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

COMPLIANCE INSPECTION REPORT OF NAPAK DISTRICT LOCAL GOVERNMENT FOR FINANCIAL YEAR 2024/25

JUNE 2026

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ACRONYMS

AO	Accounting Officer
BEB	Best Evaluated Bidder
BOQs	Bills of quantities
EC	Evaluation Committee
LTD	Limited
PDE	Procuring and Disposing Entity
PDU	Procurement and Disposal Unit
PPDA	Public Procurement and Disposal of Public Assets Authority
UGX	Uganda Shillings

EXECUTIVE SUMMARY

The Public Procurement and Disposal of Public Assets Authority conducted a compliance inspection of Napak District Local Government, covering a representative sample of ten procurement transactions worth UGX 2,046,994,204 for the Financial Year 2024/25.

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

The procurement and disposal activities of Napak District Local Government for the Financial Year 2024/25 were affected by weaknesses in procurement planning, bid preparation and evaluation, contract management, and implementation of Environmental, Social, Health and Safety (ESHS) requirements. The Authority further noted that a substantial proportion of recommendations from the previous inspection remained unimplemented, the Contracts Committee was not fully constituted, and several procurements were characterised by delays. These weaknesses increased the Entity's exposure to procurement, contract management and service delivery risks.

While the weaknesses identified were not considered significant enough to undermine the overall integrity of the procurement and disposal system, they reveal shortcomings in management oversight, implementation of the Authority's recommendations, procurement planning and contract management. If not addressed, these deficiencies are likely to affect service delivery, weaken accountability and transparency, limit competition, reduce value for money and increase exposure to contract management risks.

Accordingly, the performance of Napak District Local Government for Financial Year 2024/25 is assessed as **Moderately Satisfactory**, with an overall weighted average risk rating of **46%.** However, the identified weaknesses require focused management interventions to strengthen governance and oversight, improve implementation of the Authority's recommendations, enhance procurement planning and strengthen contract management and enforcement of ESHS requirements.

The following key exceptions were noted:

1. Contrary to Regulation 4 (8) of the (PPDA) PDEs Regulations, 2023, the Accounting Officer failed to ensure continuity in reappointing members to the Contracts Committee, as the tenure of one of the five members had expired in May 2025 without an immediate replacement. Failure to fully constitute the Contracts Committee may negatively affect adjudication of recommendations from the Procurement and Disposal Unit as well as the award of contracts due to a lack of sufficient expertise/ experience;

2. In contravention of Section 10 (1) (a) of the PPDA Act, Cap. 205, which obliges Entities to take corrective action on the recommendations issued by the Authority, it was observed that the Entity had not implemented 78% of the recommendations of the Financial Year 2023/2024 audit report issued in June 2024. Failure to fully implement audit recommendations affects the performance of the procurement function and indicates a weak implementation mechanism within the Entity;

3. 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, wherever necessary, review and update its procurement plan. The Authority observed that the Entity implemented only 63.3% of its approved procurement plan and that there was no evidence of an update, contrary to the above requirement. A low procurement plan implementation rate hinders service delivery to the intended beneficiaries and could result in subsequent budget cuts for the entity due to failure to absorb allocated budgets;

4. Regulation 10 (a), (b) and (d) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 states that *"In the performance of its functions, a Contracts Committee shall confirm that (a) a statement of requirements is complete and suitable for the procurement or disposal; (b) the proposed evaluation methodology and criteria contained in the bidding documents are appropriate and applicable to the procurement or disposal requirement; and (d) the special conditions of the contract proposed in respect of a contract are appropriate"*. However, the Authority observed that the solicitation documents for three procurement transactions worth UGX 928,581,994 were inadequately prepared. The documents contained restrictive and unclear evaluation criteria that could limit competition and affect clarity in the bidding process;

5. Regulation 5 (1) of the PPDA (Evaluation) Regulation 2023 states that: "*The evaluation of bids shall be conducted in accordance with the evaluation criteria specified in the bidding documents"*. However, the Authority noted that in three procurement transactions totaling UGX 551,056,095, the evaluation committees approved bidders who did not meet the criteria set out in the bidding documents. This indicates that members of the Evaluation Committees lacked adequate capacity to review bids or were unethical, potentially compromising fairness and transparency in the evaluation process;

6. Section 51 of the PPDA Act, Cap. 205, states that: "all procurement and disposal shall be conducted in a manner that promotes economy, efficiency and value for money". However, the Authority observed that in four procurements worth UGX 1,255,677,994, there were delays at initiation and at contract signing. Delays in the procurement cycle affect the entire process and, in turn, lead to delays in service delivery to the intended beneficiaries;

7. Regulation 52 (3) (a) (vi) of the PPDA (Contracts) Regulations, 2023 requires a contract manager to ensure that all contractual obligations are completed before the contract expires. However, the Authority observed delayed completion of works in the procurement for the construction of Council Chambers – Phase II, worth UGX 519,642,880. Although the contractual completion date was 30th July 2025, physical verification on 17th September 2025 revealed that the works had not been completed and the contractor was not on site. Delayed contractual completion results in delayed service delivery and failure to attain value for money; and

8. Section 66 of the PPDA Act, Cap. 205 provides that a Procuring and Disposing Entity shall, for each procurement, take into account environmental protection, social inclusion, and the stimulation of innovation. However, the Authority noted that the Entity did not ensure the implementation of Environmental, Social, Health, and Safety requirements in two procurements worth UGX 660,694,264. Failure to implement environmental and social mitigation measures puts the communities where the projects are located at risk of the

harmful effects of environmental degradation, such as climate change, ecosystem destruction, air pollution, and depletion of natural resources.

Key Recommendations:

1. The Accounting Officer should:
    i. Establish a mechanism for monitoring the tenure of Contracts Committee members and ensure that the Head PDU submits reminders at least three months before the expiry of members' terms. This will enable timely initiation of the approval and appointment process to ensure continuity and full constitution of the Contracts Committee in compliance with Regulation 4 (8) of the PPDA (PDEs) Regulations, 2023.

    ii. Establish a structured mechanism for tracking and implementing audit recommendations, including preparing an implementation action plan with clear timelines, responsible officers, and periodic progress reviews. In addition, Management should designate an officer or committee to regularly monitor implementation status and report progress to Top Management to ensure that all recommendations issued by the Authority are fully implemented in a timely manner in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205; and

    iii. Task the Head of Works Department to prepare BOQs on time so that procurements are initiated on time in line with Section 51 of the PPDA Act, Cap. 205.

2. The Head Procurement and Disposal Unit should:
    i. Desist from advertising procurement opportunities, inviting bidders, or proceeding with any procurement activity until the procurement is approved and funding is confirmed by the Accounting Officer, in accordance with Regulation 3 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023;

    ii. Confirm that the bidding documents issued to bidders contain all the relevant required information, including adequate specifications in accordance with Regulation 34 of the PPDA (Rules and Methods for the Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023;

    iii. Involve the District Environmental Officer, the District Community Development Officer and the District Labour Officer in preparing the solicitation document to ensure that the Environmental, Social and Health Standards (ESHS) requirements are clearly captured in accordance with Section 66 of the PPDA Act, Cap. 205;

    iv. Prevail upon the Evaluation Committees to ensure that evaluations are conducted in accordance with the criteria set out in the bidding document and in accordance with Section 76(3) of the PPDA Act, Cap. 205, and Regulation 5(1) of the PPDA (Evaluation) Regulations, 2023.

3. The Contracts Committee should scrutinise the quality of bidding documents issued to bidders before approval, in line with Regulation 10 of the PPDA (PDEs) Regulations, 2023; and

4. The Accounting Officer, together with Management, should regularly review the implementation of the Entity's Procurement Plan and update it in accordance with Section 60(7) of the PPDA Act, Cap. 205, to ensure improved absorption of the Entity's Procurement Plan.

Napak District Local Government should implement the recommended action plan on pages **19 and 20** of the compliance inspection report.

CHAPTER ONE: INTRODUCTION

1.1 Background

The Public Procurement and Disposal of Public Assets Authority conducted a compliance inspection of the Napak District Local Government, covering a representative sample of ten procurement transactions for the Financial Year 2024/25. The inspection reviewed procurement structures, procurement and asset disposal processes, and contract performance, in accordance with the Public Procurement and Disposal of Assets Act, Cap. 205, and the attendant PPDA Regulations.

1.2 Overall Objective

The overall objective of the inspection was to assess and determine the degree of compliance of Napak 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 the attendant PPDA Regulations and to assess the level of procurement performance over the inspection period.

The specific objectives were to:

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

1.3 Structure of the Entity

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

i. Accounting Officer

Section 28 of the PPDA Act, Cap. 205 gives the Accounting Officer overall responsibility for the successful execution of procurement, disposal and contract management within the Procuring and Disposing Entity. The Chief Administrative Officer, Mr Robert Abia Owilli, was designated as the Entity's Accounting Officer for the Financial Year 2024/2025.

ii. Staffing of the Procurement and Disposal Unit

The details of the staff of the Procurement and Disposal Unit are shown in Table 1 below:

Table 1: Staff in the Procurement and Disposal Unit

No.	Name	Position	Qualifications
1.	Mr. Moses Quinto Keem	Senior Procurement Officer	Graduate Diploma CIPS, Bachelor's Degree in Procurement and Supply Chain Management, Post Graduate Diploma in Project Planning and Management and Post Graduate Diploma in Procurement and Supply Management
2	Mr. Callisto Sa al	Procurement Officer	Bachelor's Degree in Procurement and Supply Chain Management

iii. Composition of the Contracts Committee

Table 2 below shows the composition of the Contracts Committee during the inspection period:

Table 2: List of Contracts Committee Members

No	Name	Job Title	Position	Appointment Date
1.	Mr. Timothy Teko	Assistant District Health Officer	Chairperson	20th August 2023
2.	Mr. Anthony Longok	Town Engineer	Member	2nd May 2022
3.	Mr. Benard Akol	District Planner	Member	2nd October 2023
4.	Ms. Paulina. P. Lokongo	District Natural Resources Officer	Member	2nd October 2023
5.	Mr. Simon Peter Lodungokol	District Production Officer	Member	2nd October 2023

1.4 Scope of the Compliance Inspection

The inspection covered a sample of ten procurement transactions worth UGX 2,046,994,204 under the Financial Year 2024/2025. The list of sampled transactions is contained in Annex 2.

1.5 Methodology

On **9th September 2025**, the Entity was notified about the compliance inspection. A sample of ten procurement transactions conducted in the Financial Year 2024/2025 was selected based on stratified random sampling. The launch meeting was held on **15th September 2025** between the Authority's team and the Entity's officials.

Two officers conducted the exercise under the supervision of the Manager, Performance Monitoring. During the exercise, the team examined records and documents of the sampled procurement transactions. This involved a review of the Entity's procurement/disposal planning, initiation, bidding, evaluation, contract placement and processes.

On completion of file review, the team met with various stakeholders to discuss and obtain clarifications on some of the preliminary findings. A debrief meeting was held on **18th September 2025** between the team and the Entity's officials. A management letter was issued to the Entity for management's response on **3rd March 2026** and the Entity's responses to the raised issues were received on **30th March 2026**.

On completion of data collection and before writing the report, the Manager reviewed the working papers for completeness. The working papers contained 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 TWO: KEY FINDINGS AND RECOMMENDATIONS

2.1 COMPLIANCE BY THE ENTITY WITH THE GENERAL PROVISIONS OF THE PPDA ACT, CAP. 205, AND THE ATTENDANT PPDA REGULATIONS REGARDING THE PERFORMANCE OF THE PROCUREMENT STRUCTURES AND THE CONDUCT OF THE PROCUREMENT PROCESS

2.1.1 Failure to ensure the continuity of the Contracts Committee

Contrary to Regulation 4 (8) of the PPDA (PDEs) Regulations, 2023, the Accounting Officer failed to ensure continuity in reappointing members to the Contracts Committee, as the tenure of one of the five members, Mr. Anthony Longok, expired in May 2025 without an immediate replacement.

Implication

Failure to fully constitute the Contracts Committee may adversely affect the adjudication of recommendations from the Procurement and Disposal Unit and the award of contracts due to insufficient expertise and experience.

Management Response

The Accounting Officer submitted to the Permanent Secretary of the Ministry of Finance, Planning and Economic Development and proposed names for approval before appointment.

Authority's comment

The Authority acknowledges Management's efforts in submitting nominees to the Permanent Secretary/Secretary to the Treasury of the Ministry of Finance, Planning and Economic Development for approval. However, the delay in initiating the reappointment/replacement process created a gap in the full constitution of the Contracts Committee, contrary to Regulation 4 (8) of the (PPDA) PDEs Regulations, 2023, which requires continuity of membership of the Contracts Committee.

Recommendation

The Accounting Officer should establish a mechanism to monitor the tenure of Contracts Committee members and ensure that the Head PDU sends reminders at least three months before members' terms expire. This will enable timely initiation of the approval and appointment process, ensuring continuity and a fully constituted Contracts Committee in compliance with Regulation 4 (8) of the (PPDA) PDEs Regulations, 2023.

2.1.2 Failure to implement the previous audit recommendations

In contravention of Section 10 (1) (a) of the PPDA Act, Cap. 205, which obliges Entities to take corrective action on the Authority's recommendations, it was observed that the Entity had not implemented 78% of the recommendations of the Financial Year 2023/2024 audit report issued in June 2024.

Of the nine recommendations, only two (22%) had been fully implemented, five (56%) were partially implemented, and two (22%) had not been implemented at the time of this review. A detailed status of implementation is presented in Table 4 below:

Table 3: Implementation of previous audit recommendation

No.	Recommendations	Implementation status
1.	The Accounting Officer should ensure that: • The Procurement and Disposal Unit has cabinets and storage space in order to maintain and archive records of the procurement and disposal process in accordance with Section 44 (2) of the PPDA Act, Cap. 205.	Not implemented
	• Internal controls are enhanced to ensure full implementation of the Authority's previous audit recommendations;	Partially implemented
	• Appropriate corrective measures are taken to ensure that works are completed in accordance with the contractual performance requirements so that the Entity does not incur financial loss; and	Partially Implemented
	• Disposal of obsolete assets is done as recommended by the board of survey report in accordance with Regulation 3 of the PPDA (Disposal of Public Assets) Regulations, 2003.	Not Implemented
2.	User Departments should ensure effective contract management in accordance with Regulation 52 of the PPDA (Contracts) Regulations, 2023.	Partially Implemented
3.	The Head Procurement and Disposal Unit should ensure that Evaluation Committees conduct evaluations in accordance with the criteria set in the bidding document, in accordance with Section 76 (3) of the PPDA Act, Cap. 205; and ii. Maintain all procurement records in their respective procurement action files in accordance with Section 33 (o) of the PPDA Act, Cap. 205.	Partially implemented
4.	The Contracts Committee should ensure that the principles of fairness and transparency are observed in the evaluation process in accordance with Section 48 of the PPDA Act, Cap. 205 before approving the evaluation reports.	Partially implemented

Implication

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

Management Response

Management strives to implement audit recommendations, although some strategies are gradual. For instance, the procurement office is being improved through the construction of new council chambers, which will provide more office space and storage for documents.

Authority's comment

The Authority noted the Entity's response. However, the low level of implementation, with only 22% of the recommendations fully implemented at the time of the review, indicates inadequate follow-up and weak enforcement of corrective actions by the Entity. In addition, some partially implemented and unimplemented recommendations pertain to critical areas such as records management, contract management, disposal of obsolete assets, and implementation of internal controls, which continue to expose the Entity to operational inefficiencies and the risk of non-compliance.

Recommendation

The Accounting Officer should establish a structured mechanism to track and implement audit recommendations, including a clear implementation action plan with timelines, responsible officers, and periodic progress reviews. In addition, Management should designate an officer or committee to regularly monitor implementation status and report progress to Top Management to ensure that all recommendations issued by the Authority are fully implemented in a timely manner in accordance with Section 10 (1) (a) of the PPDA Act, Cap. 205.

2.1.3 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 observed that the Entity implemented only 63.3% of its approved procurement plan and that there was no evidence of an update, contrary to the above requirement. Details are provided in Table 5 below:

Table 4: Analysis of the implementation of the procurement plan

Total procurement plan value inclusive of VAT (UGX)	3,703,016,767
Procurement spend value inclusive of VAT (UGX)	2,344,460,467
Procurement plan Implementation Rate %	63.3
Budget variance (UGX)	1,358,556,300
Budget variance %	36.7

Implication

A low implementation rate for the procurement plan hinders service delivery to the intended beneficiaries and could result in subsequent budget cuts for the entity due to failure to absorb allocated budgets.

Management Response

All procurements for the financial year were implemented, except for the drilling of two boreholes for micro-scale irrigation, costing 42 million and 231 million, which were swept back to the treasury at the end of the financial year but have been reallocated to this financial year for implementation.
Also, the difference is attributed to the multi-annual project for Lopeei Seed Secondary School, captured in the plan at 900 million, yet not in the report on completed projects.

Recommendations

1. The Accounting Officer, together with Management, should regularly review the implementation of the Entity's Procurement Plan and update it in accordance with Section 60(7) of the PPDA Act, Cap. 205, to ensure improved absorption of the Entity's Procurement Plan.
2. The Head, Procurement and Disposal Unit, should capture only in the plan the amount that will be executed in the Financial Year for multi-year projects, in accordance with Regulation 3 of the PPDA (Planning) Regulations, 2023.

2.1.4 Poor market price assessment

Regulation 3(3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023 states that, "*In estimating the value of the supplies, works or non-consultancy services required and confirming the availability of funds required, a Procuring and Disposing Entity shall (a) base the estimate on an assessment of the market price; (b) seek technical advice, where required; and (c) ascertain that the confirmation of availability of funding takes into account the total cost of acquiring the requirement*". Notably, the Authority found poor market price assessment in two procurements worth UGX 408,939,114, resulting in variances between the estimated market price and the contract price. This indicates that the Entity did not take into account the total cost of acquiring the requirements during the planning stage. Details are provided in Table 5 below:

Table 5: Procurements where poor market price assessment was noted

No	Subject of Procurement	Contract Amount (UGX)	Market Price at initiation	Variance (UGX)	Variance (%)
1.	Construction of a piped water system at Iriiri Seed Secondary School	267,887,730	213,111,000	54,776,730	26
2.	Deep boreholes drilling and installation of 6 boreholes	141,051,384	180,300,000	(39,248,616)	22
Total		**408,939,114**	**393,411,000**		

Implication

Inaccurate market assessments undermine effective budgeting and may lead to either over-allocation or under-allocation of funds, thereby affecting resource optimisation and fiscal discipline.

Management Response

- *The scope of the piped water system project exceeded the available indicative planning figure, and delivering it in phases would not deliver maximum value for money. A negotiation agreement with the best-evaluated bidder to deliver the full scope of work as per the bid was reached, and the balance of payment was planned and to be paid in the second quarter of the subsequent financial year. This has been successfully achieved.*
- *The drilling project was well budgeted; however, the best-evaluated bidder achieved budget savings, as noted by the Authority, which led to the consideration of two more boreholes.*

Authority's comment

The Authority noted Management's response. However, the explanation for the construction of the piped water system confirms that the procurement was initiated without sufficient confirmed funding to cover the full scope of works, contrary to the requirements of Regulation 4 (1) (c) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023. In addition, although the drilling project resulted in savings, the significant variance between the estimated market price and the contract price indicates weaknesses in market price assessment and cost estimation during procurement planning.

Recommendations

1. The Accounting Officer should ensure that all procurement estimates are based on comprehensive, realistic market price assessments, supported by current market data and technical input, in accordance with Regulation 3(3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023, to enhance budgeting accuracy and promote value for money.
2. In future procurements involving phased payments across Financial Years, the Accounting Officer should obtain prior written confirmation from the Permanent Secretary/Secretary to the Treasury of the availability of funding before commencing the procurement process, in accordance with Regulation 4 (1) (c) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.5 Retrospective procurement process

Under Section 60(2) of the PPDA Act, Cap. 205, all Procuring and Disposing Entities are required to conduct procurement and disposal activities within a logical, pre-planned framework. However, the Authority noted that the procurement for the construction of a piped water system at Iriiri Road Secondary School, valued at UGX 267,887,730, was carried out retrospectively, after the contract had been awarded. The Contracts Committee approved the evaluation report on 12th February 2025, while the procurement was initiated on 3rd March 2025. The Authority attributed this to poor planning and delays by the Entity in initiating the procurement process.

Implication

This contravenes the principles of transparency, competition and fairness in public procurement.

Management Response

The procurement process was managed systematically, starting with the advert for the invitation in the New Vision publication on 9th January 2025 and continuing to conclusion, as per the documentation reviewed. The challenge was the delayed submission of requisition forms, leading to incorrect back-dates. Management strives to improve this area.

Recommendation

The Head, Procurement and Disposal Unit should refrain from advertising procurements, inviting bidders, or proceeding with any procurement activity until the procurement is approved and funding is confirmed by the Accounting Officer, in accordance with Regulation 3 of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.

2.1.6 Issuance of inadequate bidding documents

Regulation 10 (a), (b) and (d) of the PPDA (Procuring and Disposing Entities) Regulations, 2023 states that "In the performance of its functions, a Contracts Committee shall confirm that (a) a statement of requirements is complete and suitable for the procurement or disposal; (b) the proposed evaluation methodology and criteria contained in the bidding documents are appropriate and applicable to the procurement or disposal requirement; and (d) the special conditions of the contract proposed in respect of a contract are appropriate".

The Authority observed that the solicitation documents for three procurement transactions worth UGX 928,581,994 were inadequately prepared. The documents contained restrictive and unclear evaluation criteria that could limit competition and affect clarity in the bidding process. This may have been due to a lack of capacity among the Contracts Committee members to review the bidding documents. Details are provided in Table 6 below:

Table 6: Procurements with inadequacies in the bidding documents

No	Details of procurements	Contract Amount (UGX)	Inadequacies in the bidding document	Management Response
1.	Construction of piped water system at Iriiri road secondary school	267,887,730	• **Restrictive evaluation criteria.** Bidders were required to provide evidence of experience of projects above	*This shall be improved on*

No	Details of procurements	Contract Amount (UGX)	Inadequacies in the bidding document	Management Response
			UGX 400,000,000 yet the project was estimated at only UGX 213,000,000. • Unclear contractual terms. GCC 18.1 stated that the minimum insurance cover shall be 0.05 of the contract sums. However, it did not indicate the specific insurance required e.g., insurance for equipment or personal injury.	
2.	Construction of Council Chambers Phase II	519,642,880	• Failure to require an advance payment guarantee. GCC 60.1 stated that advance payment will be paid to the contractor upon mobilization of materials and equipment to the site. However, the advance payment should have been contingent upon provision of an advance payment guarantee.	*The contractor provided advance payment guarantee before payments were made. Attached is the evidence.* **Authority's comment** The Authority noted Management's response and the evidence provided indicating that an advance payment guarantee was submitted prior to payment. However, the solicitation document did not expressly provide in the Special Conditions of Contract that release of advance payment was conditional upon submission of a valid advance payment guarantee. Failure to clearly stipulate this requirement may create ambiguity during contract implementation and exposes the Entity to the risk of making unsecured advance payments.

No	Details of procurements	Contract Amount (UGX)	Inadequacies in the bidding document	Management Response
			• Unclear evaluation criteria. The requirements for the following personnel did not indicate the required academic qualifications and level of experience. a. Environmental Officer b. Social Development Officer c. The Bill of quantities did not provide for ESHS issues.	This was an oversight to be improved on.
3.	Deep boreholes drilling and installation of 6 boreholes	141,051,384	**Failure to cost ESHS issues.** Whereas items such as environmental mitigation had been included in the BOQs, the contractor did not quote for them and was awarded the contract.	*This being a lumpsum contract its assumed the contract price covers all the items in the B.O.Q.* **Authority's comment** Management's response is not tenable. Although the contract was awarded on a lump-sum basis, Environmental, Social, Health and Safety (ESHS) requirements are mandatory obligations that should be clearly costed, provided for, and enforceable during contract implementation. Awarding a contract to a contractor who did not quote for the ESHS items undermines the Entity's ability to ensure compliance with environmental and social safeguards and increases the risk of non-implementation of critical mitigation measures during execution of the works.
Total		**928,581,994**		

Implication

Issuance of inadequate bidding documents may lead bidders to misunderstand the Entity's requirements and subsequently submit poorly prepared and non-responsive bids. Similarly, it may confuse bidders and become a source of potential conflicts with the Entity.

Recommendations

1. The Head, Procurement and Disposal Unit, should confirm that the bidding documents issued to bidders contain all the relevant required information, including adequate specifications, in accordance with Regulation 34 of the PPDA (Rules and Methods for the Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
2. The Contracts Committee should scrutinise the quality of bidding documents issued to bidders before approval, in line with Regulation 10 of the PPDA (PDEs) Regulations, 2023.

2.1.7 Low bidder participation

In contravention of Section 49 of the PPDA Act, Cap. 205, which provides that all procurement and disposal processes be conducted in a manner that promotes maximum competition and the attainment of value for money, the Authority noted that for three procurements worth UGX 474,107,852, the Entity received fewer than three bids in response to the invitations to bid. This may have been due to a loss of credibility by the Entity in the eyes of potential bidders. The procurements with low bidder participation are indicated in Table 8 below:

Table 7: Inadequate procurements with low bidder participation

No	Procurement	Amount (UGX)	Bids received	Firms invited
1.	Supply of chemical reagents and science kits to Iriri and Lopeei Seed Schools	102,546,000	2	Advert
2.	Supply of computers and accessories to Iriri and Lopeei Seed Schools	327,096,000	2	Advert
3.	Completion of Production store at the District Headquarters	44,465,852	2	3
Total/Advert		**474,107,852**	**2**	

Implication

Inadequate competition inhibits the achievement of value for money.

Management response

The Ministry of Education advert covered over 40 seed secondary schools for the above supplies. Bidders were overwhelmed to the extent that they didn't want to bid to far-reaching districts, yet the cost of supplies was standardized across the board.

Recommendations

The Authority noted the Entity's response and recommends as follows:

1. The Accounting Officer should organise supplier forums to deliver training, gather feedback from bidders on factors that may be hindering competition, and identify appropriate remedies to boost competition within the Entity, in accordance with Section 49 of the PPDA Act, Cap. 205.
2. The Accounting Officer should engage and collaborate with the Ministry of Education and Sports to review and improve the cost estimation approach for procurements initiated and advertised at the Ministry so that the estimates adequately take into account the unique characteristics, accessibility challenges, and logistical requirements of the respective delivery locations. This will help ensure that estimated costs realistically reflect the actual

cost of supplying remote districts, thereby attracting greater bidder participation, enhancing competition, and promoting value for money in accordance with Section 49 of the PPDA Act, Cap. 205.

2.1.8 Irregularities at bid evaluation

Regulation 5(1) of the PPDA (Evaluation) Regulation 2023 states: "The evaluation of bids shall be conducted in accordance with the evaluation criteria specified in the bidding documents". However, the Authority noted that in three procurement transactions worth UGX 551,056,095, the evaluation committees passed bidders who did not meet the criteria set out in the bidding documents. The Authority attributed this to restrictive requirements in the bidding documents. Details are provided in Table 8 below:

Table 8: Procurements for which irregularities at evaluation were noted

No.	Subject of the procurement	Contracts Value (UGX)	Observations
1.	Construction of a chain fence at Napak Seed	158,121,926	Clause C of the technical requirements, required bidders to attach bank statements for the last six months. However, Joloks Fast General Supplies Ltd (BEB) submitted a bank statement from Centenary Bank covering the period from 1st May 2024 to 15th July 2024, which was only two and a half months.
2.	Construction of chain link fence at Loparipar Primary School	125,046,439	Clause B of the technical requirements, required bidders to submit at least a 4-ton tipper lorry with ownership details or lease agreements, which Jong Empire International (BEB) did not provide.
3.	Construction of piped system at Iriiri road secondary school	267,887,730	• The BEB was not compliant on the requirement of possession of a 4-ton tipper lorry, evidence submitted was for a premio, town ace and Bajaj. This was contrary to the requirements of clause B of the technical requirements. • The BEB was not compliant on the requirement of experience in at least one construction above UGX 400, 000,000, contrary to clause A of the technical requirements.
Total		**551,056,095**	

Implications

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

Management Response

Management has taken note of the findings and recommendations and will ensure that more capacity building is provided for members conducting evaluations.

Recommendations

1. The Head Procurement and Disposal Unit should prevail upon the Evaluation Committees to ensure that evaluations are conducted according to the criteria set in the bidding document in accordance with Section 76 (3) of the PPDA Act, Cap. 205 and Regulation 5 (1) of the PPDA (Evaluation) Regulations,2023.
2. The Head Procurement and Disposal Unit should eliminate the use of restrictive requirements during the bid preparatory exercise in accordance with Regulation 47 (5) of the PPDA (Rules and methods for procurement of Supplies, Works and Non- Consultancy Services) Regulations, 2023.

2.1.9 Delays at various stages of the procurement process

Section 51 of the PPDA, Act Cap. 205 states that: *"all procurement and disposal shall be conducted in a manner that promotes economy, efficiency and value for money"*. However, the Authority observed that in four procurements worth UGX 1,255,677,994, there were delays at initiation and contract signing as indicated in Table 10 below:

Table 9: Showing delays at contract signing

No	Subject of Procurement	Contract Amount (UGX)	Observations	Management Response
1.	Construction of a piped water system at Iriiri Road Secondary School	267,887,730	Delayed initiation. The planned initiation date was 5th September 2024, but the actual initiation was 3rd March 2025, a delay of 5 months.	*Delay attributed to the lengthy process of finalising the feasibility report for the system design.* **Authority's comment** The Authority noted the Entity's response; however, the Entity should have undertaken the feasibility study much earlier.
2.	Construction of Council Chambers phase II at District Headquarters	519,642,880	Delayed initiation. The planned initiation date was 5th September 2024, but the actual initiation was 3rd March 2025, a delay of 5 months.	*Delay attributed to the delayed preparation of the bills of quantities.* **Authority's comment** The Authority noted the Entity's response. However, the delay was avoidable as the Bills of Quantities should have been prepared and finalized before the planned initiation date to facilitate timely
3.	Deep boreholes drilling and installation of 6 boreholes	141,051,384	Delayed initiation. The planned initiation date was 5th September 2024, yet the actual initiation was 11th November 2024, a delay of two months.	

No	Subject of Procurement	Contract Amount (UGX)	Observations	Management Response
				commencement of the procurement process.
Total		1,255,677,994		

Implication
A delay in the procurement cycle affects the entire process, which in turn leads to delays in service delivery to the intended beneficiaries

Recommendations
1. The Accounting Officer should direct the Head of the Works Department to prepare BOQs on time so that procurement is initiated on time in line with Section 51 of the PPDA Act, Cap. 205.
2. The Accounting Officer should take appropriate measures to ensure that procurements are carried out in a manner that promotes economy and efficiency, as required by Section 51 of the PPDA Act, Cap. 205.

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 dispose of obsolete items
Regulation 3(2) of the PPDA (Disposal of Public Assets) Regulations, 2023 provides that: "*A User Department may initiate a process for the disposal of public assets where the board of survey of the Entity recommends the disposal of a public asset*".

The Entity presented its 2024/2025 Financial Year Disposal Plan, which listed various non-functional and unused assets for disposal, specifically: 4 Toyota Hilux vehicles, 9 Yamaha motorcycles, 10 Honda XR motorcycles, 1 Suzuki station wagon (UG 3718M), 1 Ford Ranger (UG 1059M), 4 Bajaj motorcycles, and 5 bicycle ambulances. However, at the time of the inspection, the Entity had not yet commenced disposal proceedings, despite the Board of Survey's recommendations and the formal inclusion of these items in the approved disposal plan.

Implications
- Failure to dispose of assets whose use has ceased inhibits the achievement of value for money, as funds are tied up in these assets and lost through their depreciation.
- This also exposes the assets to possible theft, destruction or vandalism.

Management Response
The disposal process was delayed due to the chief mechanical engineer's busy schedule in finalising the motor vehicles' final values; however, an officer has been assigned, and management has facilitated the process. We look forward to disposing of this financial year.

Recommendation
The Accounting Officer should, upon receipt of the final valuation from the Chief Mechanical Engineer, expedite the disposal of the identified obsolete and non-functional assets in accordance with Regulation 3 (2) of the PPDA (Disposal of Public Assets) Regulations, 2023.

2.3 EFFICIENCY AND EFFECTIVENESS IN CONTRACT IMPLEMENTATION, INCLUDING THE APPLICATION OF ENVIRONMENTAL, SOCIAL, HEALTH AND SAFETY REQUIREMENTS IN THE PROCUREMENT PROCESS

2.3.1 Delayed completion of works

Regulation 52 (3) (a) (vi) of the PPDA (Contracts) Regulations, 2023 requires a contract manager to ensure that all contractual obligations are fulfilled before the contract expires.

The Authority observed delays in completing the works for the procurement of the Council Chambers – Phase II, valued at UGX 519,642,880. Although the contractual completion date was 30th July 2025, physical verification on 17th September 2025 revealed that the works had not been completed and the contractor was not on site.

Implications

- Delayed contractual completion results in delayed service delivery and failure to attain value for money.
- Prolonged project completion results in the commitment of more resources in terms of staff and time to projects that would have otherwise been completed.

Management response

This project was affected by structural challenges at the start of the contract, as the slab had been in place for over 10 years. This required the contractor to make careful corrections to the slab, which took time. However, the phase II construction work scope was completed, and the third phase is ongoing.

Recommendation

The Authority noted Management's response and recommends that, in future, where project implementation is affected by unforeseen structural or technical challenges, the Contract Manager should promptly initiate and process change orders to extend the contract completion period in accordance with Regulation 53 of the PPDA (Contracts) Regulations, 2023. The Accounting Officer should also ensure close supervision of ongoing work and enforce the timely completion of projects to avoid delays in service delivery and the escalation of administrative and contract management costs.

2.3.2 Failure to implement ESHS issues

Section 66 of the PPDA Act, Cap. 205 provides that a Procuring and Disposing Entity shall, for each procurement, take into account environmental protection, social inclusion and the stimulation of innovation. However, the Authority noted that the Entity did not ensure the implementation of Environmental, Social, Health and Safety measures in the procurements indicated in Table 11 below:

Table 10: Procurements without ESHS Issues

No	Subject of Procurement	Contract Amount (UGX)	observation
1.	Construction of Council chambers Phase II at the District Headquarters	519,642,880	The BOQs did not provide for ESHS issues
2.	Drilling and installation of six deep boreholes	141,051,384	Although items such as environmental mitigation were included in the BOQs, the contractor did not quote for them, yet he was

No	Subject of Procurement	Contract Amount (UGX)	observation
			awarded the contract. Consequently, these were not implemented.
Total		**660,694,264**	

Implication
Failure to implement environmental and social mitigation measures puts the communities where the projects are located at risk of the harmful effects of environmental degradation, such as climate change, ecosystem destruction, air pollution, and depletion of natural resources.

Management Response
Management has taken note of the auditor's recommendation to involve departments of natural resources and community development in the bid preparation process.

Recommendation
The Head, Procurement and Disposal Unit should involve the District Environmental Officer, District Community Development Officer, and the District Labour Officer in the preparation of the solicitation document to ensure that the Environmental, Social, and Health Standards (ESHS) requirements are clearly captured in accordance with Section 66 of the PPDA Act, Cap. 205.

2.3.3 Failure to deliver services
Section 51 of the PPDA Act, Cap. 205, requires that all procurement and disposal activities be conducted in a manner that promotes economy, efficiency, and value for money. Contrary to this requirement, the Authority observed instances of failed and incomplete deliveries in the following procurements:

i. In the procurement for drilling and installation of six deep boreholes valued at UGX 141,051,384, the contractor failed to deliver three borehole sites. Although the contract included a siting component, the District Water Officer reported that three boreholes were not drilled due to poor underground water potential, despite several attempts. This raises concerns about the contractor's competence in the siting process.
ii. In the procurement for the design, supply and installation of micro-scale irrigation systems, the Entity failed to deliver services valued at UGX 233,304,584. Of the sixteen approved farmers, contracts were signed with only 8, and funds totaling UGX 171,664,525 were returned to the Treasury. This was attributed to the farmers' inability to contribute their co-founding portion.

Implication
This denied services to the intended beneficiaries, thereby inhibiting the achievement of value for money.

Management response
Drilling of six boreholes at selected sites was affected by areas with poor groundwater potential. In three instances, the contractor encountered dry wells. However, the three sites were relocated, and all six boreholes have been drilled and are in use.

In microscale irrigation systems, delays were caused by farmers' slow response to pay commitment fees. However, funds have been reallocated, and management has engaged the contractor to come and install for the eight beneficiaries.

Authority's comments

The Authority noted Management's response that the three boreholes were eventually relocated and drilled, and are now operational. However, the initial failure to identify viable drilling sites, despite the inclusion of a siting component, raises concerns about the adequacy and effectiveness of the contractor's hydrogeological assessment and site identification process. The Entity should ensure that future evaluations adequately assess bidders' technical capacity and experience in borehole siting and drilling to minimise the risk of dry wells and failed deliveries.

Regarding the micro-scale irrigation systems, the Authority noted that implementation was affected by some farmers' inability to meet their co-funding contributions, resulting in partial execution of the project and the return of funds to the Treasury. The Entity should have undertaken adequate sensitisation and mobilisation of beneficiaries prior to contract award to confirm their readiness and financial commitment. In addition, Management should liaise with the responsible Ministry to address challenges affecting beneficiary co-funding arrangements to ensure effective implementation of such projects.

Recommendations

1. The Head, Procurement and Disposal Unit, should ensure that appropriate evaluation criteria are established and applied to assess bidders' technical competence and experience, particularly for specialised works such as borehole siting and drilling, in accordance with Regulation 47(3) of the PPDA (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2023.
2. The Accounting Officer should strengthen beneficiary sensitisation and mobilisation prior to the implementation of co-funded projects to confirm beneficiaries' readiness and ability to meet their obligations. Management should also engage the relevant Ministry to address challenges associated with beneficiary co-funding and ensure the timely and full implementation of the projects.

CHAPTER THREE: OVERVIEW OF THE PERFORMANCE OF THE ENTITY

3.1 Overall Inspection Conclusion

The performance of Napak District Local Government for the Financial Year 2024/25 was moderately satisfactory, with an overall weighted average risk rating of **46%.**

3.2 Entity's Performance

The risk rating was weighted to determine the Entity's overall risk level. The weighting was derived using the average weighted index shown in Table 11 below:

Table 11: Summary of Performance of Napak District Local Government

Risk Category	Number of Sampled Procurements	% No	Value (UGX)	% Value	Weights	Total weighted average	
						By No.	By Value
High	3.0	30.0	612,118,882	29.9	0.6	18.0	17.9
Medium	1.0	10.0	519,042,880	25.4	0.3	3.0	7.6
Low	5.0	50.0	757,276,217	37.0	0.1	5.0	3.7
Satisfactory	1.0	10.0	158,556,225	7.7	0.0	0.0	0.0
Total	**10.0**	**100.0**	**204,994,204**	**100.0**	**1.0**	**26.0**	**29.2**

Weighted Average (By no.) = $\frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{26}{60} \times 100 = 43\%$

Weighted Average (By Value) = $\frac{\sum \text{Weighted Score}}{60} \times 100 = \frac{29.2}{60} \times 100 = 49\%$

The average weighted risk rating = $\frac{43+49}{2}$ = **46**

Since 46% falls within the 31% - 70% risk range, the performance of the Entity is rated **Moderately Satisfactory** as detailed in Table 12 below:

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 Value

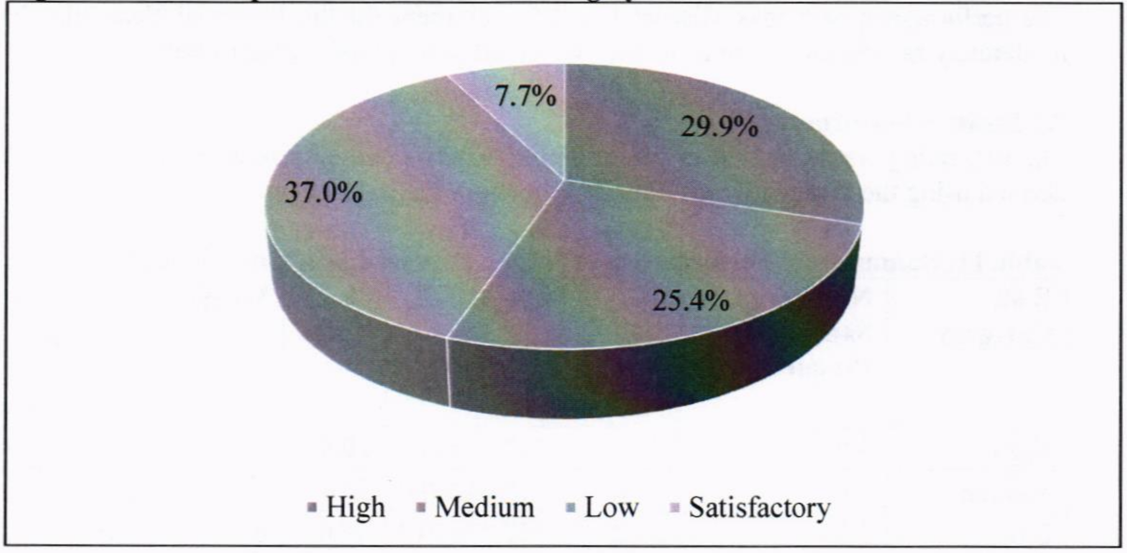
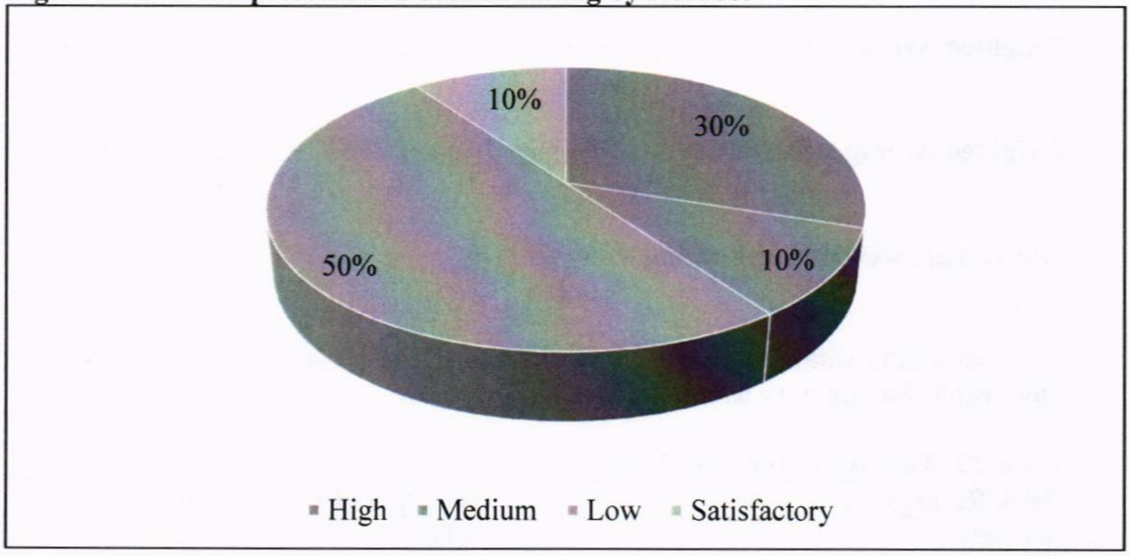


Figure 2: Chart Representation of Risk Rating by Number



3.4 Inspection Opinion/Conclusion

The procurement and disposal activities of Napak District Local Government for the Financial Year 2024/25 were affected by weaknesses in procurement planning, bid preparation and evaluation, contract management, and implementation of Environmental, Social, Health and Safety (ESHS) requirements. The Authority further noted that a substantial proportion of recommendations from the previous inspection remained unimplemented, the Contracts Committee was not fully constituted, and several procurements were characterised by delays. These weaknesses increased the Entity's exposure to procurement, contract management and service delivery risks.

While the weaknesses identified were not considered significant enough to undermine the overall integrity of the procurement and disposal system, they reveal shortcomings in management oversight, implementation of the Authority's recommendations, procurement planning and contract management. If not addressed, these deficiencies are likely to affect service delivery, weaken accountability and transparency, limit competition, reduce value for money and increase exposure to contract management risks.

Accordingly, the performance of Napak District Local Government for Financial Year 2024/25 is assessed as **Moderately Satisfactory**, with an overall weighted average risk rating of **46%.** However, the identified weaknesses require focused management interventions to strengthen governance and oversight, improve implementation of the Authority's recommendations, enhance procurement planning and strengthen contract management and enforcement of ESHS requirements.

3.5 Recommended Action Plan

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

Table 13: Recommended Action Plan

Finding	Action/Recommendation	Responsible Officer	Timeline
Delayed reconstitution of the Contracts Committee	Establish a mechanism for monitoring the tenure of Contracts Committee members and ensure that reminders are submitted at least three months before expiry.	Accounting Officer/ Head PDU	Within 30 days
Failure to implement previous recommendations	Designation of an officer or committee to monitor implementation status and report progress to Top Management.	Accounting Officer	Within 30 days
Delayed initiation of procurements	Ensure timely preparation of Bills of Quantities (BOQs) to facilitate timely initiation of procurement requirements.	Accounting Officer / Head of Works Department	Ongoing
Weak incorporation of ESHS requirements in procurement documents	Involve the District Environmental Officer, District Community Development Officer and District Labour Officer in preparing solicitation documents to ensure ESHS requirements are adequately incorporated.	Head Procurement and Disposal Unit/Relevant Sector Specialists	Ongoing
Irregularities during bid evaluation	Ensure that Evaluation Committees strictly adhere to the evaluation criteria specified in solicitation documents when conducting evaluations.	Head Procurement and Disposal Unit / Evaluation Committees	Ongoing
Poor quality of solicitation documents	Scrutinise bidding documents thoroughly before approval to confirm adequacy, completeness and clarity of	Contracts Committee	Ongoing

Finding	Action/Recommendation	Responsible Officer	Timeline
	requirements and evaluation criteria.		
Low procurement plan implementation	Regularly review and update the Procurement Plan to ensure realistic planning, effective implementation, and improved absorption of planned procurement activities.	Accounting Officer/ Management	Ongoing

ANNEXES

Annex 1: Risk Rating Per Case

No	HIGH RISK CONTRACTS	REASONS FOR HIGH RISK
1.	**Subject**: Deep borehole drilling and installation of 6 boreholes **Reference number:** Nap907/Wrks/24-25/DWSG/00011 **Procurement method**: Restricted domestic bidding **Contractor**: Adira Solutions Ltd **Contract signature date:** 24th /02/2025 **Contract value:** UGX 141,051,348 **Intended completion:** 30th June 2025 **Defects liability period:** 6 months	Initiation • Delayed initiation, the planned initiation date was 5th sept 2024, while actual was 11th November 2024. Bidding document • There were no provisions for ESHS issues in the BOQs whereas items such as environmental mitigation had been included in the BOQs, the contractor did not quote for them and was awarded the contract. Contracting and contract management • Poor market price assessment. The estimated market price of the procurement was UGX 180,300,000; however, the contract was signed at UGX 141,051,384 thus a variance of UGX 39,248,616 that could have constructed two additional boreholes. • Failure to deliver three borehole sites. Whereas, the contract included a siting component, the district water officer indicated that three of the boreholes had not been drilled due to poor underground water potential with several attempts made. Which brings into doubt the competence of the contractor regarding the siting element.
2.	**Subject**: Construction of piped water system at Iriiri Seed Secondary School **Reference number:** Napa907/Wrks/24-25/UGFT/0008 **Procurement method**: Open domestic bidding **Contractor**: Mivule Trust Power Solutions Ltd **Contract signature date:** 7th /03/2024 **Contract value:** UGX 267,887,730 **Intended completion:** 30th June 2025 **Defects liability period:** 6 months	**Initiation** • Delayed initiation. The planned initiation date was 5th sept 2024, but actual was 3rd march 2025. **Bidding document** • Restrictive evaluation criteria. Bidders were required to provide evidence of experience of projects above UGX 400,000,000 yet the project was estimated at only UGX 213,000,000. **Evaluation** • The BEB was not compliant on the requirement of possession of a 4-ton tipper lorry. Evidence submitted was for a premio, town ace and Bajaj. • The BEB was not compliant on the requirement of experience in at least one construction above 400m. **Contracting** • Poor market price assessment. Whereas the estimated market price of the procurement was UGX 213,111,000, the contract was signed at UGX 267,887,730 • Retrospective procurement process. There was evidence that the process was done retrospectively after contract award. Contracts committee approval of the process was dated 12th February

		2025 while the process was initiated on 3rd March 2025.
3.	**Subject**: Design, supply and installation of micro irrigation systems **Reference number:** **Nap907**/Wrks/24-25/DWSG/00011 **Procurement method**: Restricted domestic bidding **Contractor**: Adira Solutions Ltd **Contract signature date:** 24th /02/2025 **Contract value:** UGX 141,051,348 **Intended completion:** 30th June 2025 **Defects liability period:** 6 months	In the procurement for design, supply and installation of micro scale irrigation systems, the Entity failed to deliver services worth UGX 233,304,584. Of the sixteen farmers approved, the contract was signed with only 8 farmers and funds worth UGX 171,664,525 were returned to the Treasury.

Medium risk

No.	MEDIUM RISK CONTRACTS	REASONS FOR MEDIUM RISK
1.	**Subject**: Construction of council chambers Phase II at the District Head quarters **Reference number:** Napa907/Wrks/24-25/DDEG/00011 **Procurement method**: Restricted bidding **Contractor**: Chem Holdings Ltd **Contract signature date:** 26th /02/2025 **Contract value:** UGX 519,642,880 **Intended completion:** 30th June 2025 **Defects liability period:** 6 months	**Initiation** • Delayed initiation. The planned start date was 5th September 2024 but actual was 16th December 2024. **Bidding document** • Unclear evaluation criteria. The requirements for the following personnel did not indicate the required academic qualifications and level of experience. *Environmental Officer* *Social Development Officer* • The BOQs did not provide for ESHS issues **Evaluation** • Failure to require an advance payment guarantee. GCC 60.1 stated that advance payment would be paid to the contractor upon mobilization of materials and equipment to the site. However, the advance payment should have been contingent upon provision of an advance payment guarantee.e **Contracting** • Confusing requirements. GCC 61.1 provides that a performance securing declaration shall be required, the same requirement states that a performance securing declaration shall be for 8% of the contract price. This is confusing since the bidders are not clear on whether the requirement is for a performance security or performance securing declaration. • Delayed completion. The projected completion date was 30th July 2025, but by this date works were not yet complete.

Low risk

NO	LOW RISK	REASONS FOR LOW RISK
2.	**Subject**: Construction of chain fence at Napak Seed **Reference number:** Napa907/Wrks/24-25/00005 **Procurement method**: Quotations **Contractor**: Joloks Fast General Supplies Limited **Contract signature date:** 17th /12/2024 **Contract value:** UGX 158,121,926 **Intended completion:** 30th January 2025	**Evaluation** The evaluation criteria required bidders to attach evidence of a bank statement for the last six months. However, Joloks Fast General Supplies Ltd (BEB) submitted a Bank, statement from Centenary bank for a period form 1st May 2024 to 15th July 2024.
3.	**Subject**: Supply of chemicals reagents and science kits to Iriri and Lopeei Seed Schools **Reference number:** Napa907/Supls/UGIFT/00013 **Procurement method**: Open domestic bidding **Contractor**: St. Francis Medicare **Contract signature date:** 7th March 2025 **Contract value:** UGX 102,546,000 **Intended delivery:** 7th April 2025 **Warranty:** 24 months	**Initiation** • There was delayed initiation. The planned initiation was scheduled on 5th September 2024 while the actual initiation was made 0n 15th October 2024 and hence a delay of 40 days. **Bidding** • Low bidder participation. Only two firms returned their bids.
4.	**Subject**: Supply of computers and accessories to Iriri and Lopeei Seed Schools **Reference number:** Napa907/Supls/UGIFT/00012 **Procurement method**: Open domestic bidding **Contractor**: St. Mary's Computer Technologies Ltd **Contract signature date:** 7th March 2025 **Contract value:** UGX 327,096,000 **Intended delivery:** within 45 days after contract signing	**Bidding** Low bidder participation. Only two firms returned their bids.
5.	**Subject**: Completion of Production store at the District Headquarters **Reference number:** Napa907/Wrks/24-25/MG/00023 **Procurement method**: Open domestic bidding **Contractor**: Link Investments Ltd **Contract signature date:** 17th /12/2024	**Bidding** • There was low bidder participation. Only two bids were returned from Trusted Masters supply Limited and link investments Ltd.

	Contract value: UGX 44,465,852 **Intended completion:** 30th April 2025 **Defects liability period:** 6 months	
6.	**Subject**: Construction of chain link fence at Loparipar Primary School **Reference number:** Napa907/Wrks/24-25/MG/00002 **Procurement method**: Open domestic bidding **Contractor**: Jong Empire International Limited **Contract signature date:** 17th /12/2024 **Contract value:** UGX 125,046,439 **Intended completion:** 30th April 2025 **Defects liability period:** 6 months	**Evaluation** The evaluation criteria required bidders to submit at least 4-ton tipper lorry with ownership details or lease agreements that Jong Empire International (BEB) did not submit as a requirement.

No	SATISFACTORY CONTRACTS	REASONS FOR SATISFACTORY
1.	**Subject**: Construction of a four-unit staff house at Nabwal Primary School **Reference number:** Napa907/Wrks/2024-2025/00003 **Procurement method**: Quotations **Contractor**: Kadam Trans- Tech Services Ltd **Contract signature date:** **Contract value:** UGX 158,556,225 **Intended completion:** 30th April 2025 **Site possession:** 13th January 2025	No exceptions noted

Annex 2: Transaction list and rating per case

No.	Reference Number	Subject of Procurement	Method of Procurement	Provider	Contract Amount (UGX)	Risk Rating
1.	Nap907/Wrks/24-25/MG/00002	Construction of chain link fence at Loparipar primary School	Open bidding	Jong Empire International Ltd	125,046,439	Low
2.	Nap907/Wrks/24-25/MG/00005	Construction of chain link fence at Napak seed secondary School	Quotations	Joloks fast general supplies Ltd	158,121,926	Low
3.	Nap907/Wrks/24-25/MG/00003	Construction of four-unit staff house at Nabwals Primary School	Quotations	Kadam Transtech Services Ltd	158,556,225	Satisfactory
4.	Nap907/Wrks/24-25/MG/00023	Completion of production store at the District Headquarters	Quotations		44,465,852	Low
5.	Nap907/Wrks/24-25/MG/00006	Construction of IRIIRI piped water system phase 1	Restricted domestic bidding	Mivule power solutions Ltd	267,887,730	High
6.	Nap907/Wrks/24-25/MG/00007	Deep borehole sitting, drilling and installation	Restricted domestic bidding	Aadhira Solutions Ltd	141,051,384	High
7.	Nap907/Wrks/24-25/DDEG//00011	Construction of council chambers at the District Headquarters	Restricted domestic bidding	Chem Holdings Ltd	519,042,880	Medium
8.	Nap907/Wrks/24-25/00008	Design, supply and installation of micro scale systems	Open domestic bidding	Hezmet services Ltd	203,179,768	High
9.	Nap907/Supls/24-25/UGIFT/00013	Supply of chemical reagents and science Kits to Iriiri and Lopeel Seed Schools	Open domestic bidding	St Francis Medicare Ltd	102,546,000	Low
10.	Nap907/Supls/24-25/UGIFT/00013	Supply of ICT Equipment to Iriiri and Lopeel seed schools	Open domestic bidding	St Mary's computers Technologies Ltd	327,096,000	Low
	Total				**2,046,994,204**	

Annex 3: Risk Rating Criteria

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

RISK	DESCRIPTION	AREA	IMPLICATION
	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.	issue and receipts of bids, usage of non-pre-qualified firms and splitting procurement requirements.	
		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 a 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, health and safety are not covered by the contractor during contract implementation.	
LOW	Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency or to ensure that the business matches	**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.

RISK	DESCRIPTION	AREA	IMPLICATION
	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.		

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.