



PUBLIC PROCUREMENT AND DISPOSAL
OF PUBLIC ASSETS AUTHORITY
"Regulating for Results"

**COMPLIANCE INSPECTION REPORT FOR FINANCIAL
YEAR 2024/25**

BUGWERI DISTRICT LOCAL GOVERNMENT

MAY 2026

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ACRONYMS

AO	Accounting Officer
BEB	Best Evaluated Bidder
BOQs	Bills of quantities
CC	Contracts Committee
CIPS	Chartered Institute of Purchasing and Supply
EC	Evaluation Committee
FY	Financial Year
HIV	Human Immunodeficiency Virus
LPO	Local Purchase Order
LTD	Limited
MBA	Masters in Business Administration
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PGD	Post Graduate Diploma
PM	Per- month
PPDA	Public Procurement and Disposal of Public Assets Authority
RGC	Rural Growth Centre
SOR	Statement of requirements
TCC	Tax Clearance Certificate
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority carried out a compliance inspection of Bugweri District Local Government that covered a representative sample of three procurement transactions worth UGX 830,011,422 under the Financial Year 2024/25.

The overall objective of the compliance inspection was to assess and establish the degree of compliance of Bugweri District Local Government's procurement and disposal system and processes with the provisions of the PPDA Act Cap 205 and the attendant PPDA Regulations and assess the level of procurement and disposal performance over the inspection period.

From the findings of the compliance inspection exercise, the performance of Bugweri District Local Government for the Financial Year 2024/25 was **Moderately Satisfactory** with overall weighted average risk rating of **40%** as detailed in Chapter 3 of the report.

The Moderately satisfactory performance was due to the following issues:

- 1. Inadequate storage and poor record keeping of past procurement and disposal files.** Section 44 (1) of the PPDA Act, Cap. 205 requires a PDE to maintain records on its procurement and Disposal procedures for a period of seven years from the date of decision to terminate the procurement or disposal action, or the date of the contract completion whichever comes later. During Audit, the Authority observed poor storage of procurement and disposal records for previous financial years. These records were haphazardly stacked on shelves and vulnerable to unauthorized access thereby compromising their integrity and security. Furthermore, it was noted that the office space was shared with other departments like finance which was likely to compromise on confidentiality and accountability in the procurement process; Inadequate storage of procurement and disposal records puts the Entity's critical documents at risk of loss, damage, unauthorized access, and tampering, compromising the integrity of its procurement processes
- 2. Failure to implement 25% of previous audit recommendations.** In contravention of Section 10 (1) (a) of the PPDA Act, Cap. 205, which requires Entities to take corrective action on recommendations issued by the Authority, it was noted that the Entity did not fully implement six recommendations representing 25% of the total recommendations. Failure to fully implement audit recommendations affects performance of the procurement function and is an indicator of a weak implementation mechanism by the Entity;
- 3. Failure to implement 15% of the Entity's procurement plan.** Section 60 (7) of the PPDA Act, Cap. 205, states that; "*A procuring and disposing entity shall, on a quarterly basis and in any other case, where necessary, review and update its procurement plan*". The Authority noted that the Entity did not fully execute its procurement plan for the Financial Year 2024/2025 and failed to update the plan to capture any changes. As a result, Bugweri District Local Government implemented only 85% of its 2024/2025 procurement plan. Failure to fully implement planned activities hinders service delivery to the intended beneficiaries;
- 4. Confirmation of funding to procure without delegated authority from the Accounting Officer.** Section 41 (a) of the PPDA Act, Cap 205 states that; "*the Accounting Officer may delegate certain procurement and disposal functions of the accounting officer, contracts committee or procurement and disposal unit*". The Authority observed that in two procurements worth UGX 481,445,322, confirmation of availability of funds at initiation

was done by Ms. Mary Birete without evidence of delegation of authority by the Accounting Officer (Mr. William Makune). The absence of a written delegation of authority from the Accounting Officer undermines the internal controls governing confirmation of funding. This increases the risk of unauthorized commitments, financial mismanagement, and potential budget overruns, as decisions are made without clear accountability;

5. **Low bidder Participation.** Section 49 of the PPDA Act, Cap. 205 requires procurements to be conducted in a manner that maximizes competition and achieves value for money. The Authority noted that the Entity failed to obtain adequate competition in three procurements worth UGX. 830,011,422, receiving an average of only 1.67 bids per procurement. Low bidder participation undermines competition in the procurement process and may lead to costly procurements;
6. **Irregularities at evaluation.** Regulation 5 (2) of the (PPDA) (Evaluation) Regulations, 2023 states that, "*An Evaluation Committee shall not, during an evaluation, make any amendment including any addition to the evaluation criteria stated in the bidding document, and shall not use any other criteria other than the criteria specified in the bidding document*". However, in the procurement for design, delivery and installation of 25 micro scale irrigation equipment in Bugweri District-Production Lot 2, the evaluation committee recommended award of contract to a bidder that did not comply with the criteria stipulated in the solicitation documents. This is an indicator that members of the Evaluation Committees may have had unethical tendencies or may have lacked adequate capacity to review bids which could have compromised fairness and transparency in the evaluation process;
7. **Failure to seek Solicitor General's Clearance.** Regulation 6 (1) (f) of the PPDA (Contracts) Regulations, 2023 requires Entities to seek approval from the Attorney General where necessary. Additionally, statutory Instrument Supplement No. 97 dated 17th November 2023 requires Entities to seek Solicitor General's clearance for contracts above UGX 200,000,000. However, the Authority noted that the Entity did not seek clearance from the Solicitor General in the construction of piped water system at Nondwe RGC worth UGX. 247,555,322 and in the construction of an ICT laboratory, 2 Unit Staff Block and 2 Stance Lined Pit Latrine at Idudi, the Entity ignored the Solicitor General's recommendation. Failure to obtain Solicitor General's clearance or ignoring their guidance exposes the Entity to the risk of signing poorly drafted contracts, putting the Government at risk of litigation or financial loss due to non-performance of contracts;
8. **Unclear requirements pertaining Environmental, Social, Health, and Safety (ESHS) requirements.** Section 66 of the PPDA Act, Cap 205 states that, "*a procuring and disposing entity shall for each procurement take into account environmental protection, social inclusion and stimulating innovation*". The Authority noted that in two procurement transactions worth UGX. 582,456,100, Environmental, Social, Health and Safety issues were not clearly captured in the bidding documents. Without explicit provisions in the Bills of Quantities, contractors may overlook critical environmental and social safeguards, compromising worker safety, community welfare, and environmental protection; and
9. **Failure by the contractors to submit Performance Securities.** Regulation 52 (3) (a) (i) requires a contract manger to ascertain that the provider meets all the performance or delivery obligations in accordance with the terms and conditions of the contract.

However, it was noted that although GCC 61.1 required contractors to provide performance securities equivalent to 5% of the contract price in three procurement transactions worth UGX 830,011,422, none of the contractors complied with this requirement. Failure by the contractors to submit performance securities exposes the Entity to financial and operational risks since there is no financial guarantee to safeguard the Entity in the event that the contractors fail to perform their contractual obligations.

Key Recommendations:

1. The Accounting Officer should:
 - i. Put in place a strong mechanism to implement recommendations made by the Authority to improve the Entity's performance in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205. This could include appointing a task force that will be responsible for ensuring full implementation of the Authority's recommendations;
 - ii. Regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205 to ensure improved absorption of the Entity's Procurement Plan;
 - iii. Have confirmation of funding carried out strictly by the designated officer or by an individual with formally documented delegated authority in accordance with Section 41(a) of the PPDA Act, Cap. 205;
 - iv. Implement targeted measures to increase bidder participation, including conducting market surveys, widely publishing bid opportunities, engaging supplier associations, and organizing bidder sensitization sessions. These efforts will enhance transparency, promote competition, and ensure value for money in line with Sections 48 and 49 of the PPDA Act, Cap 205; and
 - v. Task the Head, Procurement and Disposal Unit to submit all contracts above UGX 200,000,000 to the Solicitor General for clearance prior to contract signing and incorporate the guidance given in the revised contracts in accordance with Regulation 6 (1) (f) of the PPDA (Contracts) Regulations, 2023;
2. The Head, Procurement and Disposal Unit should:
 - i. Involve the District Environmental Officer, District Community Development Officer, and District Labour Officer in the preparation of solicitation documents so that Environmental, Social, Health, and Safety (ESHS) requirements are clearly defined and properly integrated in the Bills of Quantities (BOQs) in accordance with Section 66 of the PPDA Act, Cap 205;
 - ii. request for only Performance Securing Declarations in the bidding documents for procurements involving Local Providers in accordance with Guidelines Reference: 4/2025 on Bid, Performance and Advance Securities; and
3. The Evaluation Committees should strictly adhere to the evaluation criteria outlined in the solicitation documents. Firms that do not comply should be eliminated in accordance with Regulations 5 (1) and (2) of the PPDA (Evaluation) Regulations, 2023.

Bugweri District Local Government should implement the recommended action plan on page 17 of the inspection report.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority carried out the compliance inspection of Bugweri District Local Government that covered a representative sample of three procurement transactions under the Financial Year 2024/25. The audit involved a review of the 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 Cap 205 and the attendant PPDA Regulations.

1.2 Overall Objective

The overall objective of the inspection was to assess and establish the degree of compliance of Bugweri District Local Government's procurement system, process and disposal process with the provisions of the Public Procurement and Disposal of Public Assets Act, Cap 205 and attendant PPDA Regulations, and assess the level of procurement performance over the audit period.

The specific objectives were to:

1. Establish the level of compliance by the Entity with the general provisions of the PPDA Act Cap 205 and attendant PPDA Regulations with regard to the performance of the procurement structures and the conduct of the procurement process;
2. Assess the degree of compliance of the Entity's disposal process with the provisions of the PPDA Act Cap 205 and the PPDA (Disposal of Public Assets) Regulations 2023; and
3. Assess the level of efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) Requirements in the procurement process.

1.3 Methodology

The Authority examined records and documents for each sampled procurement transaction and/or disposal and obtained the relevant evidence to derive audit conclusions. This involved a review of the Entity's procurement and disposal planning, initiation, bidding, evaluation, contract placement and processes. At the end of the document review, a physical verification was undertaken to ascertain the level of contractual delivery and fit for purpose.

During the audit, the Authority held interviews with the staff from the Procurement and Disposal Unit and User Departments that were necessary in obtaining crucial qualitative information about the internal control systems 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 **11th July 2025** before the auditors could embark on preparation of the management letter. The Authority prepared the management letter, which was sent to the Entity on **30th September 2025** with a request to submit a management response by **3rd October 2025** which was submitted on **25th November 2025**.

On completion of data collection and before writing the report, the Regional 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 TWO: KEY FINDINGS AND RECOMMENDATIONS

2.1 Compliance by the Entity with the general provisions of the PPDA Act Cap 205 and attendant PPDA Regulations with regard to the performance of the procurement structures and the conduct of the procurement processes

2.1.1 Procurement structures

The key players in the procurement structure at Bugweri District Local Government include the Chief Administrative Officer as Accounting Officer, the Contracts Committee, the Procurement and Disposal Unit and the User Departments.

The Authority noted the following regarding the Entity's procurement structures:

i. Accounting Officer

Section 28 (1) of the PPDA Act, Cap. 205 gives the Accounting Officer the overall responsibility for the successful execution of procurement, disposal and contract management in the Procuring and Disposing Entity. The Chief Administrative Officer; Mr. William Makune was designated as the Accounting Officer of the Entity during the Financial Year 2024-2025.

ii. Staffing of the Procurement and Disposal Unit

Section 32 of the PPDA Act, Cap. 205 provides that a Procuring and Disposing Entity shall cause to be established a Procurement and Disposal Unit staffed at an appropriate level. The Authority noted that the Entity's Procurement and Disposal Unit was fully staffed with two members of staff in the unit. The details of the Procurement and Disposal Unit staff are shown in Table 1 below: -

Table 1: Staff in the Procurement and Disposal Unit

No	Name	Academic & Professional qualifications & certifications	Experience	Job Title
1	Margaret Kwebwawera	Post Graduate Diploma in Procurement and Supply Chain Management	17 years	Senior Procurement Officer
2	Mr. Ivan Kaunda	Post Graduate Diploma in Procurement and Supply Chain Management	3 years	Procurement Officer

iii. Composition of the Contracts Committee

In accordance with Section 28 (1) (a) of the PPDA Act, Cap 205, the Accounting Officer had duly constituted a Contracts Committee. Details of the Contracts Committee membership are provided in Table 2 below:

Table 2: Showing Contracts Committee membership during the audit period

No	Name	Job Title	Position	Date of appointment
1.	Dr. Muhamudu Kalange	Senior Veterinary Officer	Chairperson	29 th September 2025
2.	Mr. Arajab Kamyia	Senior Land Management Officer	Member	7 th April 2025

No	Name	Job Title	Position	Date of appointment
1.	Dr. Muhamudu Kalange	Senior Veterinary Officer	Chairperson	29 th September 2025
3.	Mr. Benon Tibita	Planner	Secretary	11 th June 2025
4.	Ms. Winifred Neseмба	Inspector of Schools	Member	11 th June 2025
5.	Dr. Noor Nakiwunga	Medical Officer	Member	11 th June 2025

2.1.2 Inadequate storage and poor record keeping of past procurement and disposal files

Section 44 (1) of the PPDA Act, Cap. 205 requires a PDE to maintain records on its procurement and Disposal procedures for a period of seven years from the date of decision to terminate the procurement or disposal action, or the date of the contract completion whichever comes later. During Audit, the Authority observed poor storage of procurement and disposal records for previous financial years. These records were haphazardly stacked on shelves and vulnerable to unauthorized access thereby compromising their integrity and security. Furthermore, it was noted that the office space was shared with other departments like finance which was likely to compromise on confidentiality and accountability in the procurement process. Details are provided in Figure 1 below:

Figure 1: Poor storage of procurement and disposal action files



Implication

Inadequate storage of procurement and disposal records puts the Entity's critical documents at risk of loss, damage, unauthorized access, and tampering, compromising the integrity of its procurement processes.

Management Response

The Procurement and Disposal Unit will be provided with an office and a store for their records on the new Administration block that is under construction by UPDF Engineering brigade.

Authority's comment

The Authority notes the Entity's commitment to provide the Procurement and Disposal Unit with dedicated office and storage space upon completion of the new Administration Block.

No.	Recommendation	Status
	<p><u>Management Response</u> <i>The Accounting Officer wrote to the Sub-County Chiefs and Town Clerks and Ag. District Engineer to provide the missing accountabilities for the Road funds received in FY 2022-2023.</i></p> <p>Authority's comment The Authority noted the Entity's response, however, there was no documentary evidence availed</p> <p>iii. Regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 58 (4) of the PPDA Act. 2003 as amended to ensure a true reflection of the Entity's performance;</p> <p><u>Management Response:</u> <i>We have taken note and going forward all the procurement plans will be updated and reviewed</i></p> <p>iv. Ensure that all Government assets under the Entity's custody are well handled, maintained and are fully utilized for the purposes for which they were acquired by the Entity: Prevail over the User Departments to nominate contract supervisors and report any deviations from the terms of the contract by the contractor in accordance with Regulation 51 and 52 (l) (a) and (b) of the PPDA (Contracts) Regulations. 2023; and</p> <p><u>Management response</u> No response was provided</p> <p>v. Ensure that the providers perform the contract in accordance with the terms and conditions specified in the contract in accordance with Regulation 52 (3) (a) of the PPDA (Contracts) Regulations.2023: and The Contractor Manager comes up with a snag list that should be issued to the contractor to put right.</p> <p><u>Management Response</u> The Entity has taken note and going forward the project manager will furnish the Entity with the progress reports for the projects to be supervised in the subsequent financial years.</p>	<p>Partially Implemented</p> <p>Not Implemented</p> <p>Partially Implemented</p>
2.	<p>The Head, Procurement and Disposal Unit should conduct all procurement and disposal in a manner that maximizes competition and achieves value for money irrespective of the method of procurement used or the nature of the supplies works, or services to be procured in accordance with Regulation 6 of PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations. 2023.</p> <p><u>Management Response</u></p>	<p>Partially Implemented</p>

No.	Recommendation	Status
	<p><i>The recommendation was implemented and we shall continue improving.</i></p> <p>Authority's comment The Authority noted the Entity's response, however, the Entity still had three cases in the Financial Year, where low bidder participation was noted.</p>	

Implication

Failure to fully implement audit recommendations affects performance of the procurement function and is an indicator of a weak implementation mechanism by the Entity.

Recommendation

The Accounting Officer should put in place a strong mechanism to implement recommendations made by the Authority to improve the Entity's performance in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205. This could include appointing a task force that will be responsible for ensuring full implementation of the Authority's recommendations.

2.1.4 Procurement plan implementation rate

Section 60 (7) of the PPDA Act, Cap. 205, states that; "*A procuring and disposing entity shall, on a quarterly basis and in any other case, where necessary, review and update its procurement plan*". The Authority noted that the Entity did not fully execute its procurement plan for the Financial Year 2024/2025 and failed to update the plan to capture any changes. As a result, Bugweri District Local Government implemented only 85% of its 2024/2025 procurement plan resulting in unutilized funds amounting to UGX 752,449,141, representing 15% of the planned procurement expenditure. Details are provided in Table 4 below:

Table 4: Procurement plan implementation rate

Analysis of procurement spend	
Total procurement plan value inclusive VAT (UGX)	5,021,664,566
Total procurement spend value inclusive VAT (UGX)	4,269,215,425
Procurement Plan Implementation Variance (UGX)	752,449,141
Procurement Plan Implementation Rate (%)	85
Non implementation rate (%)	15

Implication

Failure to fully implement planned activities hinders service delivery to the intended beneficiaries.

Management Response

The Entity has noted with concern and shall have quarterly reviews of the procurement plan and update where necessary.

Recommendation

The Accounting Officer along with Management should regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205 to ensure improved absorption of the Entity's Procurement Plan.

2.1.5 Confirmation of funding to procure without delegated authority from the Accounting Officer

Section 41 (a) of the PPDA Act, Cap 205 states that; “*the Accounting Officer may delegate certain procurement and disposal functions of the accounting officer, contracts committee or procurement and disposal unit*”. The Authority observed that in two procurements worth UGX 481,445,322, confirmation of availability of funds at initiation was done by Ms. Mary Birete without evidence of delegation of authority by the Accounting Officer (Mr. William Makune). Details are provided in Table 5 below:

Table 5: Procurements without written authorized delegation by the Accounting Officer

No.	Subject of Procurement	Contract value (UGX)
1.	Design, delivery and installation of 25 micro scale irrigation equipment in Bugweri District-Production Lot 2	233,890,000
2.	Partial Construction of piped water system at Nondwe RGC	247,555,322
Total		481,445,322

Implication

The absence of a written delegation of authority from the Accounting Officer undermines the internal controls governing confirmation of funding. This increases the risk of unauthorized commitments, financial mismanagement, and potential budget overruns, as decisions are made without clear accountability.

Management Response

Its true, Ms. Mary Birete confirmed the availability of funds in the two procurements above and this was due to Accounting Officer being on official leave and the Entity had to run the procurement since the Financial Year was coming to an end.

Authority’s comment

The Authority noted the Entity’s response and reviewed the supporting documentation. However, the leave handover report provided indicates that responsibility was formally handed over to Mr. Emmanuel Mbonye, not Ms. Mary Birete, who proceeded to confirm availability of funds without written delegated authority.

Recommendation

The Accounting Officer should have confirmation of funding carried out strictly by the designated officer or by an individual with formally documented delegated authority in accordance with Section 41(a) of the PPDA Act, Cap. 205.

2.1.6 Low bidder participation

Section 49 of the PPDA Act, Cap. 205, requires procurements to be conducted in a manner that maximizes competition and achieves value for money. The Authority noted that the Entity failed to obtain adequate competition in three procurements worth UGX. 830,011,422, receiving an average of only 1.67 bids per procurement. These procurements are detailed in Table 6 below:

Table 6: Procurements where low bidder participation was noted

No	Subject of Procurement	Contract Amount (UGX)	Number of invited bidders	Number of bids received
1.	Design, delivery and installation of 25 micro scale irrigation equipment in Bugweri district-production lot 2	233,890,000	15	2
2.	Construction of an ICT laboratory, 2 Unit Staff Block and 2 Stance Lined Pit Latrine at Idudi	348,566,100	Open Domestic bidding	2
3.	Partial Construction of piped water system at Nondwe RGC	247,555,322	3	1
Total/Average		830,011,422		1.67

Implications

- Low bidder participation undermines competition in the procurement process and may lead to costly procurements.
- This could be a sign of bidder collusion, lack of information to bidders and subjective award of tenders.

Management Response

It is true Management realized low bidder participation in the three procurements above. However, for Construction of ICT laboratory, 2 Unit Staff Block and 2 Stance Lined Pit Latrine at Idudi, this was advertised in the press (New Vision dated 27th January, 2025) and for the other two that is Partial Construction of piped water system at Nondwe RGC, Design, delivery and installation of 25 micro scale irrigation equipment in Bugweri District-production lot 2, we invited from prequalified firms, and invitations were made to 03 (three) firms and 15 (fourteen) firms respectively. For Partial Construction of piped water system at Nondwe RGC only one (01) firm turned up, Partial Construction of piped water system at Nondwe RGC 02 (two) turned up and for Construction of ICT laboratory, 2 Unit Staff Block and 2 Stance Lined Pit Latrine at Idudi 02 (two) turned up, given that all was done in third quarter there was no time for re-advertisement.

Authority's comment

While efforts to advertise through widely circulated media are commendable, the persistent low response from bidders suggests the presence of underlying constraints that warrant targeted analysis. These may include overly stringent qualification requirements, perceived lack of transparency in the procurement process, unattractive bidding conditions, limited market engagement to mention but a few.

Recommendation

The Accounting Officer should implement targeted measures to increase bidder participation, including conducting market surveys, widely publishing bid opportunities, engaging supplier associations, and organizing bidder sensitization sessions. These efforts will enhance transparency, promote competition, and ensure value for money in line with Sections 48 and 49 of the PPDA Act, Cap 205.

2.1.7 Irregularities during the Evaluation of Bids

Regulation 5 (2) of the (PPDA) (Evaluation) Regulations, 2023 states that, "An Evaluation Committee shall not, during an evaluation, make any amendment including any addition to the

evaluation criteria stated in the bidding document, and shall not use any other criteria other than the criteria specified in the bidding document". However, in the procurement for design, delivery and installation of 25 micro scale irrigation equipment in Bugweri District-Production Lot 2, the evaluation committee recommended award of contract to a bidder that did not comply with the criteria stipulated in the solicitation documents. Details are provided in Table 7 below:

Table 7: Procurements with evaluation irregularities

No.	Subject of procurement	Amount (UGX)	PPDA Findings
1.	Design, delivery and installation of 25 micro scale irrigation equipment in Bugweri District-Production Lot 2	233,890,000	<ul style="list-style-type: none"> • The BEB Bruelix Group of companies was not compliant on the requirement of submission of Powers of Attorney specific to the procurement. Instead, a general power of attorney was provided. • There was no evidence that the BEB complied with the requirement of technical personnel including an Agricultural/Irrigation Engineer and Solar/electrical/mechanical technician. • There was no evidence that the BEB complied with the requirement of pickup vehicles, concrete pocker vibrator, welding machines and plate compactor.

Implications

- This is an indicator that members of the Evaluation Committees may have had unethical tendencies or may have lacked adequate capacity to review bids which could have compromised fairness and transparency in the evaluation process.
- This may lead to award of contracts to non-compliant bidders which could result into substandard work and failure to attain value for money.

Management Response

- *The requirement for Specific Powers of Attorney was an oversight.*
- *Regarding the issue of personnel and equipment, the Senior Agricultural Engineer who was supporting the Procurement and Disposal Unit on technical matters during evaluation was overwhelmed with responsibilities, as he was shared with another Entity. Consequently, the set evaluation criteria were not thoroughly verified. However, the Entity has now recruited a full-time Senior Agricultural Engineer responsible for the micro-scale irrigation system, and therefore anticipates improved performance going forward.*

Authority's comment

The Authority noted the Entity's response and emphasizes that failure to rigorously apply and verify the established evaluation criteria undermines the integrity, fairness, and transparency of the procurement process and increases the risk of awarding contracts to non-compliant bidders.

Recommendation

The Evaluation Committees should strictly adhere to the evaluation criteria outlined in the solicitation documents. Firms that do not comply should be eliminated in accordance with Regulations 5 (1) and (2) of the PPDA (Evaluation) Regulations, 2023.

2.1.8 Failure to seek Solicitor General's Clearance

Regulation 6 (1) (f) of the PPDA (Contracts) Regulations, 2023 requires Entities to seek approval from the Attorney General where necessary. Additionally, statutory Instrument Supplement No. 97 dated 17th November 2023 requires Entities to seek Solicitor General's clearance for contracts above UGX 200,000,000. However, the Authority noted that the Entity did not seek clearance from the Solicitor General in the construction of piped water system at Nondwe RGC worth UGX. 247,555,322 and in the construction of an ICT laboratory, 2 Unit Staff Block and 2 Stance Lined Pit Latrine at Idudi, the Entity ignored the Solicitor General's recommendation. The details are provided in Table 8 below:

Table 8: Procurements where the Entity did not Seek Solicitor General Clearance

No.	Subject of Procurement	Contract Amount (UGX.)	Observation
1	construction of an ICT laboratory, 2 Unit Staff Block and 2 Stance Lined Pit Latrine at Idudi	348,566,100	The Entity ignored Solicitor General's recommendations as indicated below: <ul style="list-style-type: none">• <i>SCC (GCC) 34.1: (On dispute settlement) This should be amended as follows: "The Procedure for Dispute Resolution shall be Litigation in a Ugandan Court of Law of competent jurisdiction"</i> However, the Entity retained the procedure for dispute resolution as arbitration and conciliation.• <i>SCC (GCC) 44.1 (on defects liability period): This provision should be amended to read: "Six (6) months and shall be extended for as long as defects remain to be corrected";</i> However, the Entity did not make this amendment.
2	Construction of piped water system at Nondwe RGC	247,555,322	The Entity did not seek SG clearance

Implication

Failure to obtain Solicitor General's clearance or ignoring their guidance exposes the Entity to the risk of signing poorly drafted contracts, putting the Government at risk of litigation or financial loss due to non-performance of contracts.

Management response

- *For the construction of an ICT laboratory, 2 Unit Staff Block and 2 Stance Lined Pit Latrine at Idudi, the Contract was cleared by Solicitor General but it was an oversight not to include the guidance as amended by the Solicitor General communication on dispute settlement.*
- *For Construction of piped water system at Nondwe RGC, it was an oversight and the Entity will in future seek for clearance before signing of contracts.*

Authority's comment

The Authority noted the Entity's response and emphasizes that such omissions expose the Entity to legal and financial risks arising from poorly structured contractual provisions, disputes, or unenforceable terms, which may ultimately undermine contract performance and

value for money. The Entity should therefore strengthen internal review and contract approval controls to ensure that all contracts are submitted for clearance and that the Solicitor General's guidance is fully incorporated prior to contract signature.

Recommendation

The Accounting Officer should task the Head, Procurement and Disposal Unit to submit all contracts above UGX 200,000,000 to the Solicitor General for clearance prior to contract signing and incorporate the guidance given in the revised contracts in accordance with Regulation 6 (1) (f) of the PPDA (Contracts) Regulations, 2023.

2.2 Compliance of the Entity's disposal process with the provisions of the PPDA Act, Cap 205 and the PPDA (Disposal of Public Assets) Regulations 2023

2.2.1 Failure to prepare a disposal plan

Regulation 2 (1) of the PPDA (Disposal of Public Assets) Regulations, 2023 states that, "*for the purposes of disposal planning, an Accounting Officer shall, in each financial year, cause the public assets of a procuring and disposing entity to be reviewed, to identify the public assets to be disposed of in the following financial year.* However, the Authority noted that the Entity did not submit a disposal plan for the Financial Year 2024/2025, as a result the Entity did not undertake disposal of obsolete assets.

Implication

Failure to prepare a disposal plan leads to unnecessary storage of assets due for disposal which take valuable space, reducing operational efficiency as well further depreciation in value.

Management Response

It is true by the time of inspection the Entity had no disposal plan but the Chief Administrative Officer has written to Heads of Department to submit their assets due for disposal.

Authority's comment

While this is a positive administrative step toward compliance, it does not mitigate the fact that the Entity had no approved disposal plan in place for the Financial Year 2024/2025. The absence of a disposal plan undermines systematic identification, planning, and timely disposal of obsolete assets, and indicates weaknesses in the Entity's asset management and planning processes. The Entity is therefore advised to ensure that disposal planning is fully institutionalized and completed within the statutory timelines to support effective and efficient management of public assets.

Recommendation

- The Accounting Officer should use the board of survey or a User Department to identify the public assets to be disposed of in accordance with Regulation 2 (2) of the PPDA (Disposal of Public Assets) Regulations 2023 and come up with a disposal plan.

2.3 Efficiency and effectiveness in contract implementation including the application of Environmental, Social, Health and Safety (ESHS) requirements in the procurement process

2.3.1 Unclear requirements pertaining Environmental, Social, Health, and Safety (ESHS) requirements

Section 66 of the PPDA Act, Cap 205 states that, “a procuring and disposing entity shall for each procurement take into account environmental protection, social inclusion and stimulating innovation”. The Authority noted that in two procurement transactions worth UGX. 582,456,100, Environmental, Social, Health and Safety issues were not clearly captured in the bidding documents. The details are provided in Table 9 below:

Table 9: Non- adherence to ESHS requirements

No.	Subject of Procurement	Contract Amount (UGX)	Observations
1.	Design, delivery and installation of 25 micro scale irrigation equipment in Bugweri District-Production Lot 2	233,890,000	Failure to provide for ESHS requirements in the BOQs. Whereas, the bidding document provided for an Environmental and Social policy including provisions for environmental protection, safety of workers. There were no corresponding provisions in the BOQs to operationalize these requirements.
2.	Construction of an ICT laboratory, 2 Unit Staff Block and 2 Stance Lined Pit Latrine at Idudi Seed Secondary School	348,566,100	Failure to provide for ESHS requirements in the BOQs. The Bills of Quantities did not provide for environmental, social and safety issues such as planting of trees, sensitization and engaging the workers and local communities and controlling the spread of communicable diseases.
Total		582,456,100	

Implication

Without explicit provisions in the Bills of Quantities, contractors may overlook critical environmental and social safeguards, compromising worker safety, community welfare, and environmental protection.

Management Response

It is true the ESHS were not costed in the Bills of Quantities (BOQs) and this was an oversight by the Entity, the Entity shall improve on preparation of bill of quantities.

Recommendation

The Head, Procurement and Disposal Unit should involve the District Environmental Officer, District Community Development Officer, and District Labour Officer in the preparation of solicitation documents so that Environmental, Social, Health, and Safety (ESHS) requirements

are clearly defined and properly integrated in the Bills of Quantities (BOQs) in accordance with Section 66 of the PPDA Act, Cap 205.

2.3.2 Failure by the contractors to submit Performance Securities

Regulation 52 (3) (a) (i) requires a contract manager to ascertain that the provider meets all the performance or delivery obligations in accordance with the terms and conditions of the contract. However, it was noted that although GCC 61.1 required contractors to provide performance securities equivalent to 5% of the contract price, none of the contractors complied with this requirement. This was noted in three procurement transactions worth UGX 830,011,422 detailed in Table 10 below:

Table 10: Procurements without performance securities

No	Subject of Procurement	Contract Amount (UGX)
1.	Design, delivery and installation of 25 micro scale irrigation equipment in Bugweri district-production lot 2	233,890,000
2.	Construction of an ICT laboratory, 2 Unit Staff Block and 2 Stance Lined Pit Latrine at Idudi	348,566,100
3.	Partial Construction of piped water system at Nondwe RGC	247,555,322
Total		830,011,422

Implication

Failure by the contractors to submit performance securities exposes the Entity to financial and operational risks since there is no financial guarantee to safeguard the Entity in the event that the contractors fail to perform their contractual obligations.

Management Response

It is true the Entity did not receive the performance security of 5% from the contractor as per GCC 61.1 this was an oversight but we promise to improve. However, the two projects were completed successfully and for ICT Laboratory is at 98% complete otherwise in future this will not be repeated.

Recommendations

The Authority noted the Entity's response and recommends that in future, the Head, Procurement and Disposal Unit should request for only Performance Securing Declarations in the bidding documents for procurements involving Local Providers in accordance with Guidelines Reference: 4/2025 on Bid, Performance and Advance Securities.

2.3.3 Mismanagement of Force Account Mechanism

The Authority conducted an assessment of the implementation of projects under the Force Account Mechanism and sampled the maintenance of Bulyansime-Mukuutu-Nondwe road and noted the following anomalies:

- i. **Failure to conduct a value for money analysis.** Contrary to Regulation 3 (2) of the PPDA Force Account Regulations 2014, the Entity did not conduct an analysis to determine that the indirect and overhead costs to be incurred by a Procuring and Disposing Entity are below the cost that would be incurred if the assignment was executed by a contractor;

- ii. **Failure to prepare daily work sheets.** Clause 5.5 of the PPDA Circular No. 3 of 2012 guides Local Governments on use of Force Account Mechanism; to prepare daily work sheets and indicate resources used and works executed. The Authority noted daily work sheets were not prepared.
- iii. **Delayed implementation.** In contravention of section 48 of the PPDA Act, Cap. 205, the Entity did not conduct its works projects under the Force Account Mechanism in an efficient manner. Whereas, the works were scheduled for completion by 30th June 2025, the Authority noted from the inspection report dated 30th June 2025, that works were only at 70% level of completion.

Implications

- This casts doubt on the transparency and accountability for works undertaken using Force Account Mechanism
- This may inhibit achievement of value for money.
- Delayed implementation leads to delayed service delivery to the intended beneficiaries.

Management response

- *It is true the Entity did not conduct value for money analysis, failed to prepare daily work sheets but we shall improve in future.*
- *The Entity lacks a complete road unit but we hope to improve when the whole set of equipment is granted.*

Recommendations

- The Accounting Officer should task the District Engineer to implement works undertaken using the Force Account Mechanism in accordance with the PPDA (Force Account Mechanism) Regulations, 2014 and Circular No. 3 of 2012 to Local Governments on the use of the Force Account Mechanism.
- The Accounting Officer should establish mechanisms to facilitate the conduct of all Force Account procurements in a manner that promotes economy, efficiency, and value for money in accordance with Section 48 of the PPDA Act, Cap. 205.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

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

3.1 Overall Audit Conclusion

The performance of Bugweri District Local Government for the Financial Year 2024/25 was Moderately satisfactory with overall weighted average risk rating of **40%**.

3.2 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 in Table 11 below:

Table 11: Summary of performance of Bugweri District Local Government

Risk Category	Number of Sampled Procurements	% No	Value (UGX)	% Value	Weights	Total weighted average	
						By No.	By Value
High	0	0.0	0.0	0.0	0.6	0.0	0.0
Medium	2	66.7	582,456,100	70.2	0.3	20.0	21.1
Low	1	33.3	247,555,322	29.8	0.1	3.3	3.0
Satisfactory	0	0.0		0.0	0.0	0.0	0.0
Total	3	100.0	830,011,422	100.0	1.0	23.3	24.0

$$\text{Weighted Average (By no.)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{23.3}{60} \times 100 = 39\%$$

$$\text{Weighted Average (By Value)} = \frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{58.6}{60} \times 100 = 40\%$$

$$\text{The average weighted risk rating} = \frac{39 + 40}{2} = 40$$

Table 12: The risk rating is as follows:

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

3.3 Chart representation of risk rating

Figure 1: Chart Representation of Risk Rating by Number

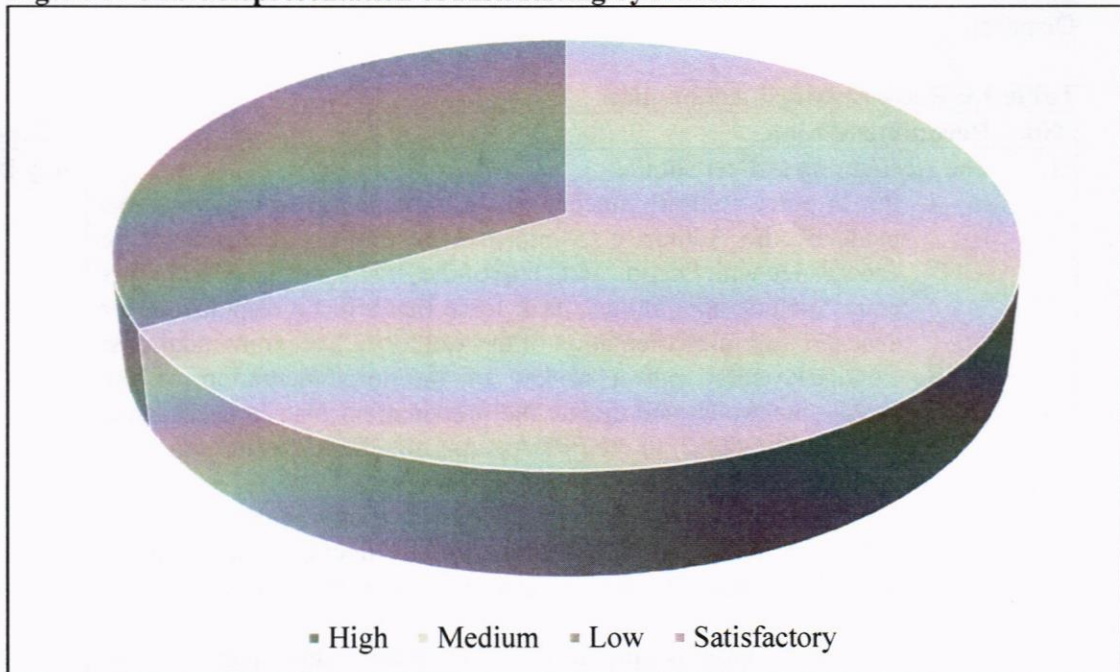
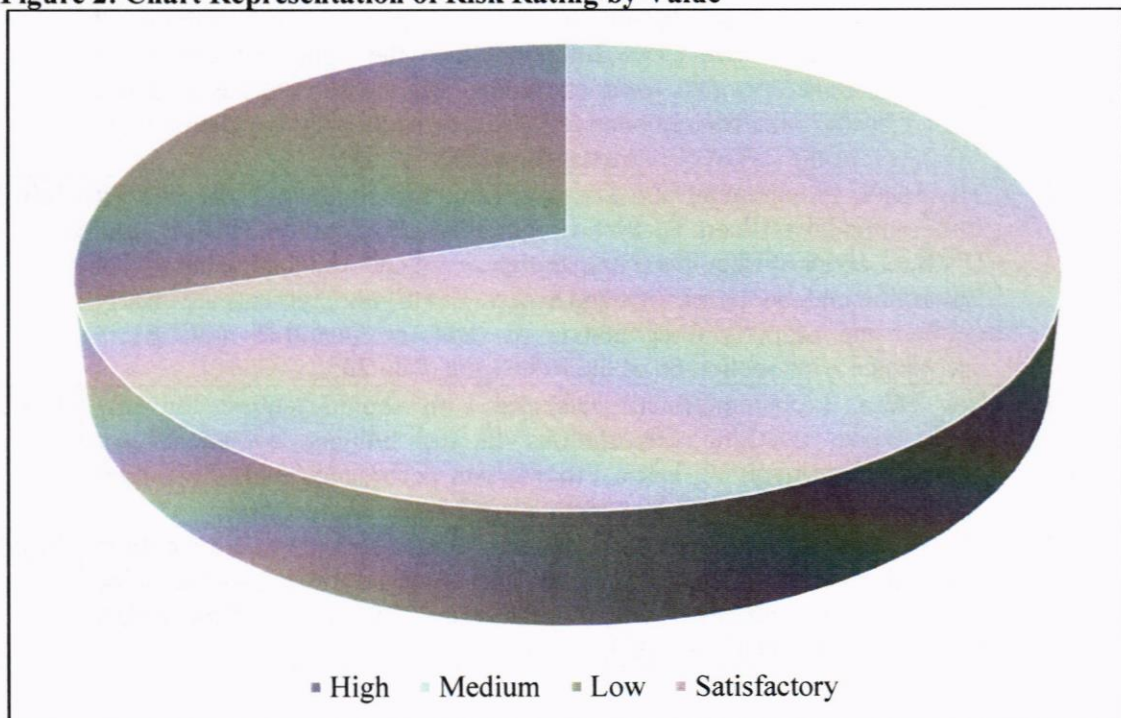


Figure 2: Chart Representation of Risk Rating by Value



3.4 Recommended Action Plan

Bugweri District Local Government should implement the following recommendations in Table 13 within the timeframe given in order to improve its performance in Procurement and Disposal.

Table 13: Recommended Action plan

No.	Recommendation	Target Date
1.	<p>The Accounting Officer should:</p> <ul style="list-style-type: none"> i. Put in place a strong mechanism to implement recommendations made by the Authority to improve the Entity's performance in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205. This could include appointing a task force that will be responsible for ensuring full implementation of the Authority's recommendations; ii. Regularly carry out a review of the implementation of the procurement plan and update the procurement plan in accordance with Section 60 (7) of the PPDA Act, Cap. 205 to ensure improved absorption of the Entity's Procurement Plan; iii. Have confirmation of funding carried out strictly by the designated officer or by an individual with formally documented delegated authority in accordance with Section 41(a) of the PPDA Act, Cap. 205; iv. Implement targeted measures to increase bidder participation, including conducting market surveys, widely publishing bid opportunities, engaging supplier associations, and organizing bidder sensitization sessions. These efforts will enhance transparency, promote competition, and ensure value for money in line with Sections 48 and 49 of the PPDA Act, Cap 205; and v. Task the Head, Procurement and Disposal Unit to submit all contracts above UGX 200,000,000 to the Solicitor General for clearance prior to contract signing and incorporate the guidance given in the revised contracts in accordance with Regulation 6 (1) (f) of the PPDA (Contracts) Regulations, 2023; 	July 2026
2.	<p>The Head, Procurement and Disposal Unit should involve the District Environmental Officer, District Community Development Officer, and District Labour Officer in the preparation of solicitation documents so that Environmental, Social, Health, and Safety (ESHS) requirements are clearly defined and properly integrated in the Bills of Quantities (BOQs) in accordance with Section 66 of the PPDA Act, Cap 205.</p>	July 2026
3.	<p>The Head, Procurement and Disposal Unit should request for only Performance Securing Declarations in the bidding documents for procurements involving Local Providers in accordance with Guidelines Reference: 4/2025 on Bid, Performance and Advance Securities.</p>	July 2026
4.	<p>The Evaluation Committees should strictly adhere to the evaluation criteria outlined in the solicitation documents. Firms that do not comply should be eliminated in accordance with Regulations 5 (1) and (2) of the PPDA (Evaluation) Regulations, 2023.</p>	July 2026

Annex 1: Sample List For Compliance Inspection Of Bugweri District Local Government FY 2024/2025

No.	Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk Rating
1.	Bugw814/wrks/24-25/00001	Construction of ICT laboratory, two-unit staff house, and two stances lined VIP latrine block to staff house at Idudi Seed Secondary School.	Open bidding	M/S Interbuild Tech Services Ltd	348,566,100	Medium
2.	Bugw814/wrks/24-25/00014	Design, delivery and installation of 25 micro irrigation equipment in Bugweri District	Open bidding	M/S Bruilex Group of Companies Ltd	233,890,000	Medium Risk
3.	Bugw814/24-25/00012	Partial construction of Nondwe piped water system phase 4	Open bidding	M/S Vimalraj Construction Company	247,555,322	Low Risk
Total					830,011,422	

Annex 2: Risk Rating Per Case

No	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	<p>Reference: MOES-BUG/UGIFT/WRKS/2024-25/00001</p> <p>Subject: Construction of an ICT laboratory, 2 Unit Staff Block and 2 Stance Lined Pit Latrine at Idudi</p> <p>Contract amount: 348,566,100</p> <p>Contractor: Interbuild technical services limited</p>	<p>a. No evidence of submission of a performance security yet GCC 61.1 provided for a 5% performance security.</p> <p>b. Low bidder participation, only two bids received i.e. Interbuild Technical Services Limited and Mukaaki Investments Limited.</p> <p>c. Failure to implement solicitor general's recommendations in the contract e.g.</p> <ul style="list-style-type: none"> • <i>SCC (GCC) 34.1: (On dispute settlement) This should be amended as follows: "The Procedure for Dispute Resolution shall be Litigation in a Ugandan Court of Law of competent jurisdiction"</i> However, the Entity retained the procedure for dispute resolution as arbitration and conciliation. • <i>SCC (GCC) 44.1 (on defects liability period): This provision should be amended to read: "... Six (6) months and shall be extended for as long as defects remain to be corrected";</i> However, the Entity did not make this amendment. <p>d. The Bills of Quantities did not provide for environmental, social and safety issues such planting of trees, sensitization and engaging the workers and local communities and controlling the spread of communicable diseases all these were not stipulated.</p>
2.	<p>Reference: BUGW/814/WRKS/24-25/00014</p> <p>Subject: Design, delivery and installation of 25 micro scale irrigation equipment in Bugweri District-Production Lot 2</p> <p>Contract amount: 233,890,000</p> <p>Contractor: Bruelex Group of Companies Limited</p>	<ul style="list-style-type: none"> • Confirmation of funding was done by Birete Mary, without confirmation of delegated authority. • Low bidder participation, only two bids received i.e. Bruelex group of companies limited and Busoga Seed Solutions Limited. • Failure to provide for ESHS requirements in the BOQs. Whereas, the bidding document provided for an Environmental and Social policy including provisions for environmental protection, safety of workers. There were no corresponding provisions in the BOQs to operationalize these requirements. • There was no evidence that the BEB complied with the requirement of technical personnel including an Agricultural/Irrigation Engineer and Solar/electrical/mechanical technician. • There was no evidence that the BEB complied with the requirement of pickup vehicles, concrete pocker vibrator, welding machines and plate compactor.

No	LOW RISK CONTRACTS	REASONS FOR LOW RISK
1.	<p>Reference: Bugw814/Wrks/24-25/020012</p> <p>Subject: Partial Construction of piped water system at Nondwe RGC</p> <p>Contract amount: 247,555,322</p> <p>Contractor: Vimalraj Construction Co. Ltd</p>	<ul style="list-style-type: none"> • No delegated authority for Birete as Accounting Officer • Low bidder participation. (only Vimalraj Construction Company Ltd) submitted a bid

Annex 3: Risk Rating Criteria

RISK	DESCRIPTION	AREA	IMPLICATION
HIGH	<p>Such procurements were considered to have serious weaknesses, which could cause material financial loss or carry risk for the regulatory system or the entity's reputation. Such cases warrant immediate attention by senior management.</p> <p>Significant deviations from established policies and principles and/or generally accepted industry standards will normally be rated "high".</p>	<p>Planning: Lack of or failure to procure within the approved plan</p>	<p>This implies emergencies and use of the direct procurement method which affects competition and value for money.</p>
		<p>Bidding Process: Use of wrong/inappropriate procurement methods, failure to seek Contracts Committee approvals and usurping the powers of the PDU.</p>	<p>This implies use of less competitive methods which affects transparency, accountability and value for money.</p>
		<p>Evaluation: Use of inappropriate evaluation methodologies or failure to conduct evaluation.</p>	<p>This implies financial loss caused by awarding contracts at higher prices or shoddy work caused by failure to recommend award to a responsive bidder.</p>
		<p>Record Keeping: Missing procurement files and missing key records on the files namely; solicitation document, submitted bids, evaluation report and contract.</p>	<p>This implies that one cannot ascertain the audit trail namely; whether there was competition and fairness in the procurement process.</p>
		<p>Fraud/forgery: Falsification of Documents</p>	<p>This implies lack of transparency and value for money.</p>

RISK	DESCRIPTION	AREA	IMPLICATION
		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
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	

RISK	DESCRIPTION	AREA	IMPLICATION
		<p>inclusion, environment, health and safety.</p> <p>Aspects of gender, social inclusion, environment, health and safety not covered by the contractor during contract implementation.</p>	
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 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.