.</p>	<p>Continuous</p>

ANNEX A: CASE BY CASE ANALYSIS

MEDIUM RISK PROCUREMENTS

S/N	Procurement details	Reasons for Medium risk
	<p>Equipment Maintenance, Servicing and Repairs - Equipment Maintenance and Repairs Under Framework Method: Open Domestic Provider: Educational Scientific and Technical Equipment Company Limited (ESTEC Ltd) Contract value: UGX 119,519,700</p>	<ul style="list-style-type: none"> • Delay by the Contracts Committee to approve the bidding document, Evaluation Committee and method as the PDU submitted the document to CC on 24th August 2022. However, CC approved on 22nd September 2022. • Delay to sign a contract BEB expired on 30th December 2022 and contract signed on 13th February 2023. • Delayed delivery completion as delivery of the items was completed on 14th June 2023. Delivery was for 60 days meaning the contract end period was 13th April, 2023. There was no evidence of contract period extension.
	<p>Renovation of Regional Laboratory block at Mbarara Direct Invitation Basama Enterprises & Engineering Limited UGX; 58,740,990 VAT Inclusive.</p>	<ul style="list-style-type: none"> • Low bidder participation including responses from only two bidders i.e. Basama Enterprises and Dansem Construction. • PDE did not apply liquidated damages to the provider who completed the works in 8 months contrary to the contractual period of 60 days.
	<p>Supply and delivery of 10 double cabin pick ups Open domestic bidding MAC East Africa Ltd UGX 1,822,500,000</p>	<ul style="list-style-type: none"> • There was delay from when the Accounting Officer confirmed availability of funds to when PDU submitted the procurement method, bidding document and Evaluation Committee to CC for approval. • The attached delivery notes indicate that the nine vehicles were delivered to the Entity on 11th August, 2023 which was contrary to GCC 12 in the contract which stated that delivery shall be with 3 months after contract signing since the contract was signed on 9th March 2023. This indicates that the contract was valid up to 9th June 2023. GCC 28 of the

S/N	Procurement details	Reasons for Medium risk
		liquidate damages for 0.05% per week or 10% of the contract price was not evoked.
	Supply and delivery of fraction weights Request for Quotation Palin Corporation Ltd 72,014,975.20	<ul style="list-style-type: none"> • Low bidder participation as five bidders were invited but only one responded. • The Best Evaluated Bidder Notice expired on 30th December 2022 and the contract was signed on 23rd February 2023 citing a delay of 53 days • Delayed delivery of the goods as the delivery period was eight weeks from the contract date. The contract was signed on 23rd February 2023. Therefore, eight weeks were supposed to be 23rd April, 2023. However, delivery was made on 20th June 2023. There is no evidence of a change order extending the delivery period hence a delay of eight weeks
	Supply and delivery of set of check pump measures (5L, 10L & 20L) Open domestic bidding Palin Corporation Ltd UGX 220,430,608	<ul style="list-style-type: none"> • There was a noted delay by the Accounting Officer to approve the form 5 where the procurement was initiated on 19th October 2022 and the Accounting Officer confirmed availability of funds and approved the procurement on 13th January 2023 citing a 64 days delay • The Best Evaluated Bidder notice expired on 24th March, 2023 and the contract was signed on 18th May, 2023 citing a delay of 39 working days. • GCC 12 stated that delivery will be within eighteen weeks up to Friday, 14th July, 2023. However, the Entity extended the delivery of goods on 24th July, 2023 after the expiry of the

S/N	Procurement details	Reasons for Medium risk
		contract. By the audit date of 15 th May, 2024, there was no evidence of delivery of goods. GCC 28 stated that liquidated damages of 0.05% per week or maximum of 10% of the contract price should be evoked but there was no evidence that this was done.

LOW RISK PROCUREMENTS

S/N	Procurement details	Reasons for Low risk
	Laboratory and Scientific Equipment- Customized Mass Standards M2 (20KG) Method ; Direct invitation LABX Scientific Limited 126,932,811.52 VAT Inclusive.	According to the delivery notes, supplies were delivered on 12 th December 2023 later than the contractual delivery period of within eight weeks from contract signing date in June 2023. Liquidated damages were not claimed as required under SCC 28 of the contract.
	Provision of Re-installation of submersible pump Method: Request for Quotation International Energy Technik (U) Ltd UGX. 27,888,710	Low bidder participation with only IET responding to the RFQ.
	Supply and Delivery of 500L and 200L Prover Tanks Direct Procurement BAKMARK CROWN HOLDINGS LTD 56,249,997 VAT Inclusive.	Low bidder participation including responses from only two bidders.
	Supply and delivery of Laboratory and scientific equipment - Real time qPCR machine Open domestic bidding Kobian Scientific Uganda Ltd UGX 349,562,803.52	There is a noted delay as the Accounting Officer approved the Form 5 on 20 th October 2022 and PDU submission to CC for approval on 3 rd February, 2023 citing a delay of 75 working days
	Laboratory supplies and fixtures - Culture media, supplements and other consumables (LOT 3) Framework contract	Delayed delivery as supplies were supposed to be made within eight weeks from the receipt of a call off order. A call off order for Chemmart (U) Ltd was made on 2 nd August 2023 and the contracted completion date was 2 nd October 2023. However, the deliveries were concluded on 14 th December, 2022 without extending the

S/N	Procurement details	Reasons for Low risk
		period creating a delay of over eight months

SATISFACTORY PROCUREMENTS

S/N	Procurement details	Amount (UGX)
1.	Equipment Maintenance, Servicing and Repairs. Method: Direct Procurement Provider: Qualichem Uganda Limited value:	45,732,329
2.	Supply and delivery of soil and aggregate testing Equipment (EML) Method: Provider: M/s Vision Scientific and Engineering Uganda Ltd	114,120,750
3.	Provision of antivirus software license Method: Restricted Bidding Provider: M/s Technology Associates	139,330,435
4.	Consultancy services for proposed design review of Engineering Materials laboratory at Bweyogerere and design of Architectural, electromechanical drawings for Mbale Regional Office/ Laboratories for UNBS Joadah Consults Ltd	493,240,000
5.	Laboratory fixtures – Assorted Laboratory (Lot 2)- Framework contract Open domestic bidding Good will School Lab supplies (U) Ltd	172,501,653

ANNEX B: RISK RATING CRITERIA

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry a risk to the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management. Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".	Planning: Lack of or failure to procure within the approved plan	This implies emergencies and the use of the direct procurement method which affects competition and value for money.
		Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals, and usurping the powers of the PDU.	This implies the use of less competitive methods which affects transparency, accountability, and value for money.
		Evaluation: Use of inappropriate evaluation methodologies or failure to conduct an evaluation.	This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend an award to a responsive bidder.
		Record Keeping: Missing procurement files and missing key records on the files namely; solicitation documents, submitted bids, evaluation report, and contracts.	This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.
		Fraud/forgery: Falsification of Documents	This implies lack of transparency and value for money.
		Contract Management: Payment for shoddy work or work not delivered.	This implies financial loss since there has been no value for money for the funds spent and the services have not been received by the intended beneficiaries

RISK	DESCRIPTION	AREA	IMPLICATION
MEDIUM	Procurements that were considered to have weaknesses which, although less likely to lead to material financial loss or to risk damaging the regulatory system or the entity's reputation, warrant timely management action using the existing management framework to ensure a formal and effective system of management controls is put in place. Such procurements would normally be graded "medium" provided that there is sufficient evidence of "hands on management control and oversight" at an appropriate level of seniority.	Planning: Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		Bidding Process: Deviations from standard procedures namely bidding periods, standard formats, use of PP Forms and records of issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	This implies lack of efficiency, standardisation and avoiding competition.
		Procurement Structures: Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		Record Keeping: Missing Contracts Committee records and incomplete contract management records.	This implies that one cannot ascertain the audit trail namely; whether the necessary approvals were obtained in a procurement process.
		Contract and Contract Management: Failure to appoint Contract Supervisors, failure to seek the Solicitor General's approval for contracts above UGX. 200 million and lack of notices of Best Evaluated Bidders.	This leads to unjustified contract amendment and variations which lead to unjustified delayed contract completion and lack of value for money. Bidders are not given the right of appeal.
		Failure by the Entity to incorporate in the solicitation document aspects of gender, social inclusion, environment, health and safety. Aspects of gender, social inclusion, environment,	

RISK	DESCRIPTION	AREA	IMPLICATION
		health and safety not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches current market best practice. Deviations from laid down detailed procedures would normally be graded "low" provided that there is sufficient evidence of management action to put in place and monitor compliance with detailed procedures.	Planning: Lack of procurement reference numbers.	This leads to failure to track the procurements which leads to poor record keeping.
		Bidding Process: Not signing the Ethical Code of Conduct	This leads to failure to declare conflict of interest and a lack of transparency.

SATISFACTORY

Relates to following laid down procurement procedures and guidelines and no significant deviation is identified during the conduct of the procurement process based on the records available at the time.

ANNEX C: TRANSACTION LIST AND RATING PER CASE

SN		SUBJECT OF PROCUREMENT	METHOD OF PROCUREMENT	PROVIDER	CONTRACT AWARD DATE	CONTRACT VALUE (UGX)	Risk Rating
1.	UNBS/SUPLS/2022-2023/00002	Supply and Delivery of Ten (10) Double cabin pickups	Open Domestic Bidding	MAC East Africa Ltd	6 th December 2022	1,822,500,000	M
2.	UNBS/SUPLS/2022-2023/00047	Laboratory and scientific equipment - Fraction Weights M1 or better supplied in hard wood boxes or better material	RFQ	Palin Corporation Limited	20 th December 2022	91,827,647	M
3.	UNBS/NCONS/2022-2023/	Software licenses- Antivirus license	RFQ	Technology Associates Ltd	30 th January 2022	139,330,435	S
4.	UNBS/SUPLS/2022-2023/0006	Laboratory supplies and fixtures - Culture media, supplements and other consumables (LOT 3) Frame work contract	Open domestic bidding	Good will School Lab supplies (U) Ltd	5 th October 2022	207,553,740	S
				JVV Global Management corporation	5 th October 2022	269,994,620	
				Chemmart (U) Ltd	5 th October 2022	305,324,800	

SN		SUBJECT OF PROCUREMENT	METHOD OF PROCUREMENT	PROVIDER	CONTRACT AWARD DATE	CONTRACT VALUE (UGX)	Risk Rating
				Mulago Hill Diagnostics Ltd	5 th October 2022	331,554,573	
				Labx Scientific Ltd	5 th October 2022	131,768,806	
5.	UNBS/CONS/2-22-2023/00001	Consultancy services for proposed design review of Engineering Materials laboratory at Bweyogerere and design of Architectural, electromechanical drawings for Mbale Regional Office/ Laboratories for UNBS	EOI	Joadah Consults Ltd	14 th March 2023	493,240,000	S
6.	UNBS/SUPLS/22-23/00045	Laboratory and scientific equipment – set of check pump measures	Open Domestic Bidding	Palin Corporation Limited	14 th March 2023	220,430,608	M
7.	UNBS/SUPLS/22	Laboratory and scientific equipment	Open domestic	Kobian Scientific	14 th March 2023	349,562,804	L

SN		SUBJECT OF PROCUREMENT	METHOD OF PROCUREMENT	PROVIDER	CONTRACT AWARD DATE	CONTRACT VALUE (UGX)	Risk Rating
	-23/00046	- Realtime PCR Machine	bidding	Uganda Ltd			
8.	UNBS/WRKS/22-23/00003	Building and facility maintenance and repair services	Request for Quotation	Basana Enterprises and Engineering Limited	23 rd March 2023	58,740,990	M
9.	UNBS/SUPLS/2022-2023/00037	Laboratory fixtures – Assorted Laboratory (Lot 2)- Framework contract	Open domestic bidding	Good will School Lab supplies (U) Ltd	22 nd December 2022	172,501,653	
10	UNBS/SUPLS/2022-2023/00044	Laboratory and scientific equipment - Customised Mass Standards M2 (20kg)	RDB	Labx Scientific Ltd	26 th June 2023	124,932,824.5	L
11	UNBS/SUPLS/2022-2023/00051	Laboratory and scientific equipment - Soil and aggregate testing equipment (EML) various	RDB	Vision Scientific and Engineering Uganda Limited	25 th April 2023	114,120,750	S
12	UNBS/SUPLS/2022-2023/00003	Equipment Maintenance, Servicing and Repair - Equipment	Direct Procurement	ESTEC Ltd	20 th December 2022	119,519,700	M

SN		SUBJECT OF PROCUREMENT	METHOD OF PROCUREMENT	PROVIDER	CONTRACT AWARD DATE	CONTRACT VALUE (UGX)	Risk Rating
		Maintenance and Repair Under Framework					
13	UNBS/SUPLS/2022-2023/00099	Equipment maintenance, servicing and repairs- Portable Electricity meter test equipment and calibration	Direct	Zera GmbH	1 st June 2022	55,396,884	L
14	UNBS/SUPLS/2022-2023/00079	Supply and Delivery of 500 L and 200 L Prover Tanks	RFQ	Bakmark Crown Holdings Limited	6 th August 2023	56,249,997	L
15	UNBS/NCONS/2022. 2023/00025	Servicing and Repair - Equipment maintenance and repair of Agilent Equipment	Direct	Qualichemu Limited	6 th December 2023	45,732,329	S
		TOTAL				5,064,962,301	