



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

*"Procurement That Delivers"*

**PROCUREMENT AND DISPOSAL AUDIT REPORT FOR THE MINISTRY OF  
KAMPALA CAPITAL CITY & METROPOLITAN AFFAIRS FOR THE FINANCIAL  
YEAR 2021-2022 & 2022/2023**

JUNE 2024

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## Acronyms

AO	Accounting Officer
CC	Contracts Committee
EC	Evaluation Committee
FY	Financial Year
HPDU	Head, Procurement and Disposal Unit.
MKCC&MA	Ministry of Kampala Capital City & Metropolitan Affairs
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

## EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority (PPDA) carried out a performance audit of the Ministry of Kampala Capital City & Metropolitan Affairs (MKCC&MA). The audit covered a representative sample of nine procurement transactions under the Financial Year 2022/2023, and four procurement transactions under the Financial Year 2021/2022.

The overall objective of the audit was to assess and establish the degree of compliance of the Ministry of Kampala Capital City & Metropolitan Affairs' procurement system, process, and disposal process with the provisions of the PPDA Act, 2003, 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 Ministry of Kampala Capital City & Metropolitan Affairs in the Financial Year 2021/2022 & 2022/2023 was **satisfactory** with an overall weighted average risk rating of **22.7%**. 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 Authority noted a procurement plan implementation rate of 89.09%. Consequently, procurements worth UGX 467,102,060 were not implemented which deprived service delivery to the intended beneficiaries.
2. Issuance of an inadequate bidding document, it included a bid validity date set in the past and did not specify the requirement for a manufacturer's authorization or the warranty period for the equipment. This occurred in the procurement of IT equipment valued at UGX 28,426,200 by NPC Ltd. Such inconsistencies in the bidding document may lead to disagreements and unnecessary delays in the procurement process.
3. Delayed evaluation of Expressions of Interest for consultancy services under GKMA-UDP by Atrio E&M Ltd, Danlink Group Ltd, and IX Engineers (PTY) Ltd, valued at UGX 1,257,121,114, which resulted in a 35-working-day delay. This could impact project timelines and service delivery.
4. Failure to adhere to prescribed procurement procedures in three procurements totaling UGX 87,120,580. These procurements did not document the successive procurement processes leading up to the contracts, highlighting deficiencies in internal controls and oversight mechanisms within the Entity.
5. Missing payment records in the procurement of hotel services for consultative meetings, aimed at preparing the Ministry Strategic Plan by Esella Country Hotel Ltd worth UGX 61,832,000. Non-payment can be considered a breach of contract, exposing the Entity to legal action.

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

1. The Accounting Officer should regularly conduct or designate persons to conduct a review of the procurement plan to harmonize it with the existing circumstances at the Entity.
2. The Procurement and Disposal Unit should ascertain that the statement of requirements in the prepared bidding document defines the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
3. The Accounting Officer should set clear deadlines and milestones for each stage of the procurement process and closely monitor progress to prevent unnecessary delays.
4. The Accounting Officer should assume an oversight function by ensuring the establishment of transparent lines of accountability and oversight mechanisms to monitor procurement activities and promptly rectify any deviations from established procedures in accordance with Section 26 (1) of the PPDA Act, 2003.
5. Contract Managers should ensure that the Procuring and Disposing Entity fulfils all payment and other obligations in accordance with the contract's terms and conditions, as specified in Regulation 52 (3) (a) (iii) of the PPDA (Contracts) Regulations, 2023.

Ministry of Kampala Capital City & Metropolitan Affairs should implement the recommended action plan on **page 10**

## CHAPTER 1: INTRODUCTION

### 1.1 Structure of the Entity

According to Section 26 of the PPDA Act, 2003, 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.	Ms. Diana Kabagambe	PAS- F&A/ MKCC&MA	Chairperson	29/08/2022
2.	Ms. Clare Olaki	PLO/MKCC&MA	Member	30/08/2022
3.	Mr. Isaac Singura	SSA- MoJCA	Member	8/12/2022
4.	Mr. Mbaziira M Kaggwa	ICTO-IT/ MKCC&MA	Member	29/08/2022
5.	Mr. Julius Zaribwegirire	SAS/ MKCC&MA	Secretary	22/09/2022

According to Section 31 (a) of the PPDA Act, 2003, 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. David Karuma.

### 1.2 Background

The Public Procurement and Disposal of Public Assets Authority carried out a performance audit of the Ministry of Kampala Capital City & Metropolitan Affairs that covered a representative sample of thirteen (13) 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, 2014.

### 1.3 Main Audit Objectives

The overall objective of the performance audit was to assess and establish the degree of compliance of the Ministry of Kampala Capital City & Metropolitan Affairs' procurement and disposal system and processes with the provisions of the PPDA Act, 2003, and the PPDA Regulations, 2014 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, 2003 and PPDA Regulations, 2014 in the conduct of procurement activities for the audit period;
- ii. The level of compliance with the PPDA Act, 2003 and PPDA Regulations, 2014 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 thirteen transactions under Financial Year 2021/22 & 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 **11<sup>th</sup> April 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 **7<sup>th</sup> June 2024** with a request to submit a management response by **12<sup>th</sup> June 2024**, which was submitted on **24<sup>th</sup> June 2024**. The exit meeting was held on **19<sup>th</sup> June 2024** at PPDA Head Office, PPDA-URF Tower, Nakasero Road, Kampala.

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, 2003 and PPDA Regulations, 2014 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, 2003, Regulations, 2014, and Guidelines 2014. The following areas of non-compliance were noted during the audit:

#### 2.1.1 Procurement planning and procurement plan management

##### 2.1.1.1 Procurement Plan Implementation

The Authority assessed the Entity's procurement plan for the FY 2022-23. Table 2 below details information about the plan and utilization of funds. The procurement plan absorption rate was 89.09% with a variance of UGX 467,102,060.

**Table 2: Procurement plan implementation**

<i>Analysis of procurement spend</i>	
Total procurement budget/plan value inclusive VAT (UGX)	4,283,216,000
Total procurement spend value inclusive VAT (UGX)	3,816,113,940
Procurement plan implementation (%)	89.09%
Budget Variance (UGX)	467,102,060

##### **Risk implication**

Procurements worth UGX 467,102,060 were not implemented which deprived service delivery to the intended beneficiaries.

##### **Management Response**

*The Ministry acknowledges that some planned procurements such as: - the procurement of GIS infrastructure estimated at UGX 11,600,000, the Procurement of a Consultant to conduct an EIA estimated at UGX 300,000,000, and the procurement of branded corporate wear estimated at UGX 28,000,000 were not undertaken in FY 22/23 which was a result of unreleased funds in the FY 22/23. This brought about an absorption of 89.09%.*

##### **Recommendation**

The Authority acknowledges the Entity's response and recommends that the Accounting Officer should regularly conduct or designate persons to conduct a review of the procurement plan to harmonize it with the existing circumstances at the Entity.

### 2.1.2 Inadequate bidding document

In the procurement of IT equipment (4 computers with accessories and 4 printers) for the Ministry, valued at UGX 28,426,200 by NPC Ltd, the Procurement and Disposal Unit issued an insufficient bidding document to bidders. The issues identified were:

- The bid validity date was set for 28<sup>th</sup> February 2022, which was before the bid issue date of 11<sup>th</sup> April 2022.
- The bidding document did not specify the requirement for a manufacturer's authorization or the warranty period for the equipment required.

#### **Risk implications**

- Inconsistencies in the bidding document lead to disagreements which create unnecessary delays in the procurement process.
- Without a manufacturer's authorization, there is a risk of procuring counterfeit or substandard products that may not meet required quality standards or specifications. Additionally, products obtained without a manufacturer's warranty may not be covered for defects or malfunctions, resulting in additional repair or replacement costs for the Entity.

#### **Management Response**

*This was a typo in the dates indicated in the bidding document for IT equipment and is regrettable.*

#### **Recommendations**

- The Contracts Committee should critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies that could lead to misunderstandings between the Entity and the bidders.
- The Procurement and Disposal Unit should ascertain that the statement of requirements in the prepared bidding document defines the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

### 2.1.3 Delayed evaluation

In the procurement of consultancy services for review of the existing feasibility studies and engineering designs, ESIA, RAP, preparation of tender documents, Terms of Reference for construction supervision of Batch One Road Infrastructure Projects under GKMA-UDP by Atro E&M Ltd in association with Danlink Group Ltd and IX Engineers (PTY) Ltd worth UGX 1,257,121,114, the Evaluation Committee delayed to evaluate the Expressions of Interest; whereas EOs were opened on 25<sup>th</sup> May 2023, Evaluation took place on 14<sup>th</sup> July 2023 which was 35 working days.

#### **Risk implication**

Delayed evaluation could result in delays in project completion and delivery of services.

### Management response

On 12<sup>th</sup> June 2023, the Ministry wrote letters to different Entities such as; - MoWT, KCCA, UNRA, NEMA, MoGLSD, and NPA requesting evaluators with technical expertise but the responses were delayed.

### Recommendation

The Authority acknowledges the Entity's response, however, the letters to the different Entities were sent on June 12, 2023, two weeks after the EOIs were opened on May 25, 2023. This delay in requesting nominations for evaluators should have been avoided. Therefore, the Authority recommends that the Accounting Officer sets clear deadlines and milestones for each stage of the procurement process and closely monitors progress to prevent unnecessary delays.

#### 2.1.4 Non-compliance with Procurement Procedures.

According to Section 25(1) of the PPDA Act, 2003, it is provided that a Procuring and Disposing Entity is accountable for overseeing all procurement and disposal operations within its jurisdiction in alignment with the Act, Regulations, and Guidelines. However, procurements in Table 3 below were conducted without adhering to the prescribed procurement procedures:

Table 3: Procurements conducted outside the prescribed procurement procedures

NO	Subject of procurement	PPDA finding	Management response
1.	Hotel Services for Consultative Meetings, aimed at preparing the Ministry Strategic Plan Provider: Esella Country Hotel Ltd  Contract value: UGX 61,832,000	The bid validity date was set for October 31, 2017, indicating a past date. Despite an evaluation being conducted without any bids, there was no Contracts Committee approval of the Evaluation report. Nonetheless, an LPO was issued in favour of Esella Country Hotel Ltd on June 2, 2022.	<i>The Ministry was required to prepare a strategic plan as part of the documentation for approval of the GKMA-UDP by the World Bank. procurements of hotel services were of an emergency nature in preparation for the GKMA-UDP.  The Form 5 and SBD on file at the time of the audit were drafts. The correct documents are on file and available for verification.</i>
2.	Purchase of assorted stationery for the Ministry Provider: Outline Investments Ltd  Contract value: UGX 11,234,780	The audit found that on 18 <sup>th</sup> May 2023, a contract was signed in favor of Outline Investments Ltd and Payment of UGX 11,234,780 was made for the purchase of assorted stationery for the Ministry but the file lacked the successive procurement processes that built	<i>Records had been misfiled at the time of the audit but are now available for verification.</i>

NO	Subject of procurement	PPDA finding	Management response
		up to the contract.	
3.	Servicing and repair of ICT equipment including software upgrade Provider: NPC Ltd Contract value: UGX 14,053,800	The audit found that on 18 <sup>th</sup> May 2023, a contract was signed in favor of NPC Ltd and payment of UGX 14,053,800 was made for the Servicing and repair of ICT equipment including software upgrade but the file lacked the successive procurement processes that build up to the contract.	<i>Records had been misfiled at the time of the audit but are now available for verification.</i>

### Risk implications

- The integrity of the procurement process is compromised, which can undermine trust in the Entity's decision-making processes and may raise concerns about accountability and governance.
- This is an indicator of a lack of internal controls and oversight mechanisms in the Entity to ensure adherence to procurement policies and procedures.

### Recommendations

The Authority acknowledges the Entity's response; however, the mentioned records were not attached for verification. Therefore, the Authority recommends as follows:

- The Accounting Officer should assume an oversight function by ensuring the establishment of transparent lines of accountability and oversight mechanisms to monitor procurement activities and promptly rectify any deviations from established procedures in accordance with Section 26 (1) of the PPDA Act, 2003.
- The Accounting Officer should going forward rectify these deficiencies and demand thorough review, strengthened controls, and comprehensive training to uphold governance standards and prevent future lapses.

## 2.2 Compliance with the PPDA Act, 2003 and PPDA Regulations, 2014 in the conduct of disposal activities for FY 2021/2022 & 2022/2023

The Ministry of Kampala Capital City and Metropolitan Affairs, having recently transitioned from being under the Office of the President, has not engaged in any disposal activities during its two years of existence due to its recent establishment and asset acquisition. However, it is essential for the Entity to proactively establish and adhere to robust disposal policies and procedures in line with the PPDA Act, 2003, and Regulations 2023. By doing so, the Ministry can ensure compliance with regulatory requirements and maintain transparency and accountability in its asset management practices.

### Management response

*This is noted.*

2.3 Efficiency and effectiveness in contract implementation of the procurement and disposal activities undertaken in FY 2021/2022 & 2022/2023 including the application of Environmental, Social, Health, and Social safeguards (ESHS) where applicable.

2.3.1 Missing payment records

The Authority noted that payment records were not availed on the procurement action file in the procurement of hotel services for consultative meetings, aimed at preparing the Ministry Strategic Plan by Esella Country Hotel Ltd worth UGX 61,832,000.

**Risk implication**

Non-payment can be considered a breach of contract, exposing the Entity to legal action.

**Recommendation**

The Authority acknowledges the Entity's response; however, no records were attached nor submitted for verification. Therefore, the Authority recommends that, Contract Managers should ensure that the Procuring and Disposing Entity fulfils all payment and other obligations in accordance with the contract's terms and conditions, as specified in Regulation 52 (3) (a) (iii) of the PPDA (Contracts) Regulations, 2023.

### 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 Ministry of Kampala Capital City & Metropolitan Affairs for the performance audit of FY 2021/2022 & 2022/2023 was **satisfactory** with an overall weighted average risk rating of **22.7%**. The risk rating is as follows:

**Table 4: 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 5: Risk Computation**

Risk category	No.	No. %	Value (UGX)	Value %	Weights	Total weighted Average	
						By No.	By Value
High	3	23	87,120,580	2	0.6	13.9	1.0
Medium	2	15	1,285,547,314	26	0.3	4.6	7.7
Low	0	0	0	0	0.1	0	0
Satisfactory	8	62	3,622,041,958	73	0	0	0
<b>Total</b>	<b>13</b>	<b>100</b>	<b>4,994,709,852</b>	<b>100</b>	<b>1</b>	<b>18.5</b>	<b>8.8</b>

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{18.5 \times 100}{60} = 30.8\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score} \times 100}{60} = \frac{8.8 \times 100}{60} = 14.6\%$$

$$\text{The average weighted risk rating} = \frac{30.8 + 14.6}{2} = 22.7\%$$

### 3.3 Chart Representation of Risk Rating

Figure 1: Chart Representation of Risk Rating by Number

#### GRAPHICAL REPRESENTATION BY NUMBER

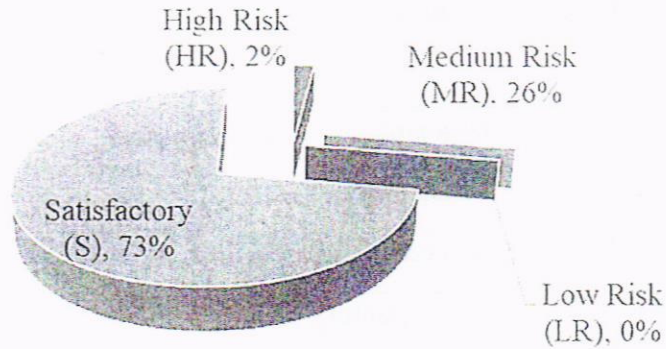
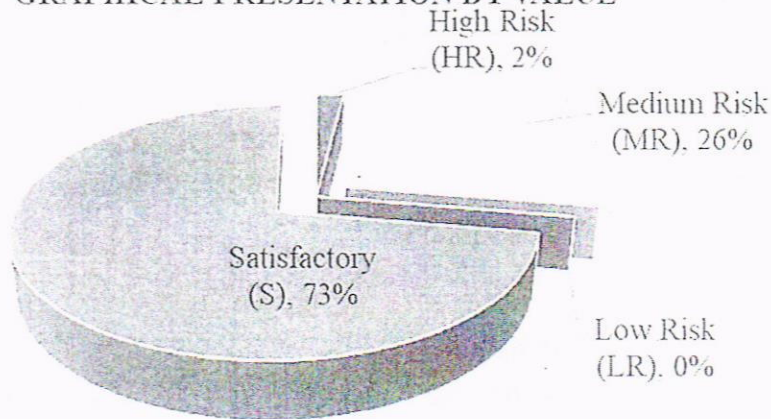


Figure 2: Chart Representation of Risk Rating by Value

#### GRAPHICAL PRESENTATION BY VALUE



The Ministry of Kampala Capital City & Metropolitan Affairs should implement the recommended action plan on page 10.

### 3.4 Recommended Action Plan

The Ministry of Kampala Capital City & Metropolitan Affairs should implement the following recommendations within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 6: Action plan

Origin	Recommended Action	Time frame for implementation
Accounting Officer	<ul style="list-style-type: none"> <li>The Accounting Officer should regularly conduct or designate persons to conduct a review of the procurement plan to harmonize it with the existing circumstances at the Entity.</li> <li>The Accounting Officer should set clear deadlines and milestones for each stage of the procurement process and closely monitor progress to prevent unnecessary delays.</li> <li>The Accounting Officer should assume an oversight function by ensuring the establishment of transparent lines of accountability and oversight mechanisms to monitor procurement activities and promptly rectify any deviations from established procedures in accordance with Section 26 (1) of the PPDA Act, 2003.</li> </ul>	Continuous
Contracts Committee	<ul style="list-style-type: none"> <li>The Contracts Committee should critically review bidding documents submitted by the Procurement and Disposal Unit to ensure that there are no inconsistencies that could lead to misunderstandings between the Entity and the bidders.</li> </ul>	Continuous
Head of the Procurement and Disposal Unit	<ul style="list-style-type: none"> <li>The Head of Procurement and Disposal Unit should ascertain that the statement of requirements in the prepared bidding document defines the requirements precisely and in a manner that leaves no doubt or assumption by a bidder in accordance with Regulation 42 (a) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.</li> </ul>	Continuous
User Departments	<ul style="list-style-type: none"> <li>Contract Managers should ensure that the Procuring and Disposing Entity fulfills all payment and other obligations in accordance with the contract's terms and conditions, as specified in Regulation 52 (3) (a) (iii) of the PPDA (Contracts) Regulations, 2023</li> </ul>	Continuous

## ANNEX A: CASE BY CASE ANALYSIS

### HIGH RISK PROCUREMENTS

S/N	Procurement details	Reasons for High risk
1.	Purchase of assorted stationery for the Ministry Provider: Outline Investments Ltd Contract value: UGX 11,234,780	A contract was signed and payment was made but the file lacked the successive procurement processes that built up to the contract.
2.	Servicing and repair of ICT equipment including software upgrade Provider: NPC Ltd Contract value: UGX 14,053,800	A contract was signed and payment was made but the file lacked the successive procurement processes that built up to the contract.
3.	Hotel Services for Consultative Meetings, aimed at preparing the Ministry Strategic Plan Provider: Esella Country Hotel Ltd Contract value: UGX 61,832,000	<ul style="list-style-type: none"> <li>The bid validity date was set for October 31, 2017, indicating a past date. Despite an evaluation being conducted without any bids, there was no Contracts Committee approval of the Evaluation report. Nonetheless, an LPO was issued in favor of Esella Country Hotel Ltd on June 2, 2022.</li> <li>No proof of payment</li> </ul>

### MEDIUM RISK PROCUREMENTS

S/N	Procurement details	Reasons for Medium risk
1.	Procurement of IT equipment (4 computers and their accessories and four printers) for the Ministry Method: RFQ Provider: NPC Ltd Contract value: UGX 28,426,200	Inadequate bidding document; The bid validity date was set for 28 <sup>th</sup> February 2022, which was before the bid issue date of 11 <sup>th</sup> April 2022. Secondly, the bidding document did not specify the requirement for a Manufacturer's Authorization or the warranty period for the equipment.
2.	Consultancy services for review of the existing feasibility studies and engineering designs, ESIA, RAP, preparation of tender documents, and Terms of Reference for construction supervision of Batch One Road Infrastructure Projects under GKMA-UDP Method: Shortlisting of consultants after Expression of Interest Provider: Atro E&M Ltd in association with Danlink Group Ltd and IX Engineers (PTY) Ltd Contract value: UGX 1,257,121,114	The Evaluation Committee delayed to carry out evaluation of the Expressions of Interest resulting in a delay of 35 working days.

## SATISFACTORY PROCUREMENTS

S/N	Procurement details	Amount (UGX)
1.	Consultancy services for an Independent Verification Agency (IVA) to conduct a performance assessment on program participating Sub-National Entities & the MKCC&MA on minimum conditions & performance measures for accessing program grants for FYs 2023/24 & 2024/25 Method: Shortlisting of consultants after Expression of Interest. Provider: Ms BDO East Africa Advisory Services Ltd in joint venture with Kagga and Partners	979,565,200
2.	Consultancy services for undertaking a pre-feasibility study for Urban infrastructure investments in the nine (9) sub-national entities within the greater Kampala Metropolitan Area under the greater Kampala Metropolitan Area urban development program (GKMA-UDP) Method: Shortlisting of consultants after Expression of Interest. Provider: Asigma Capital Advisory Services with MBW Consulting (JV)	2,431,113,160
3.	Recruitment of the Program Support Team (PST) - Individual Consultants under GKMA-UDP Method: Shortlisting after Expression of Interest. Provider: Various consultants	Various
4.	Meals for Consultative Meetings for the Minister with Lower Local Councils on Parish Development Model for 5 days Provider: Restaurant Africa Ltd	123,900,000
5.	Hotel Services for Consultative Meeting to Prepare Program Documents for the GKMA-UDP (Program Operations Manual, ToRS for the PST, ToRS for IVA, and ToRS for the Design Studies) Participants include engineers, CDOs, physical planners, and environmentalists from all GKMA sub-national Entities. Method: RFQ Provider: Esella Country Hotel	75,325,300
6.	Procurement of Assorted Stationery and Toner Method: Micro Provider: Outline Investments Ltd	4,968,799
7.	Assorted Toner Method: Micro Provider: Fremah Trading Ltd	4,968,799
8.	Vehicle Maintenance UG2530C Method: Micro Provider: Summer Auto Services Ltd	2,200,700

**ANNEX B: RISK RATING CRITERIA**

<b>RISK</b>	<b>DESCRIPTION</b>	<b>AREA</b>	<b>IMPLICATION</b>
<b>HIGH</b>	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".	<b>Planning:</b> 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.
		<b>Bidding Process:</b> 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.
		<b>Evaluation:</b> 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.
		<b>Record Keeping:</b> 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.
		<b>Fraud/forgery:</b> Falsification of Documents	This implies lack of transparency and value for money.
		<b>Contract Management:</b> 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.	<b>Planning:</b> Lack of initiation of procurements and confirmation of funds.	This implies committing the Entity without funds thereby causing domestic arrears.
		<b>Bidding Process:</b> 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.
		<b>Procurement Structures:</b> Lack of procurement structures	This implies lack of independence of functions and powers and interference in the procurement process.
		<b>Record Keeping:</b> 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.
		<b>Contract and Contract Management:</b> 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.	
<b>LOW</b>	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.	<b>Planning:</b> Lack of procurement reference numbers.  <b>Bidding Process:</b> Not signing the Ethical Code of Conduct	This leads to failure to track the procurements which leads to poor record keeping.  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

NO	SUBJECT OF PROCUREMENT	REFERENCE NUMBER	METHOD OF PROCUREMENT	PROVIDER	CONTRACT VALUE (UGX)	RISK RATING
1.	Consultancy services for an Independent Verification Agency (IVA) to conduct a performance assessment on program participating Sub-National Entities & the MKCC&MA on minimum conditions & performance measures for accessing program grants for FY 23/24 & 24/25	MKCC/Srvcs/2022-23/00002	Shortlisting of consultants after Expression of Interest.	Ms BDO East Africa Advisory Services Ltd in joint venture with Kagga and Partners	979,565,200	Satisfactory
2.	Consultancy services for undertaking a pre-feasibility study for Urban infrastructure investments in the nine (9) sub-national entities within the greater Kampala Metropolitan Area under the (GKMA-UDP)	MKCC/Srvcs/2022-23/00010	Shortlisting of consultants after Expression of Interest.	Asigma Capital Advisory Services with MBW Consulting (JV)	2,431,113,160	Satisfactory
3.	Consultancy services for review of the Existing Feasibility Studies & Engineering Designs, ESIA, RAP, preparation of tender documents, ToRs for Construction Supervision of Batch One Road Infrastructure Projects under GKMA-UDP	MKCC/Cons/2022-23/00003	Shortlisting of consultants after Expression of Interest.	Atro E&M Ltd in association with Danlink Group Ltd and IX Engineers (PTY) Ltd	1,257,121,114	Medium
4.	Recruitment of the Program Support Team (PST) - Individual Consultants under GKMA-UDP	MKCC/Cons/20222023/00001	Shortlisting after Expression of Interest.	Various consultants	Various	Satisfactory
5.	IT equipment (4 computers & their accessories & 4 printers) for the Ministry	MKCC/Supls/2021-22/00014	Request for Quotations	NPC Ltd	28,426,200	Medium

NO	SUBJECT OF PROCUREMENT	REFERENCE NUMBER	METHOD OF PROCUREMENT	PROVIDER	CONTRACT VALUE (UGX)	RISK RATING
6.	Meals for Consultative Meetings for the Minister with Lower Local Councils on Parish Development Model for 5 days	MKCC/Ncons/2021-22/00040	Not provided	Restaurant Africa Ltd	123,900,000	Satisfactory
7.	Hotel Services for Consultative Meeting to Prepare Program Documents for the GKMA-UDP (Program Operations Manual, ToRS for the PST, ToRS for IVA, and ToRS for the Design Studies) Participants include engineers, CDOs, physical planners, and environmentalists from all GKMA Sub-national Entities.	MKCC/ Srves/2021-22/00014	Request for Quotations	Esella Country Hotel	75,325,300	Satisfactory
8.	Hotel Services for Consultative Meeting to prepare the Ministry Strategic Plan	MKCC/Srves/2021-22/00013	Request for Quotations	Esella Country Hotel	61,832,000	High
9.	Purchase of Assorted Stationery for the Ministry	MKCC/Spls/2022-2023/00033	Request for Quotations	Outline Investments Ltd	11,234,780	High
10.	Servicing and Repair of ICT Equipment including Software Upgrade	MKCCA/Wrks/2022-23/00014	Request for Quotations	NPC Ltd	14,053,800	High
11.	Procurement of Assorted Stationery and Toner	MKCCA/Spls/22-23/00049	Micro procurement	Outline Investments Ltd	4,968,799	Satisfactory
12.	Assorted Toner	MKCC/Supls/22-23/00048	Micro procurement	Fremah Trading Ltd	4,968,800	Satisfactory
13.	Vehicle Maintenance UG2530C	MKCC/Wrks/2022/23/45	Micro procurement	Summer Auto Services Ltd	2,200,700	Satisfactory
				<b>TOTAL</b>	<b>4,994,709,852</b>	